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ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS

ASSESSMENT OF THE PERFORMANCE OF PROMOTIONAL TOOLS IN  
INFORMING, PERSUADING & REMINDING CUSTOMERS: A CASE OF  
ETHIOPIAN INSURANCE CORPORATION.

BY  
DERESSE BELAYNEH

A RESEARCH PROJECT SUBMITTED TO ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS  
ADMINISTRATION (SPECIALIZE IN FINANCIAL SERVICES).

JUNE, 2019  
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ADVISOR: TILAHUN TEKLU (PhD)

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## DECLARATION

I, the undersigned, student would like to declare this research project entitled “**Assessment of the Performance of Promotional Tools In Informing, Persuading & Reminding Customers: A Case of Ethiopian Insurance Corporation**” is outcome of my own effort and that all sources used to produce the study have been acknowledged appropriately. This study has not been produced by others in any other institutions or universities for any other requirements in any form.

Deresse Belayneh Engidasew (Dip CII, FLMI)

(The researcher)

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

Statement of Certification

This is to certify that **Deresse Belayneh** has completed his research project entitled “**Assessment of the Performance of Promotional Tools in Informing, Persuading & Reminding Customers: A Case of Ethiopian Insurance Corporation**” is his original work and is submitted for examination with my approval as a research project.

**Tilahun Teklu (PhD)**

Advisor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Addis Ababa University**  
**College of Business and Economics Graduate Program**

This is to certify that the research project entitled, “**Assessment of the performance of Promotional Tools in Informing, Persuading & Reminding Customers: A Case of Ethiopian Insurance Corporation**” was carried out by Deresse Belayneh under the supervision of Tilahun Teklu (Ph.D) submitted in partial fulfillment of the requirements for the degree of Master of Business Administration (specialize in financial service) complies with the regulations of the University.

**Approved by the Examiners**

_____	_____	_____
Name of External Examiner	Signature	Date

_____	_____	_____
Name of the Internal Examiner	Signature	Date

<u>Tilahun Teklu (Ph.D)</u>	_____	_____
Name of Advisor	Signature	Date

## **DEDICATION**

This study is dedicated to my beloved family especially my wife Emebet Melakebrhan who is infinitely supportive and my loving daughters Hemen and Wengel Deresse for their constant encouragement and patience throughout my academic struggle and for their moral and support thus realizing my long cherished dream

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## **List of Acronyms**

AD	-	Advertising
BA	-	Bachelor of Arts
CII	-	Chartered Insurance Institute
Dip	-	Diploma
EBC	-	Ethiopian Broadcasting Corporation
EBS	-	Ethiopian Broadcasting Service
EIC	-	Ethiopian Insurance Corporation
FLMI	-	Fellow, Life Management Institute
LOMA	-	Life Office Management Association
PR	-	Public Relations
SC	-	Share Company
SPSS	-	Statistical Packaging for Social Science
NBE	-	National Bank of Ethiopia
TV	-	Television

## **Abstract**

*The purpose of this research project is to assess the performance of promotional tools adopted by the Ethiopian Insurance Corporation (EIC) in respect of informing, persuading and reminding its actual and potential customers. The study dealt with the promotional elements i.e. advertising, sales promotion, personal selling and public relations practices of EIC. The study focused on customers in Addis Ababa and conducted by distributing questionnaires to be completed by EIC's customers. In this study mixed research approach was used in collecting and analyzing data. Because the study uses both qualitative and quantitative forms of research. The populations for the study were 384 insurance policy holders who have bought insurance cover from the corporation. Data for the study was collected quantitatively using questionnaires and qualitatively through observing and understanding the corporation's promotion performance. Primary data was obtained by distributing questionnaires to customers when they came to the corporation's districts and branches in Addis Ababa. The collected data were analyzed using SPSS to determine whether the promotion tools used by EIC meet the intended objectives. Descriptive statistics including mean, frequency, standard deviation and percentages were applied. The reliability of the tool applied was tested and a Cronbach alpha value of 0.964 has been obtained. The study found that promotional tools adopted by EIC are informative, persuasive and reminding at moderate level. But personal selling took the highest level followed by advertisement, sales promotion and public relations respectively. On the other hand from public relations instruments press release and press conference are performed at lower level. The study recommends that though, the promotion elements meet promotion objectives at moderate level, the corporation needs to work hard to increase the tools' informing, persuading and reminding effect to the highest level to attract new customers and retain the existing one, so as to win the competition in the market.*

*Keywords: Promotion, Advertising, Sales Promotion, Personal Selling, Public relations.*

## CHAPTER ONE

### 1. INTRODUCTION

#### 1.1. Background of the study

Marketing, as the term is commonly understood today, was developed initially in connection with the selling of consumer-packaged goods and later with the selling of industrial goods. The Committee on Definitions of the American Marketing Association (AMA) defined marketing as the performance of business activities that direct the flow of goods and services to the consumer (Alexander, 1960).

Today the concept marketing is far more than producing and selling goods and services. It is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return (Dwyer & Tanner, 2002). American Marketing Association AMA, (2004) again define marketing as an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships.

Promotion has been one of the critical roles carried out by organizations operating mainly for profit since the emergence of the selling concept as a marketing orientation. Since the turn of the century, the focus on promotion has been extended to include various aspects and its effect as a key differentiating factor between controlling a dominant market share in an industry and being able to merely operate has been gaining momentum. (Mohamed, 2017).

Promotion as one of the seven marketing mixes can be used to inform, persuade and remind customers about products and services of every business company. Promotion involves disseminating information using five different key types of promotion tools: advertising, sales promotion, public relations, personal selling and direct marketing. (Moor & pareek, 2006). Promotional element of the marketing mix is also known as the marketing communication or promotional mix. Promotion mix, as defined by Kotler, Wong, Saunders & Armstrong, (2005) is the specific mix of advertising, personal selling, sales promotion and public relations that a company uses to pursue its advertising and marketing objectives.

It includes all the activities marketers undertake to inform consumers about their products and to

encourage potential customers to buy products (Solomon, Hughes, Chitty, Fripp, and Stuart, 2009). Promotion has been defined as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea (Belch & Belch, 2003).

In a business market, in order to gain and maximize profit, businesses should sell goods and services to customers. To sell their goods and services they have to inform customers about the availability, features, prices, etc. to actual and potential customers. In a competitive market businesses should provide information relevant to support their selling effort, persuade customers to prefer and purchase the products and services available and remind them about the products, services and the image of the company itself.

In Ethiopia, after liberalization of the command economic system and implementation of free market economy, a number of domestic investors join the insurance industry. As result, Ethiopian insurance market is relatively growing. The fierce competition among the insurance companies leads the companies to develop new products and use the promotion aggressively. In this research paper Ethiopian Insurance Corporation, will be seen from the perspective of promotional tools objectives and its effect in informing, persuading and reminding its actual and potential customers. The Ethiopian Insurance Corporation uses the following promotional tools: advertising, sales promotion, personal selling and public relations. The activity of implementing promotion tools to provide information, persuade and remind customers is not the only goal by itself.

The tools should create effect on the customers, and the result must be evaluated in terms of awareness creation, enhancing customers to purchase the company's products and services. Since insurance products are categorized as unsought goods need the effective communication in terms of creating awareness, persuading as well as reminding the importance of insurance products as customers are hardly motivated to purchase such products by themselves. The performance of promotion for service sector in general and for insurance industry in particular can be seen as of greater importance than in organizations that provide tangible products.

Promotion programme can be measured in terms of both communication and sales effects. Measuring the communication effect can be done before or after the implementation of the tools. Measuring the tools after implementation, evaluates how those tools made customers to know about the product or service of the company, make preferences and recall. (Kotler and Armstrong, 2005). Many companies measure their promotion activity in terms of its communication effects as how does the promotion provide information to create awareness and stimulate demand.

There are companies that measure the effectiveness of their promotion activities in terms of its effect on company sales.

However, most agree that measuring effectiveness of promotion in terms of sales effect is difficult as there are many things (such as customer satisfaction, accessibility, price, etc.) to affect buying decisions other than promotion (Belch & Belch, 2003). Therefore, for the sake of simplicity and uniformity the researcher concentrated on measuring the promotional tools used by the Ethiopian Insurance Corporation, in terms of the tools' informative, persuasive and reminding objective.

## **1.2. Background of the Insurance Industry and the establishment of EIC**

### **1.2.1. The Origin and development of Insurance in Ethiopia**

The origin of Insurance in Ethiopia traced back more than a century. The emergence of modern insurance is linked to the establishment of the bank of Abyssinia which was established in 1905 as the first Ethiopian Bank, (Hailu Zeleke, 2007). The Bank of Abyssinia (Habesha Bank) started rendering what could be called modern insurance service for the first time in Ethiopia in 1905 as an agent for a foreign insurance company. Mr. Muzinger, an Austrian citizen, opened a full-fledged insurance branch in Addis Ababa as an agent for Balois Fire Insurance Company. Many representative offices were opened by expatriates until the Italian invasion in 1936.

During the Italian occupation only Italian companies were allowed to operate in Addis Ababa and other central regions of the country and in Eritrea. In 1951, the first domestic insurance company (Imperial Insurance Company of Ethiopia Ltd) was established by some enlightened Ethiopians, (Hailu Zeleke, 2007).

According to the first insurance survey conducted by the then ministry of commerce and Industry in 1954, including the only domestic insurance company, 19 companies were established in 1954 with branches and agents in Addis Abba, Asmara, Dire Dawa, Massawa, Assab and Dessie, cited by Belay Tulu (Medin Magazine, 2001).

As Belay indicated, in Medin Magazine (2001), according to the second insurance survey conducted by the then Ministry of Commerce, Industry and Tourism in 1960 the number of insurance companies increased to 33. However, by this time there was also only one domestic insurance company (Imperial Insurance Company Ltd).

In 1970, the first insurance proclamation on licensing and supervision of insurance services, proclamation NO.281/70 was issued to regulate and control the insurance industry. An office for the supervision of insurance business was established under the Ministry of Trade and Industry.

Prior to the enactment of the proclamation the insurance business operation was governed by the commercial code of the country as any commerce in the country. There were no special considerations specifically designed to regulate the insurance sector.

The proclamation gives the regulatory responsibility to Ministry of Commerce and Industry. Based on the proclamation, Insurance Council had been established with members composed of Minister of Commerce and Industry, Minister of Finance, Minister of Information, Head of Planning Commission, Minister of National Environmental Development and Social Affairs and the Governor of the National Bank of Ethiopia. The council was chaired by the minister of commerce and Industry.

Prior to the enactment of the proclamation there were 33 foreign and 15 domestic insurance companies in the country. During the following years two domestic insurance companies were closed. Since then, 13 domestic and 33 foreign insurance companies at different position (being an agent for foreign insurance companies and domestically established companies) provided insurance service until 1976, when the Dergue Regime came to power. According to Hailu (2007), the then Provisional Military Government decided to organize national insurance company and all these 13 insurance companies were nationalized. In accordance with the proclamation of the provisional military government the ownership of the private insurance companies transferred to the Government.

The Government nationalized and merged the 13 insurance companies and, by proclamation No 68/1975 established the Ethiopian Insurance Corporation as a monopoly in insurance business. The Ethiopian Insurance Corporation functioned as a monopoly insurer for nearly two decades until 1994.

Following the nationalization of the existing private insurance companies the newly incorporated insurance company; the Ethiopian Insurance Corporation was placed under the coordination, supervision and control of the National Bank of Ethiopia.

From January 1<sup>st</sup>/1976 up to 1994 EIC was the only state owned insurance player in the Ethiopian insurance industry and served as the sole provider of insurance services in the country.

But, following the down fall of the Marxists Regime in 1991, centrally planned economic system had been replaced with a market-oriented system and provides opportunity for the creation of private insurance providers.

Accordingly, the Ethiopian insurance market had been opened for private investors after the enactment of Proclamation No.86/1994 which effectively ended almost 19 years monopoly of a state owned insurance company.

As a result of the market deregulation and the opening of the industry by proclamation No.86/1994 for the establishment and involvement of private insurance company in the country, 16 private insurance companies have been established and joined the insurance market and now the total number of insurance companies playing in the market reached seventeen.

Currently, including government owned EIC; there are 17 insurance companies (see Table below) in Ethiopia. Some offer only general insurance (non-life), while others are composite insurers sells both long term (life) and general insurance. Out of these, 7 companies wrote only general insurance business, while 10 wrote composite (both long term and general) insurance (annex.1).

According to market share based on gross premiums, EIC is the largest of all companies, with about 35.5% of the general and 26% of the long-term insurance market share. Nevertheless, currently the market share of EIC registers continuous declining trend in the market.

### **1.2.2. The establishment of the Ethiopian Insurance Corporation (EIC)**

The Ethiopian Insurance Corporation (EIC) was established in January 1, 1976 by proclamation No.68/1975. The Corporation came into existence by taking over all the assets and liabilities of the thirteen nationalized private insurance companies, with Birr 11 million (USD 1.29 million) paid-up capital with the following objectives.

- Engage in all classes of insurance business in Ethiopia;
- Ensure that insurance services reach the broad mass of the people
- Subject to the provision of Article 18 of the Housing and Saving Bank establishment proclamation No.60/1975, promote efficient utilization of both material and financial resources

For the purpose of effective and efficient administration of the nationalized companies the eleven general insurance provider companies merged to five main branches and the rest two Long term insurance writers were merged to be one main branch.

As per the proclamation No.68/1975 the Corporation was led by Board of Directors which members are composed of:-

- ❖ The Governor of the National Bank of Ethiopia
- ❖ Representative of the Ministry of Commerce and Industry
- ❖ Representative of the Ministry of Finance
- ❖ Representative of the Ministry of National Resources Development
- ❖ Representative of the Ministry of Transport and Communication
- ❖ Representative of the Ministry of Labor and Social Affairs; and
- ❖ The General Manager of EIC.

The proclamation also specified the principal function of the board of Directors.

- Formulate policy with regard to all classes of insurance in Ethiopia.
- Formulate policy in respect of reinsurance; and
- Formulate policy on such other matters as may be conducive to the attainment of sound insurance business in Ethiopia.

Since its establishment, EIC was operating the insurance business under protected monopolistic system as state-owned sole insurer for about two decades. After the end of the existence of the Marxist regime in mid-1991 a fundamental change has been taken place. Political, economic and social orientation has shifted from totalitarianism to liberalism. As a result the Ethiopian Insurance Corporation could not continue as the only provider of insurance services in Ethiopia. EIC was re-established by proclamation No.201/94 as a public enterprise with Birr 61 million (USD 7.13 million) paid up capital.

Upon the re-establishment of the Corporation in 1994 as state owned enterprise, the law covers the following new objectives to the Corporation:

- Engage in the business of rendering insurance services;
- Engage in any other related activities conducive to the attainment of its purposes.

At this time the Corporation's supervisory body was also changed from the National Bank of Ethiopia to Public Enterprises Supervisory Authority. Consequently, since January 30,2004 the Corporation's Supervisory body changed from Public Enterprises Supervisory Authority to Public Financial Enterprises Agency (PFEA), which was established under the Council of Ministers Regulation No.98/2004 to supervise public financial enterprises under the Prime Minister's office.

The change in the economic policy and the establishment of new insurance companies urge the Corporation to revise its service rendering methods. Accordingly by taking stakeholders interest into account EIC has come up with its own written and publicized vision, mission, values and strategies.

### **Service Distribution**

EIC has a wide branch network which helps it to provide efficient and reliable service for its customers at the nearest and convenient place. The opening of new branches is based on market research and development prospect of the selected area.

EIC provides a complete range of both general and long term insurance products through six District **As** (all are existed in Addis Ababa), eight District **Bs** (one in Addis Ababa), 71 Branches and 17 Satellite Offices throughout the Country. Currently the Corporation presents more than 43 General insurance and more than 18 Long term insurance products to the market.

In addition the Corporation has a network of more than 700 agents representing it throughout the country and it also transact business through recognized insurance brokers.

### **1.2.2.1. Marketing practices of EIC**

#### **1.2.2.1.1. Marketing Strategies of EIC**

Marketing is a process that accomplishes activities such as identifying and anticipating customers insurance service needs, develop quality and suitable products, pricing them, make it readily available via proper distribution channels, proper service delivery process flows, using the right service people, appropriate physical evidence, promoting and communicating the products, which goes up to post selling activities as a base for satisfying customer needs and requirements profitably.

The marketing mixes the combination of marketing activities that an organization engages in, so as to best meet the needs of its targeted market. The Insurance business deals in selling services and therefore due focus in the formation of marketing mix for the Insurance business is needed. The marketing mix insurance service includes sub-mixes of the 7 P's of marketing i.e. the product, its price, place, promotion, people, process & physical attraction. To this end, organizations must design proper marketing strategy which enables them to achieve their objectives.

However, although, Ethiopian Insurance Corporation sets corporate objectives it didn't draw any separately written marketing strategy to be implemented to attain its objectives. The corporation simply cascaded the corporate objective to perform its marketing activity.

#### **1.2.2.1.2. Promotional Activities of EIC**

Companies need to communicate their products and services to current and prospective customers. Effective and efficient quality in every parameter with in promotion and appropriate communication with internal/external bodies, creating awareness, persuasion, and reminding service to customers depends on effective promotional measures.

Even if promotion has different aspects for different industries, products and services, its final goal is to communicate positive message among existing and potential customers about the organization, its products and services.

Accordingly, marketing communication/promotional tools attempt to provide information to the customers (whether they are existed or potential) about the organization, the organization's product and service offerings. It also aims to provide a message to persuade the audience to purchase the product or service from the organization as well as to remind the target market of the organization and its benefits, or to reinforce its image.

Customers attitude towards existing products and services can be developed form their experience and exposure towards the companies' promotional strategies whether it's in the form of advertising, sales promotion, personal selling or public relations.

As mentioned above, EIC has no well-defined and documented marketing strategy, it also hadn't have any promotional strategy to be used as implementation vehicle of the promotional tools employed by the corporation too. It incorporates a single statement in the strategic objective commentary as –All activities to create and promote insurance service delivered by EIC. It shall include the assurance of message quality, utilizing relevant types of media, frequency of transmission, impact assessment in meeting the expected outcomes are also few among others to be taken into consideration.

However, despite all these shortcomings of designing, recording and implementing fundamental promotional strategy, the Ethiopian Insurance Corporation uses promotional tools to achieve the vision and mission of the corporation.

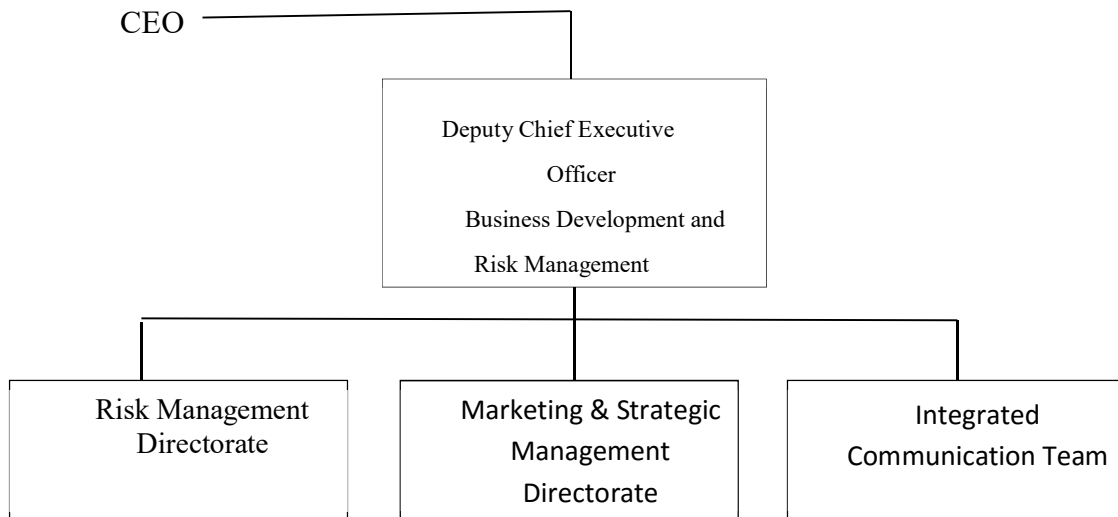
### 1.2.2.1.3. Promotional mixes/tools used by EIC

Currently, EIC is using a variety of promotional mixes to reach its target audiences. Some of these include mass media advertising, sales promotion, personal selling and public relations programs. Advertising programs used by the corporation includes television advertising, radio advertising, print, billboards, etc. With regard to sales promotion techniques used to encourage customers to purchase the corporation's product or services, EIC provides discounts, customers' training/seminar to create awareness and distribute give away materials. From public relations point of view, EIC disseminates press release, organizes press conference, handles sponsorships and publicity programs, and uses publications. The study tried to investigate the effectiveness of EIC's promotional mixes in informing, persuading and reminding its customers. Accordingly, the corporation, based on its corporate objectives designed at corporate level, prepared a business plan in order to implement promotional mixes to promote its products; services and the corporation as a whole (annex 2).

### 1.2.2.2. Organizational Structure for Handling Promotion Activities.

Within its Business Development and Risk Management wing, the Corporation has organized Promotion team to carry out its promotional activities and manage promotion related matters. The corporation's promotional activities are handled by a team entitled –Integrated Communication Team|| accountable to the Business Development and Risk Management office lead by Deputy Chief Executive Officer.

Figure 1:1 Organizational Structure of the promotion Team



Source: Organizational Structure of EIC

### 1.2.2.3. Budget

When organizations decide to promote their business, product and service they need to consider the necessary expenditure and must decide on how much to spend on promotion. There are four common methods that can be used to decide the amount of expenditure on promotion, Kotler, 2002). Namely, affordable or judgment method, Percentage-of-sales method, Competitive-parity method and objective- and-task method.

The Ethiopian Insurance Corporation used affordable or judgment method to set its promotion budget each year. Judgment method of budget allocation rests upon the judgment of the experience of the manager of the task. The management decides what the organization can afford and thinks it is sufficient to conduct the promotion work of that organization.

Accordingly, EIC allocates a considerable amount of money to execute its promotion activities, and the decision on the amount to be spent on promotion is a duty of integrated communication team leader in co-operation with Deputy Chief Executive officer for whom he is accountable, and submitted to the top management for final approval. The Corporation's five years promotion budget is shown with the following table.

**Table1:1.Actual promotion budget utilized during the last five years**

Budget year	Promotion budget (actually expended)	Gross Premium obtained during the same year	Share of Promotion to GWP
2014	3,911,759.93	1,982,536,239	0.2
2015	10,278,054.60	2,095,963,656	0.5
2016	15,888,414.46	2,296,788,018	0.7
2017	17,846,101.03	2,721,468,051	0.7
2018	36,627,670.09	2974744977	1.2
Average	16,910,400.02	2,414,300,188.06	0.7

Source:-Marketing and strategic management Directorate, EIC.

#### **1.2.2.4. Media Selection**

The primary target of advertisement is to reach the audience and provide the necessary information regarding the organization and products and services of the organization to provide necessary information, pursue the audience to purchase the product produced or the service rendered by it. To be effective in disseminating marketing information, organizations must develop media strategy which involves determining communication channels that can be used to deliver the advertising message to the target audience. Decisions must be made to choose the types of media to be used (e.g., newspapers, magazines, radio, TV, billboards, etc.) as well as specific media vehicle selections (e.g., a particular magazine or TV and Radio program). This task requires careful evaluation of the media options, advantages and limitations, costs, reach, and ability to deliver the message effectively to the target market.

In EIC, though not on the basis of strategy and research, different Medias are selected and used to promote the corporation's activities. Advertisements are disseminated using selected TV and radio channels at National and Regional level and appropriate programs. Print ads also published on a variety of magazines, newspapers and billboards.

#### **1.3. Statement of the Problem**

Various literatures and empirical studies have been conducted by various institutions and academicians on the contributing factor affecting the performance of the insurance business from different point of views and findings have been made and conclusions drawn. Currently, it is not enough for a business to offer need based product that can be sold at attractive prices. Instead, the organization has to convey the message to its consumers about the benefits of products offered in the market to ensure a perennial demand for the product and positioning it among the target audience sustainably (Arumugam, 2016). In fact, promotion is not done only for increasing sales and generate profit but for other purposes such as to build brand loyalty, to reminds and reassure costumers, to launch a new product and maybe to defend and further increase market share by responding to competitors' campaigns with their own promotion activities.

Ken Peattie and Sue Peattie (1994) also stated that promotions, in general, have been shown to affect directly on consumers in variety of ways: leading to remitted purchasing, brand, increased volume of purchasing. This will help business enterprises to design its own

marketing communications program, which is called the –promotional mix and consists of a blend of advertising, personal selling, sales promotion, public relations tool sand direct marketing.

Despite various marketing efforts had been exerted by the insurance companies operating in the Ethiopian insurance industry, the level of insurance penetration as well as insurance density is very low as compared to many countries even if there is high market potential. This shows that there is a lot to be done in the marketing activities of the insurance and promotion is the key in countries with low insurance performance. Moreover, since the market deregulation in 1991 and the entrance of 16 domestic private insurance companies into Ethiopian insurance industry, the competition became fierce among companies. As a result, the market share of the corporation declined from 45% in 2014 to 35.5% in 2018. (Annex 1). To be competent in the competitive market, EIC employed various promotion tools to create awareness and encourage its existing and potential customers to purchase insurance products and create lasting customer relationship. Despite the fact that, EIC has outlaid lots of money for promotional campaign, the effectiveness of its promotion has not been yet properly examined. Moreover, the absence of empirical studies in Ethiopia concerning the effect of the performance of promotional campaign of insurance companies in general and EIC in particular become one of the areas of concerns that motivated the researcher to deal with the subject matter.

Therefore, this study seeks to fill the aforementioned research gap by providing information about EIC's performance of promotional campaign with respect to communicating, persuading and reminding the target group. To this end, the study will provide insights how to make the promotional campaign of insurance companies in Ethiopian effective.

#### **1.4. Research Questions**

The general investigation of this research paper is to assess and understand the promotional performance carried out by Ethiopian Insurance Corporation (EIC) in terms of informing, persuading and reminding effect. In order to understand this phenomenon, the research tries to answer the following basic questions;

- What is the existing promotion practice of EIC?
- Which of the promotion mix element is given more explaining in EIC?
- What is the level of effectiveness of promotion practiced by EIC, in terms of informing, persuading and reminding customers?
- Which media mix is frequently used by EIC?
- Which of the media mix used are more effective?

To answer these questions, the current performance of the corporation with regard to the implementation of promotional tools were assessed and analyzed on the basis of the researcher own observation and data gathered from customers. In order to survive in a competitive marketing environment, the Corporation needs to adopt promotional mix strategies to effectively communicate as well as attract new customers and retain the existing Ones.

## **1.5. Research Objectives**

### **1.5.1. General Objective**

The main objectives of this study are to asses and analyze and understand the performance of promotion tools adopted by EIC and measure their level of informing, persuading and reminding objectives.

### **1.5.2. Specific Objectives**

The specific objectives of this study are to:

- Examine the existing promotion practice of EIC.
- Identify the most important element of the promotion mix applied by EIC.
- Measure the level of promotion tools of EIC in terms of informing, persuading and reminding customers.
- Identify media outlets frequently used by EIC.
- Identify the media outlets preferred by audiences.

## **1.6. Scope of the study**

Promotional tools are total promotion mix, also called, marketing communications mix- consists of the specific blend of advertising, personal selling, sales promotion, public relations, and direct- marketing tools that the company uses to persuasively communicate customer value and build customer relationships, (Kotler & Armstrong,2008,p.442).

This study is concerned in assessing the promotional tools; namely advertising, personal selling, sales promotion, and public relations which are mainly adopted by the Ethiopian Insurance Corporation to see they meet their objectives in terms of informing, persuading and reminding its customers. This is done through understanding the perception of existing customers of the Corporation. It is done from the understanding and context of the customers of the corporation by understanding the long term effect and image created by the programs in the minds of the customers. According to Kotler & Keller (2012, P.498), After implementation of the communications plan, the communications director must measure its impact by asking members of the target audience whether they recognize or recall the message, how many times they saw it, what points they recall, how they felt about the message, and what are their previous and current attitudes towards the product and the company. This involves asking the target audience whether they gain knowledge, became interested, recognize or recall the message the company intends to convey through promotional tools.

The scope of this study contextually limited to promotion mix practice of EIC in respect to its informing, persuading and reminding objectives. The research is concerned in understanding the promotion mix that are employed by EIC to understand its contribution towards awareness creation, enhancing customers to purchase the corporation's services and products as well as reminding customers regarding the products and services of the Corporation.

The research is also limited to the fact that the target population is insurance policy holders residing in Addis Ababa. As a result the opinions and perceptions of non-customers and customers outside Addis Ababa are not considered. The study was confined to collect data from the respondents in Addis Ababa where the majority of the customers are found, with a goal of investigating the promotional tools that are mentioned above.

Accordingly, Based on the analysis of the findings, the researcher of this study tried to recommend whether the communications program properly plays its role or not.

### **1.7. Significance of the Study**

This study tried to identify whether promotional tools used by EIC registered the needed result in informing, persuading and reminding the audience.

This study is also important to identify and understand which promotional tool is most play its role of informing, persuading and reminding than others, and with which media the corporation could better communicate with its existing and potential customers.

The result of this study would also provide information to the corporation in selecting proper media outlet, determining accessibility, frequency, impact of the use of a particular media, selecting specific media vehicles, choosing media timing and indicate possible solutions for its promotional practices improvement. Therefore, this study could help to improve the effectiveness of the overall promotional strategies of the corporation. The study also enables the management of EIC to be able to design better promotion strategy and improve promotion activities of the corporation. The finding of this study will contribute a lot towards the effective and efficient utilization of promotion tools by suggesting some important practices of promotion which can help specifically the company in achieving its promotion objectives. This research paper could lay foundation for further studies.

### **1.8. Definition of key terms**

- **Promotion:** - is an exercise in information, persuasion, and influence.

William J. Stanton. The Fundamentals of Marketing, (cited in Fundamentals and practice of Marketing. ( Wilmshurst J. & Makcay A.)

The word promotion is used here firstly to describe the whole collection of methods by which the tasks of information giving and persuasion may be carried out. It includes advertising, sales promotion, personal selling, public relations, etc.

Promotion therefore is the means by which marketers talk to existing customers and potential buyers. Cravens (1996) avers that promotion is considerably more than just advertising and is composed of four major tools i.e. advertising, sales promotion, publicity and personal selling (promotion mix). Promotion therefore is the means by which marketers talk to existing customers and potential buyers. Cravens (1996) avers that promotion is considerably more than just advertising and is composed of four major tools i.e. advertising, sales promotion, publicity and personal selling (promotion mix).

- **Advertising:** - Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor in various media channels (Koltler, 2006).
- **Sales Promotions:-** Sales promotions is media & non media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial & impulse purchases, increase consumer demand or improve product quality (Muniz and O'Guinn, 2001).

- **Personal Selling:** - is face to face communication (one to one) interaction with one or more prospective customers for the purpose of making sales and building customer relationships (Mortimer, 2001).
- **Public relations:** - is an organizational activity involved with fostering goodwill between a company and its various publics. PR efforts are aimed at various corporate constituencies, including employees, suppliers, stockholders, governments, the public, labor groups, citizen action groups, and consumers (Shimp, 2010).

### **1.9. Organization of the Study**

The paper is organized in to five chapters. The first chapter covers the background of the study and the insurance industry as well as the establishment of the Ethiopian Insurance Corporation, statement of the problem, objectives, scope and significance of the study. The second chapter provides an overall literature review that includes theoretical and empirical review. In chapter three the research design & methodology of the study is explained. Output of the analysis is presented in chapter four. Finally in chapter five, the paper presents summary, conclusions and recommendations on the basis of knowledge gained from the modern literature and the findings of analysis and actual performance of EIC's promotional activities.

## **CHAPTER TWO**

### **2. LITERATURE REVIEW**

#### **2.1. Introduction**

Business organizations produce products or prepare services to make available for customers in the market with the objective of making profit. To make a profit they must sell their products and services, and to sell products and services they need to communicate to the market what they have.

In the competitive market Consumers can be exposed to so many marketing messages. Organizations compete heavily to get the consumers' attention through the message they communicate to the audience. In order to meet their marketing objectives and be able to successful, organizations must effectively and efficiently communicate with their target audiences.

Producing best and innovative products and preparing satisfactory services with a reasonable price alone is not adequate by itself, unless otherwise communicated to customers. Modern marketing calls for more than just developing a good product, pricing it attractively, and making it available to target customers. Companies must also communicate with their actual and potential customers, retailers, suppliers, other stakeholders, and the general public (Kotler & Keller, 2006).

Marketing communication attempts to provide information to the consumer about the organization's products and services.

As one element of marketing program, marketing communication which is also known as promotion is very essential element that involves different methods and techniques to deliver information about the organization's products and services.

#### **2.2. Theoretical Literature Review**

##### **2.2.1. Promotion**

The purpose of communication is to help move a potential customer from a state of unawareness towards a state of decision and action. We use marketing communications methods to convey messages that will aid in this process, in the face of the forces operating in the opposite direction (Wilmshurst & Mackay, 2002, p.160).

The Chartered Institute of Marketing (2009) defines the promotional mix as a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. It consists of tools: advertising, personal selling, sales promotion, public relations and direct marketing. -The aim of an organization's promotional strategy is to bring existing and potential customers to a state of relative awareness of the organization's product and also to a state of adoption. (Adebisi & Babatunde, 2011).

In business marketing, communication performs three basic roles—to inform, persuade, and remind existing and potential customers about the products and services of the business. Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers— directly or indirectly—about the products and brands they sell. In a sense, they represent the voice of the company and its brands; they are a means by which the firm can establish a dialogue and build relationships with consumers (Kotler & Keller, 2012).

Marketing communications also work by showing consumers how and why a product is used, by whom, where, and when. Consumers can learn who makes the product and what the company and brand stand for, and they can become motivated to try or use it. Marketing communications allow companies to link their brands to other people, places, events, brands, experiences, feelings, and things. They can contribute to brand equity—by establishing the brand in memory and creating a brand image—as well as drive sales and even affect shareholder value (Kotler & Keller, 2016).

Promotion as one of the marketing Ps and as the most important components of marketing mix has a key role in market success. It is used to ensure that consumers are aware of the products or services that the organization is offering. The promotion creates awareness to the potential customers about the right product or service which is available at the right place and at the right price at the right time.

When the right product, at the optimum price, is available in all the right places, through the most cost-effective distribution channels, still there is a problem. The people who might want to buy the product have to be told about it. (Wilmschurst & Mackay, 2002, p.152)

Customers need to be given information about the product or service. This may reinforce people's current attitudes or revise them in some way. They may need to be told what it will do for them, what benefit they could gain, what its quality is and its price; and, what differentiates the product or service or the company itself from its competitors.

Very frequently there will have to be a considerable element of persuasion. People do not always readily grasp (or believe) the advantages of a new product, especially if its function is entirely new and may mean a change in their habits.

The other reason why both information and persuasion are necessary is the existence of competition. People must be aware of the product before they can buy it. Similarly, they must be persuaded that Product A is worth testing against Product B, which they may already use, and that Product A has some distinctive features. (Wilmshurst & Mackay, 2002, p.152)

It is fundamental to the success of any business firm, because, without promotion, potential customers won't know about the existence and benefits of certain product or service. In an attempt to influence existing and prospective customers towards buying products and services, promotion plays vital role in communicating information.

At the broadest level, the service firm's communication objectives seek to inform, persuade, and remind current and potential customers about the firm's service offerings. (Hoffman & Bateson, 2011) According to FILL & Jamieson (2006) Communication can assume one of three main roles:

1. It can inform and make potential customers aware of an organization's offering.
2. Communication may attempt to persuade current and potential customers of the desirability of entering into an exchange relationship.
3. Communication can also be used to reinforce experiences.

This may take the form of reminding people of a need they might have, or of reminding them of the benefits of past transactions with a view to convincing them that they should enter into a similar exchange. In addition, it is possible to provide reassurance or comfort either immediately prior to an exchange or, more commonly, post-purchase. This is important, as it helps to retain current customers and improve profitability. This approach to business is much more cost-effective than constantly striving to lure new customers (FILL & Jamieson (2006).

**Table 2:2. Promotion Tools**

Advertising	Sales Promotion	Public Relations	Personal Selling
Banner ads	Contest sweepstakes	Annual reports	Incentive programs
Billboards	Coupons	Charitable donations	Meetings
Booklets	Exhibition	Community Relations	Presentations
Broadcast ads	Gifts	Corporate Magazines	Samples
Brochures	Low interest financing	Media press kits	Tradeshows
Directories	Product	Public events	
Inner-Packaging	Rebates	Publications	
Leaflets	sampling	Seminars	
Motion pictures	Tie-ins	Speeches	
Outer packaging	Tradeshows	Sponsorships	
Pamphlets	Trade-in allowances		
Point of purchase			
Print ads			
Shop displays			
Symbols and logos			
Videogames			

*Source:-Moore & pareek, 2006. p.102*

*(Table 5.1 Promotion Toolkit)*

A company's total marketing communications mix—also called promotion mix— consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its marketing objectives. (Kotler, 2001).

## **2.2.2. Promotion Tools**

### **2.2.2.1. Advertising**

Advertising is the activity by which visual or oral messages are addressed to communicate to the public in general or to the desired segment of public in particular. Its purpose is to inform or influence the audience. It is done with a view to sell the goods or services offered by the advertiser. The success of advertising greatly depends upon effective advertising programme.

According to Kotler, (2014,P.478) advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor via print media (newspapers and magazines), broad cast media (radio and television), network media (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, video disk, CD-ROM, Webpage), and display media (billboards, signs, posters).

Advertising is the most well-known and wide spread promotional element and an efficient method to reach a large number of people. It is an impersonal method of communication as well as an impersonal salesmanship for mass selling and it is a means of mass communication (Belch & Belch, 2003). Advertising is a very important promotional tool, particularly for companies whose products and services are targeted at mass consumer markets. Because it can reach the mass audience at the same time with the lowest cost.

According to CII, (Business Practice, 2005:7/10) advertising is defined as "any form of impersonal presentation and promotion of ideas, goods or services by identified organization which must be paid for."

The paid aspect reflects the fact that the print space or air time for advertising message must be bought from the channel owner.

The non-personal component means that advertising involves mass media (e.g., TV, radio, magazines, newspapers) that can transmit a message to large groups of individuals, often at the same time (Belch & Belch, 2003). Since advertising has non-personal nature, it is not directed and disseminated to an identified particular individual or group and there is no opportunity for immediate feedback from the advertising message recipient.

Non-personal communication channels are media that carry messages without personal contact or receiving immediate feedback. They include major media, atmospheres and events. Important media consist of print media (newspapers, magazines, direct mail); broadcast media (radio, television); and display media (billboards, signs, posters). (Kotler & Armstrong, 2010).

The marketing role of advertising includes helping businesses to sell their products & introduce their services by transmitting messages (such as price information, place, and characteristics of products & services, etc.) to potential and actual consumers (Wells, Burnet & Moriarty,2003), thus promoting new things to society.

Advertising is used to draw the audience's attention to goods and services and to inform (create awareness), persuade (stimulate customers to purchase the company's products and services), remind (put products or services in the minds of consumers), correct misconceptions or perceptions, and provide support for the sales forces of the business. Regarding its purpose CII stated that "most advertising efforts are concerned with stimulating the demand for a particular brand of product or service by breaking down the barriers in communication which convert a customer from their state of being un aware of the product or service, to the state of buying or using it. An advertising campaign maybe aimed at the public at large for the purpose of enhancing awareness of the product, service or the provider. The creation of a 'need' is often a feature of advertising" (CII, Business Practice, 2005:7/10). Where as a form of mass communication, advertising supplies different types of marketing information in an attempt to bring buyers & sellers together and transforms the product or service by "creating an image that goes beyond straight forward facts". (Wells, Burnet & Moriarty, 2003. P.9).

Wells, Burnett and Moriarty also believe that advertising has an important social communication function. The social communication function of advertising is divided into transformational and informational. The informational function of advertising tells consumers something about products characteristics.

In addition, advertising is believed to have many social roles. It informs about new and improved products and teaches the society how to use these innovations. It also helps the consumer to be able to compare products and/or services and make informed consumer decisions. (Wells, Burnet & Moriarty 2003:10). Some critics argue that advertising has the power to shape how people behave. They believe that "even if an individual ad cannot control our behavior, the cumulative effects of non-stop television, radio, print, and outdoor ads can be over whelming.

As it is mentioned above, advertising objectives can also be classified according to whether their aim is to inform, persuade, or remind (Kotler, 2002).

► Informative advertising

Provides product and brand information by giving appropriate information, enables the consumer to develop an initial demand and make decisions. This type of advertising is known as informative advertising which tells the consumer about new products, a price change, available services, etc. & builds a company image. It is usually done in the introductory stages of the product life cycle and it is the original approach to advertising. It is all about Communicating customer value, Suggesting new uses for a product, Building a brand and company image, informing the market of a price change. Telling the market about a new product, Describing available services and support, explaining how a product works Correcting false impressions.

► Persuasive advertising

Provides incentives to take action. Sometimes people are not willing to change their behavior. Even if they are not satisfied with the existing product or service, it seems difficult for them to learn new products or services. At this time advertising provides the customer with reasons to switch brands by presenting the quality and distinctive features of that brand or service for example convenience, high quality, lower price, warranties etc. This type of advertising is called persuasive advertising which build brand preference, encourages switching the business's persuades customers to buy the product or services now & persuade customers to receive a sales call.

Persuasive advertising becomes important in the competitive stage, where the objectives to build/ develop selective demand for a particular brand. Persuading customers to purchase now. Encouraging switching to a brand, Persuading customers to receive a sales call, changing customer perceptions of product value, Convincing customers to tell others about the brand.

► Reminder advertising

Provides reminding and reinforcement. Advertising to remind customers where to buy the products or services, keep the product in customers' minds for long time.

Advertising must remind the consumer constantly about the business's product or service. These messages also help to reinforce the consumer's decision. For example, Ethiopian Insurance Corporation disseminates its advertisement at the time of insurance policies renewal period.

It is important and used in the maturity period as well as throughout the declining phase of the product life cycle. It helps to strengthen and maintain customers' relationships and keep customers thinking about the company and its product or service.

#### **2.2.2.1.1. Advertising Media Selection**

Organizations use different advertising Medias to convey their message. Accordingly, businesses select and use the right media channels to disseminate marketing message to inform, persuade and remind their audiences. Businesses need to select not only media channels but also must to select the right media vehicles.

Media selection is finding the most cost-effective media to deliver the desired number and type of exposures to the target audience (Kotler & Keller, 2012, P.511).

Effective advertising needs well understanding of the media channels and vehicles of the target audience of the business. The advertiser must decide which type of media is suitable to carry the message efficiently & effectively. To this end, the advertiser should set its media objective and plan the media utilization.

#### **2.2.2.1.2. Media Objective**

An advertiser or the advertising agency's (which deals for the advertiser) media planner has a series of objectives that reflect some basic goals that can only be met if the advertiser implements a strategic plan of action. The basic goals that media strategy focuses on are whom to advertise to, which geographic areas to be covered, when to advertise, what the size or length of the ad should be, and through which media should the advertising be placed.

#### **2.2.2.1.3. Media Planning**

Media planning is the process of determining how to use time and space to place the advertising message for the target audience to achieve the organization's marketing objectives. The media plan determines the best way to get the advertiser's message to the market. In a basic sense, the goal of the media plan is to find that combination of media that enables the marketer to communicate the message in the most effective manner to the largest number of potential customers at the lowest cost. (Belch & Belch, 2003)

In the process of media selection, the media planner needs to consider key media decisions such as media class and media vehicle. A media class is a channel in an advertising communication such as radio, television, newspapers, magazines, billboards, wall paintings, printed flyers, posters, bus stop

benches, sides of buses, musical stage shows, stickers, internet, the back of event tickets, and soon. A media vehicle is a single program, magazine and radio or television station. Another concern in media selection is the choice of the best media vehicles to understand the properness of specific media within each general media type, such as specific magazines, newspapers, television shows or radio programmes, posters, etc.( Kotler, Wong, Saunders, & Armstrong, 2005,P.804). The advertiser, following its aiming of messages and preparation of advertising copy, should select the communication channel to communicate to the target audience with the possible lowest cost. According to Batra, Myers and Aaker, (2005:627) "the selection of the type of medium, such as television, radio, or magazines will depend in part upon the number of people in the target audience that the medium can deliver, as well as compatibility with the needs of the creative message, needs regarding timing and flexibility, and so on".

The main activities in media selection are: (1) deciding on reach, frequency and impact; (2) choosing among chief media types; (3) selecting specific media vehicles; and (4) deciding on media timing. (Kotler, Wong, Saunders, & Armstrong, 2005, P. 803).

The media planner has to know the reach, frequency and impact of each of the major media types. To choose the proper media class, the media planner must carefully consider the reach (the percentage of people in the target market who are exposed to the ad) and frequency (how many times the average person in the target market is exposed to the message). The planner has to know the reach & frequency of the media and should select the media that can reach the target audience effectively.

The nature of the product and service also has an effect on the choice of the media. For instance, fashion cloths are best advertised on color magazines, while Insurance service is best presented on television.

The media planner must search for the most cost-effective vehicles within each chosen media type. To determine this media readership & viewership research data will be required.

The advertiser or the media planner of the organization should also clearly understand the media vehicles, habits of the target audience. If the transmitted message is not in the habit of the target audience who are exposed to a particular medium, much of the value of the advertising through that medium could be wasted. For example, attempts to promote insurance services to investors by means of children television program may lose much of its value; because they may not be interested in the programme content transmitted & may not watch the programme.

Without the right choice of the proper media class & media vehicle the advertising message can't fulfill the strategic objectives of the business.

In this regard, John Wilmshurst (1999:83) described that "no message can be of any value if it is not transmitted and received effectively. The channels of communication have to be correctly selected. So that they do deliver the appropriate messages to the right people as effectively as possible".

The advertising message can be conveyed through many different kinds of mass media such as television, radio, press (newspapers & magazines), billboards & catalogue, internet, posters, cinema, etc. .reaching a large audience of existing and potential consumers.

### **Television:**

Television advertising as a modern phenomenon, frequently presents nontraditional theme (Zhang & Harwood, 2004:159), although television is relatively expensive it is unique and powerful advertising medium, because it contains the elements of sight, sound, motion, and color which can be combined to create a variety of advertising appeals to develop sales message. It is a form of advertising in which goods, services, organizational image, ideas, etc. are promoted via the medium of television.

Television ads can be aired through a number of different arrangements by combining elements of action using audio and visual, emotional or image advertising, or product demonstrations, etc.

Richard E. suggests that "when an advertising message needs to be presented visually, with action, oral description, and demonstration, television should be carefully considered. Its combination of sound, picture and motions is then exhibit best thing to sending a sales representative into the home on a personal call. "(Cited in Wilmshurst, 1990, p.156).

Television advertising has three key advantages. It can reach a large audience in a cost-efficient manner; its use of sound and moving images develops great impact and influence on consumer's taste and perceptions (Belch & Belch, 2003, P.291).

Television advertising offers the benefit of reaching large numbers in a single exposure. Since it has wide reach, many advertisers consider television as the most effective way to transmit a commercial message than other media classes. In our country, it is believed that, many people especially of urban dwellings will watch television programmes regularly. Television also reaches people who are not reached effectively by all print media, because the print media circulation could be limited to some local areas where they are printed and the audience must be literate. For example, in the

case of Ethiopia, many publications (newspapers & magazines) are not widely circulated out of the capital city and regional newspapers are not widely circulated in the capital and other parts of the country other than the region they are published.

The advertisement can be aired through carefully selected television station & schedule (programs). It can be through national or regional station. If it is aired by national station, it can reach a broad mass of audience. In the contrary if it is transmitted through regional station it is broadcasted to a very few number of audience within one region and the surrounding area may be.

Within the selected station, if it is needed to reach a wide range of viewers the advertiser should carefully consider the time and program during which he wants to transmit the advertisement. Different time (for example early morning, daytime, prime time, late news, late night, weekend, morning or afternoon etc.) may be appropriate for a significant number of viewers than other time and if the advertiser transmits by these time can reach many audiences. The program (the media vehicle) on which the advertisement will be transmitted as an impact to get a great number of viewers. Knowing who watches which program (what is called the media habits of the target audience) can enable the advertiser to air its advertisement at the proper or significant program. Television commercials can appear between different programs and within programs by interrupting it at intervals.

However, the breaks between two programs are not always the best time for advertisers to transmit their ad, because, unless the viewers are highly interested to watch the next program or show, they will change the channel or leave the room for other duties. These program breaks also could be the time when viewers take a break from watching television. On the other hand the method of screening commercials during programs can capture the attention of the audience, because the viewers focused on the program they already started to watch, so that they will not change the channel. Instead, they will watch the commercials while waiting for the next part of the program they already have started.

### **Radio Advertising**

Radio advertising (radio commercial) is a form of advertising in which goods, services, organizations, etc. are promoted through the medium of radio.

Radio is limited to sound and it is better medium vehicle to communicate factual information (like price reduction) than trying to create brand image. However, due to its limitation to sound, a radio message is less powerful than television message. If the message is to be carried over the radio, the communicator has to choose words, sounds and voices. (Kotler, Adam, Brown, & Armstrong, 2006, P.764).

Radio station can also be either national or local (regional) station. The advertiser can transmit its advertisement through one or both of the national and regional stations based on its advertising objectives.

As an advertising medium, radio advertisement can reach large number of audience, and relatively advertising cost is cheap. Radio commercials are inexpensive to produce and transmit when advertising messages need to be broad cast as an extremely low cost per thousand, radio is an excellent media choice. The relatively low cost of radio allows advertisers to place their advertisement frequently, which in turn helps to reach more audiences. The low cost also encourages advertisers to use different stations to broaden the reach of their messages & multiple spots. Another advantage of radio over other Medias that the audience can be involved in other duties or activities (like driving) while listening an advertisement transmitted through radio.

Since there are relatively numerous stations and various programs, the advertisers have an advantage to select their audiences to reach through different stations & programs.

With regard to the broad cast time of radio we can perceive various time periods or day parts. Day parts for radio broadcast can be identified as morning, drive time, daytime, afternoon, evening, night time and all night. The size of the radio listeners will vary across the day parts. It can be imagined that in urban areas the largest number of radio audiences could occur during the early morning & drive times. Because in the early morning, until the audience leave their home, they could listen their radio since other medium are unavailable, and they can also listen radio while traveling to their work place either by their own car or by public transport.

### **Magazine**

Magazine constitutes a very effective way to deliver advertising messages to specific niche or specialized interest areas and is more narrowly targeted compared to broad cast media. The most important advantages of this medium are that they can reach narrowly defined segments and that ads can be very colorful imagery and strategically located for maximum visibility. However, the major disadvantages relate to the high cost and the low frequencies of publication are considered to be disadvantages of magazine advertising.

Magazine advertising is especially suited to new products & services that require educational campaigns. A copy of magazine which can be kept for longer time can be used than on newspapers, because magazine readers spend much more time with their magazines than with their newspapers. In addition, magazines are often kept for a long period of time, and advertisements can be read and re-read.

Magazines can convey more information and may keep the message available to the potential buyer for a much longer time. They are a valuable medium for reaching many targeted groups. (Belch & Belch, 2003p.306)

### **Newspapers**

Newspapers have also incorporated color advertisements, though their main advantage rests with their ability to target local markets. Special Issue publications can offer very selective targeting since these often focus on extremely narrowed topics. They are an unimportant local medium with excellent reach potential often used by local retailers as their only advertising medium. Newspapers are the most effective medium in advertising local services and enable to deliver informative messages.

#### **2.2.2.2. Sales Promotions**

Sales Promotion is defined as those marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer to stimulate immediate sales (Belch & Belch, 2003). Sales promotion involves some type of inducement that provides an *extra incentive* to buy. This incentive is usually the key element in a promotional program; it may be a coupon or price reduction, the opportunity to enter a contest or sweep stakes, a money-back refund or rebate, or an extra amount of a product. The incentive may also be a free sample of the product, given in hopes of generating a future purchase, or a premium that serves as a reminder of the brand and reinforces its image.

According to Brassington and Pettit (2000) sales promotion is tactical marketing techniques with mostly short-term incentives, which are to add value to the product or service, in order to achieve specific sales or marketing objectives. It is designed to stimulate quicker and / or greater purchase of a particular product by consumers or the trade.

Kotler, states that sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade (Kotler, 2002).

Sales promotion is essentially an acceleration tool. It is designed to speed up the selling process and maximizes sales volume. By providing an extra incentive, sales promotion techniques can motivate consumers to purchase a larger quantity of a brand or shorten the purchase cycle of the trade or consumers by encouraging them to take more immediate action. (Belch & Belch, 2003).

### **2.2.2.2.1. Types of Sales Promotion**

In the business industry, there are two types of sales promotions, which are monetary and non-monetary sales promotions. Monetary sales promotions (e.g. shelf-price discounts, coupons, rebates and price packs) tend to provide immediate rewards to the consumer and they are transactional in character; Non-monetary sales promotions (e.g. sweepstakes, free gifts and loyalty programmes) tend to involve delayed rewards and are more relationship-based

### **2.2.2.2.2. Purpose of Sales Promotion**

Sales promotion tools have a variety of objectives. A free sample stimulates consumer trial, while a free management advisory service creates a long-term relationship with the customer.

From the seller's perspective, sales promotion serves three essential roles it informs, persuades and reminds prospective and current customers and other audiences regarding the company and its services and products.

With regard to informativeness the producer of a product or the provider of a service must inform the trader as well as the ultimate consumers or users about the product or service.

Another purpose of sales promotion is persuasion. The intense competition among different industries puts huge pressure on the promotional programmes of sellers. Consumers/ buyers have many alternatives to choose from. Therefore sellers must be able to convince consumers that their products' or services' benefits exceed those of others who compete in the same market. Consumers also must be reminded about products or services availability and its potential benefit to satisfy them. Even well-established firm must constantly remind not only its customers, but also the general public as a whole about its' products and services as well as itself.

### **2.2.2.3. Personal Selling**

Personal selling is a method by which a seller communicates with a customer or potential customers to convince to purchase or use the product or service of an organization. It is a form of person-to-person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea. It is a face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions and giving explanations. Armstrong and Kotler agree that personal selling as individual presentation by the company's sales team with the aim of producing more sales and long term customer relationships (Armstrong and Kotler,(2014).

Unlike advertising, Personal selling involves direct spoken communication between sellers and potential customers, either face-to-face or through some form of communications such as telephone sales. This face-to-face interaction gives the marketer communication flexibility; the seller can see or hear the potential buyer's reactions and modify the message accordingly. The personal, individualized communication in personal selling allows the seller to tailor the message to the customer's specific needs or situation.

Brassington and Pettit argue that, personal selling is a two way communication tools between a representative of an organization and an individual or group, with the intention to inform, persuade or remind them, or sometimes serve them to take appropriate actions. Furthermore, personal selling is a crucial element in ensuring customers' post-purchase satisfaction, and in building profitable long-term buyer-seller relationship built on trust and understanding (Brassington and Pettit 2000).

Personal selling also involves more immediate and precise feedback because the impact of the sales presentation can generally be assessed from the customer's reactions. If the feedback is unfavorable, the salesperson can modify or customize the message for an individual customer and has the opportunity to adapt the message during the customer-salesperson interaction. Personal selling efforts can also be targeted to specific markets and customer types that are the best prospects for the company's product or service (Belch & Belch, 2003)

Personal selling is the most effective tool at later stages of the buying process, particularly in building up buyer preference, conviction, and action. Kotler and Keller (2012: 409) affirm that personal selling is the most effective tool particularly in creating buyer's awareness, tastes, conviction and activities (Chibvura, 2016)

According to Kotler (p. 456) personal selling has three distinctive qualities:

- (1) *Personal confrontation* (it involves an immediate and interactive relationship between two or more persons);
- (2) *Cultivation* (it permits all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship); and
- (2) *Response* (it makes the buyer feel under some obligation for having listened to the sales talk

#### **2.2.2.4. Public Relations**

Another important component of an organizations' promotional mix is public relations (PR). public relations refers to non-personal communications regarding an organization, its products, services, or idea not directly paid for or run under identified sponsorship. It usually comes in the form of a news story, editorial, or announcement about an organization and/or its products and services. Like advertising, Public Relations involve non-personal communication to a mass audience, but unlike advertising, Public Relations is not directly paid for by the company.

When an organization systematically plans and distributes information in an attempt to control and manage its image and the nature of the publicity it receives, it is really engaging in a function known as public relations. Public relations are defined as –the management function which evaluates public attitudes, identifies the policies and procedures of an individual or organization with the public interest, and executes a program of action to earn public understanding and acceptance. Public relations generally have a broader objective as its purpose is to establish and maintain a positive image of the company among its various publics. Public relations uses publicity and a variety of other tools, including special publications, participation in community activities, fund -raising, sponsorship of special events, and various public affairs activities, to enhance an organization's image. Organizations also use advertising as a public relations tool. Traditionally, publicity and public relations have been considered more supportive than primary to the marketing and promotional process. However, many firms have begun making PR an integral part of their predetermined marketing and promotional strategies. PR firms are increasingly touting public relations as a communications tool that can take over many of the functions of conventional advertising and marketing.

The responsibility of public relations is to create and influence publicity in such a way that it has a positive impact on the company. The other functions of public relations are to eradicate misconceptions, incomprehension. Kotler & Armstrong (2014 p.472) rightly suggested that public relations includes creating favorable relations with the firm's environment through obtaining goodwill, creating favorable corporate image and spreading good news, stories and events. According to Fill (2011, p. 250), public relations practice is the designed and continued effort to create and sustain goodwill and shared understanding between a firm and the public. Public relations provide some premeditated cues which allow stakeholders to build up images, tastes and preferences by which they appreciate and be familiar with organization.

According to Brassington & Pettit (2000) the essence of public relations (PR) is to look after the

nature and quality of the relationship between the organization and its different publics, and to create a mutual understanding. Public relations cover a range of activities, for example the creation and maintenance of corporate identity and image; charitable involvement, such as sponsorship, and community initiatives; media relation for the spreading of good news as well as for crisis management, such as damage limitation.

Moreover, an organization can attend trade exhibitions to create stronger relationships with key suppliers and customers as well as enhancing the organization's presence and reputation within the market (Brassington & Pettit, 2000). Meidan (1996) states that another part of public relations is the publicity gained through magazines.

The organization, through public Relations, attempts to get the media to cover or run a favorable story regarding its product, service, or event to create awareness, knowledge, opinions, and/or behavior. Public relations department also organizes techniques used to gain publicity that include news about the company and its products or services, written materials such as annual reports, brochures, articles and company newsletters and magazines, press conferences, feature articles, photographs, films and audiovisual materials, speeches and special event such as sponsorship as well as developing company's *Web* site. Consumers and members of other publics can also visit *Web* site for information and entertainment. (Kotler, Adam, Brown & Armstrong, 2006).

An advantage of Public relations over other forms of promotion is its low cost and credibility. Consumers generally tend to be less doubtful toward favorable information about a product or service when it comes from a source they perceive as unbiased.

### **2.3. Review of Empirical Studies**

Kathleen Kihanya (2013) conducted research on effects of integrated marketing communication on Business Performance In the insurance industry a case study of Kenya orient insurance limited. The study concluded that advertising of institutions services/products influenced the company performance to a great extent. Wall branding/billboards, online (website/blogs), road-shows and information leaflet influenced the company performance to a great extent. Social media influenced the company performance to a great extent. Electronic media influenced the company performance to a great extent Print media influenced the company performance to a great extent. The study concludes that sales promotions practiced by Kenya Orient Insurance influenced the company performance to a great extent. —Win plot/car/holiday promos, price offs; customer service week (reward activities) and training influenced the company performance to a very great extent. Sales promotion maximizes sales.

Another research conducted by Svetlana Frolova (2014) on the Role of Advertising in Promoting a Product concluded that organizations use advertising to tell about themselves, about their products and services, or about some of their activities for an audience selected in a certain way and with the hope that this message will cause a responding reaction. The study further analyzed the effect of advertising on a product life cycle and find out the right ways and methods of advertising and how to apply them at every stage of the product life cycle. In the study the researcher tried to discover the essence of advertising and to identify particular qualities of its impact on the promotion of products and services.

Adekoya Olusola (2011) conducted a study on the Impact of Advertising on Sales Volume of a Product a case study of Starcomms Plc., Nigeria. The findings showed that consumer views advertising carried out in by the American Association of Advertising Agency, as a channel of information from the manufacturer to the consumers and it was seen as a manipulation, propaganda and a misleading marketing instrument. While advertising can be seen as necessary for economic growth, it is not without social costs, it is increasingly invading public spaces, such as schools, hospitals, buses, etc, which some critics have argued is a form of consumer exploitation.

The study on the Influence of Sales Promotion on Consumer Behavior in Financial Services conducted by Markkinoinnin Ja Johtamisen Laito (2008) assessed how sales promotion influences consumer credit card behavior by examining credit card purchases before, during and after the promotional periods. It assessed whether or not the promotions have increased the purchase activity and whether the purchase frequencies remained after the end of promotional period.

Mbogo Pithon Kanina (2013) conducted a research on the Influence of promotion mix Strategies on the Growth of Customers of Pathologists Lancet Kenya. The findings indicated that Pathologists Lancet Kenya adopt at least some promotional strategies in their endeavor to achieve some competitive advantage over their competitors in such a stormy environment. It is concluded that the level of adoption of the promotional strategies amongst Pathologists Lancet Kenya still remains an uphill task despite the importance of strategic marketing practices in any business; these practices have not yet been embraced amongst the healthcare firms in Kenya due to high costs associated with promotions. It also concluded that healthcare firms in Kenya to be competitive in terms of service quality, they should adopt modern technology in communication to promote their services cost effectively to the target market.

George Otieno Osewe (2013) conducted a study on the Effectiveness of Internet Advertising on Consumer Behaviour: The Case of University of Nairobi Students. The study concludes that the

effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in Kenya and time spent on various media. The study further concludes that the reliability of internet advertising is quite low. The research established that TV advertising is more reliable than internet advertising.

The study also concluded that internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision.

However, internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The study also concluded that internet advertising has significant relationship with purchase decision of the consumers.

The study further concluded that internet advertising contributes most to the consumer behavior and that internet advertising was a significant factor in predicting the consumer behavior.

Mohammed Dawed (2017) conducted a research on Effects of Integrated Marketing Communication Programs on Performance of Insurance Business: The Case of Ethiopian Insurance Corporation. The study found that direct marketing and personal selling activities conducted by the Corporation affect its performance significantly in a positive manner. The study concluded that EIC's personal selling activities influenced its performance to a great extent.

Even though various researches have been conducted regarding promotional tools from different point of view, to the best knowledge of the researcher there is no any research study related with the promotion tools objectives i.e. informing, persuading and reminding effect, conducted in Ethiopian insurance sector in general and in Ethiopian Insurance Corporation in particular.

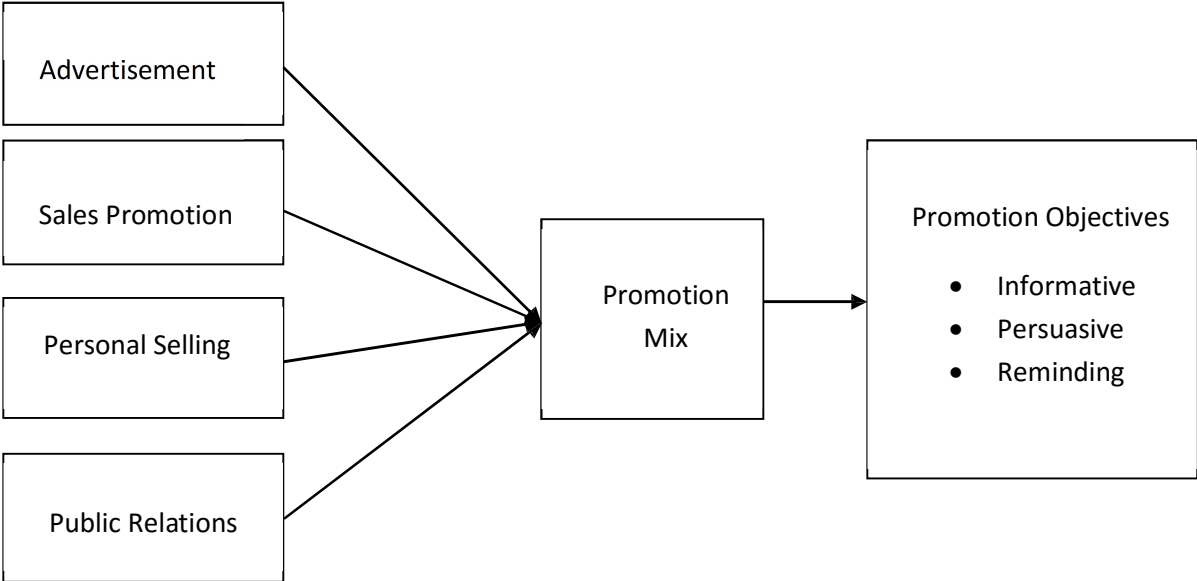
Un availability of such type of research studies conducted on the performance of promotional tools in creating awareness, enhancing customers to purchase the insurance services and products and creates positive image in the customers mind in Ethiopia context, the existence of knowledge gap and the problem stated in the statement of the problem instigate the researcher to conduct this study. Therefore, the intent of this research is to assess the performance of promotional tools used by EIC in informing, persuading and reminding its customers.

#### **2.4. Conceptual Framework**

A conceptual model shows the relationships among several elements identified as important to the research questions based on the theoretical and empirical literature available.

With this under consideration, a conceptual model has been developed for this particular case at hand based on the reviews of previous knowledge to discuss the relationship between the promotional tools and the objectives of promotional tools in terms informing, persuading and reminding customers. The framework has been developed considering similar empirical studies and the theoretical illustrations on the above sections of the literature. They are made based on the promotion tools in this study, i.e., advertising, sales promotion, personal selling and public relations which are independent variables and informative, persuasive and reminding effects are dependent variables..

**Figure 2:2.Research Conceptual Framework**



Source: adopted from Kihanya 2013.

## CHAPTER THREE

### 3. RESEARCH DESIGN AND METHODOLOGY

#### 3.1. Introduction

This chapter presents methodology that was being used to conduct the study. It covers the research approach, design, the target population and sampling and size of the sample, data collection instruments and procedures and the method of data analysis.

#### 3.2. Research Approach

This research was conducted to assess the promotional tools used by Ethiopian Insurance Corporation in terms of providing information, persuading and reminding customers.

The research aimed to understand about the effects of promotional tools on informativeness, persuasiveness and reminding objectives by conducting a case study on the Ethiopian Insurance Corporation. Accordingly the investigation tried to explain how those promotional tools taken as independent variable contribute to inform, persuade and remind customers. As the tools are promotional mixes such as advertising, sales promotion, personal selling and public relations which are of qualitative nature, the research approach will be to use qualitative analysis. Survey instrument will be used to undertake this empirical study which will try to explain an existing phenomenon. However, there are several secondary data including those showing the performance indicators over the years are included.

As far as the mode of inquiry is concerned, this research followed a mixed approach. Mixed methods approach is a procedure for collecting, analyzing and mixing both quantitative and qualitative data (Creswell, (2009)). Mixed research design is opted for since it allows gaining a fuller understanding the case at hand. Neither qualitative nor quantitative research methods are sufficient to have a full understanding of the situation. The quantitative and qualitative data, when used in tandem, complement each other and allow more complete analysis (Creswell, (2009)). Quantitative data can reveal generalizable information for the larger portion of the sample. Qualitative research techniques are particularly appropriate to research attitude and perception responses to a phenomena and people's perceptions and judgments about that experience (Miles & Huberman, 1994).

### **3.3. Research Design**

Research design refers to the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure (Babbie, 2010). In addition Kothari (2004) stated that research design is a blue print which facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible, hence yielding maximum information with minimal expenditure of effort, time and money.

The design was chosen since it is more precise and accurate since it involves description of events in a carefully planned way (Babbie, 2010). The design therefore was used to establish the relation between the independent variables (advertising, sales promotion, personal Selling and Public relations) and the dependent variables (informing, persuading and reminding).

The study used a descriptive survey approach in collecting and analyzing data concerning the promotion tools of EIC. Descriptive survey research describes the characteristics of objects, people or organizations, portrays an accurate profile of persons, events, or account of the characteristics. The descriptive survey method is preferred because it ensures complete description of the situation, making sure that there is minimum bias in the collection of data (Kothari, 2004). A descriptive study is concerned with finding out the what, where and how of a phenomenon. This design is considered suitable because it helps in collecting information from respondents on their attitudes, awareness and opinions in relation to the subject area. Since the aims of this study is to asses and analyze the promotional tools on the bases of opinions gathered from the customers of the corporation, applying the descriptive study is more appropriate to achieve this study's objective. In this regard, it can be said that this research is descriptive quantitative research. Hence an analysis was conducted to assess the performance of the promotion mix adopted by the Ethiopian Insurance Corporation. The researcher developed a questionnaire which was used to collect relevant data for final analysis and presentation.

### **3.4. Population, Sample size and sampling**

#### **3.4.1. Population**

A population is the whole group that the research focuses on. A population consists of all elements, individuals, items or objects whose characteristics are being studied. Sample is segment of the population that is selected for investigation (Cooper & Schindler, 2006).

Mugenda, (2003) defines population as the set of all –units of analysis in one’s problem area. The target population of this study comprised the customers of EIC in Addis Ababa. Addis Ababa is selected, because more than 70% of the corporation’s revenue is obtained from Addis Ababa. In addition to this, EIC’s head office is located at Addis Ababa and most of the promotion activities are conducted from head office. Most of the promotional channels used by the corporation are found in Addis Ababa. From these channels only a few media outlets reach the whole part of the country, while the rests are limited to Addis Ababa and surrounding area.

### **3.4.2. Sampling technique**

The population for the study constitutes those customers who have bought insurance cover policy from EIC.

From the population frame the required number of subjects, respondents, elements or firms was elected in order to make a sample. The sampling frame describes the list of all population units from which the sample is selected (Cooper and Schindler, 2003).

This study made use of the non-probability sampling. Non-probability sampling does not involve random selection; it is rather by convenience, purposive, or self-selection (Carmo, Infante and Mendes 2014: 478). Purposive sampling is based on the specific trait the respondent has to fulfill the requirement of the study.

To achieve the objectives of the study data was collected from respondents using a questionnaire. The following points elaborate the details of the survey.

### **3.4.3. Sample size**

The sample size of 384 customers was selected, because, if the population size is very large, it should be enough to support the research results (Sekaran 2010: 294). Assuming that there is a large population but not knowing the variability in the proportion that are the target customers of EIC; therefore, assuming  $p=.5$  (maximum variability). Furthermore, suppose a 95% confidence level and  $\pm 5\%$  precision. Sample size was calculated by using the formula below (Burns and Bush, 2013).

Therefore for populations that are large, and particularly for population where the total population is unknown, the following formula could be used to generate the sample size required (Kothari, p.180).

Where Population is infinite

$$n = \frac{z^2 p q}{e^2}$$

$n$  = the sample size

$z$  = standard error associated with the chosen level of confidence.

For a confidence level of 95 per cent, (typically,  $Z=1.96$ )

$p$  = is the degree of variability, expressed as a decimal; if you don't know this, then use 0.5. *estimated percent in the population*  $q = 1 - p$

$e$  = is the level of precision, expressed as a decimal. It is *acceptable margin of sample error (5%)*

$$\text{Therefore, } n = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2}$$

$$n = 384.16$$

The result from calculating the sample size is 384.16 samples which mean that the appropriate sample size for this study should be at least 384 samples.

### 3.5. Data Sources

The primary sources of information were data collected from customers using questionnaires administered to them, and it was also collected by the researcher's personal observation.

Secondary data was obtained from the documents, publications, manuals, websites, etc. Of the corporation. Both primary and secondary sources of information are used to obtain the required data.

### **3.6. Data Collection**

Data collection includes primary and secondary data. When the needed data doesn't exist or outdated, inaccurate, incomplete, or unreliable, the researcher is required to collect primary data (Kotler, 2012, P. 123). Most marketing research projects include some primary data necessary for the research which could be collected from respondents using a questionnaire. The questionnaire included both close and open ended questions. Close ended questions were used to conserve time and money as well as to facilitate an easier analysis as they are in immediate usable form. Open ended questions were used because; respondent's response gives an insight to his or her feelings, background, hidden motivation, interests and decisions. Such type of questionnaire could encourage the respondents to give an in-depth and felt response without feeling held back in revealing of any information. In a survey study, self-administered questionnaires are a suitable method, since they can avoid subjectivity due to absence of interviewers' influence. Also, they allow respondents sufficient time that will require consultation before response (Kothari, 2004). The advantage of using questionnaire includes the fact that, it allows for quantitative analysis and also ensures that all respondents are asked the same set of questions.

The questionnaire organized for this study consists of two sections;

Section I deals with demographic data and general information while Section II deals with data on the promotional elements.

Primary data was also gathered through the researcher's own observations as an employee of the corporation. Secondary data was also collected from the website, various publications and internal documents which are available in the corporation.

### **3.7. Reliability and Validity of the instruments**

The clarity of the instrument items to the respondents was established so as to enhance the instrument's validity and reliability. According to Sekaran (2003), validity is the degree by which the sample of test items represents the content the test is designed to measure. To establish the validity of the research instrument the research sought opinions of experts in the field of study especially the researcher's supervisor.

Reliability refers to the consistency of measurement and is frequently assessed using the test-retest reliability method (Saunders, Lewis & Thornhill, 2009). Reliability was tested using Cronbach Alpha test with a threshold of 0.7. This facilitated the necessary revision and modification of the research instrument.

The reliability and validity of the data has been tested by distributing sample questionnaires to a portion (10%) of the targeted population, i.e. 38 respondents. Then after, the sample questionnaire distributed to respondents have been collected, reviewed and adjusted. Accordingly, the Cronbach's Alpha reliability test of 38 valid respondents became 0.964 which was satisfactory as coefficient of 0.7 or above is nearly always acceptable.

**Table 3:3 Cronbach’s Alpha for each variable of the questionnaire**

Reliability Statistics	
Cronbach's Alpha	No. of Items
.964	61

Source: - SPSS Survey output (2019)

### **3.8. Methods of data Analysis**

Collected data was analyzed based on the in consistent with research questions and objectives and the understanding and judgment of the researcher. The data was analyzed based on the type of questions designed and response provided. The responses provided to promotion tools questions were analyzed based on the scale allocated to the factors. The rating was numerical and it ranged from one to five in which the least number shows that the respondents strongly disagree and the highest number shows that the respondents strongly agree with the stated factor regarding the effects of the promotion tools.

Analysis of quantitative data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and recommendation.

First the collected data was sorted by rearranging the data to bring some order or systematic handling and then edited to eliminate unimportant information. Finally, data were classified on the basis of similarity and then tabulated. The data was then coded according to the responses. According to Armstrong and Kotler (2005: 103), relationships between responses was assessed and presented using descriptive statistics, like frequency tables, percentage, mean, and standard deviation, etc. was used in the analysis of the data. The quantitative analysis was done using the Statistical Package for Social Sciences (SPSS version 20) and excel.

### **3.9. Ethical consideration**

An ethical consideration of confidentiality and privacy was addressed. In this research the researcher tried to take precautions while securing the necessary information for the accomplishment of the research objective. The researcher exerted effort to get the consent of the districts' Directors and Team Leaders and manager of Branches of EIC in Addis Ababa required their cooperation for distribution and collection of data from the respective customers.

Customers who are the subject of the survey were informed by a letter accompanied the questionnaire that the purpose of the study is purely for academic consumption and they were assured that their name and the data obtained from them is kept confidential.

## CHAPTER FOUR

### 4. RESULTS AND DISCUSSIONS

#### 4.1. Introduction

This section presents analysis and findings of the customers' responses regarding EIC's promotional performance. The results of the analysis is presented as per objective of the study and described in tables where stated. The sample size for the analysis is 314 customers of EIC. Once the respondents answered and returned the distributed the questionnaires, data was coded and analyzed using SPSS. The study objectives were; to determine the major promotional tools used by the company for its promotional strategy; to find out the key promotional tools to promote its services on the basis of customers responses; to measure the overall level of the effect of the corporate promotional mix practiced by EIC in informing, reminding and persuading customers towards the corporation's products and services; to identify the media outlets, advertisement place, time and frequency which are useful for the corporation's promotional activity and to identify customers' perceptions towards promotional tools used by EIC.

#### 4.2. Response Rate

The researcher targeted total sample size of 384 respondents to collect data from, on promotional performance of EIC through distributed questionnaires. From distributed questionnaires, 314 respondents filled and returned the questionnaires contributing to a response rate of 82%. According to Mugenda and Mugenda (2003), a 50% response rate is adequate, 60% is good and above 70% is rated very good. This also concurs with Kothari (2004) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that according to this assertion; 82% of response rate is sufficient and can be used as representative to this research project.

Accordingly, 314 respondents were considered for the analysis and the data collected from those respondents were analyzed using computer program software called SPSS Version 20 and Excel.

### 4.3. Descriptive Analysis of Demographic Characteristics of Respondents

The study sought the background of the respondents focusing on respondent's demographic characteristics and this section presents the data findings on the respondents' demographic characteristics. It specifically looks at their gender, age, marital status, level of education, occupation, ownership of insurance policy, type of policy cover and length of time the respondent has been with EIC. The findings were then presented in tables, appropriate with explanations being given thereafter.

**Table 4: 4 Gender distributions of the respondents**

Sex/Gender	Frequency	Valid percent
Valid male	214	68.2
female	100	31.8
Total	314	100.0

Source: Survey data, 2019.

The respondents were required to indicate their age and as can be seen in the above Table 4.4 the number of male respondents contribute 214 (68.2 %) whereas 100 (31.8%) respondents are female customers of the corporation. This shows that the majority of the respondents are mail customers.

**Table 4:5. Age Distribution of the Respondents**

Age category of the respondents	Frequency	Valid percent
Valid <=25	40	12.8
26-35	123	39.4
36-45	114	36.5
>=46	35	11.2
Missing		
Total	312	100.0

Source: Survey data, 2019.

The respondents were required to indicate their age where the study findings indicated that, 123 (39.4%) of the respondents' age was between 26 and 35 years. Analysis of findings also indicated that 114 (36.5%) of the respondents were between 36 and 45 years of age. The findings further indicated that 40 (12.8%) were less than 25 years while 35 (11.2 %) were above 46 years of age. This implies that most (237) of the respondents were between the age of 26 & 45 years which is a population in working age.

This implies that most (237) of the respondents were between the age of 26 & 45 years which is a population in working age. In this regard, it can be seen that most of the population 237 ( 76%) are between the age group of 26-45 years and from this result it can be induced that the majority of the customers of the corporation are at the young age population. This also shows that, customers of the corporation have started their own business and needs insurance protection for their property.

**Table 4:6. Marital status of the respondents**

Marital Status		Frequency	Valid Percent
Valid	married	214	68.8
	unmarried	93	29.9
	other	4	1.3
	Total	311	100.0
Missing		3	
Total		314	

Source: Survey data, 2019.

As one can notice from the above table 4 . 6 about 214 (68.8%) of the respondents are married and 93 (29.9%) of the respondents are unmarried while the remaining 4 (1.3%) respondents indicated to be others such as divorced and widowed. This implies that most of the respondents have built a family who need insurance protection for their family.

### 4.3.1. Educational Level of the Respondents

**Table 4:7. Respondents' level of education**

Level of Education		Frequency	Valid
Valid	Elementary	22	7.0
	Secondary		
	Diploma First-degree Masters and above	46	14.6
		80	25.5
Total		135	43.0

Source: Survey data, 2019

From the findings as shown in Table 4.7 above, the majority 135 (43%) of the respondents were first degree holders, 80(25%) and 46 (14.6%) of the respondents were diploma holders and secondary level education respectively, while 31 (9.9%) of the respondents level of education were masters degree holders and above. The remaining 22(7%) respondents were at elementary level. This implies that the majority 246(78.4%) of the respondents were above diploma level of education. This implies that the majority 246(78.4%) of the respondents were above diploma level of education. To this end, it is possible to say that educated people need insurance protection for their property and life.

### 4.3.2. Occupation of the Respondents

**Table 4:8. Respondents' Occupation**

Occupation		Frequency	Valid Percent
Valid	Private	61	19.4
	Trader	68	21.7
	Private company employee	69	22.0
	Government employee	107	34.1
	Other	9	2.9
	Total	314	100.0

Source: Survey data, 2019

With respect to the occupation of the respondents, as shown in table 4.8, out of 314 respondents 107 (34.1%) are government employees, 69 (22%) are employees of private organizations, 68 (21.7%) are traders and 61 (19.4%) are self-employed while the remaining 9 (2.9%) are out of these categories. The Table shows that most of the respondents are employees of government and private organizations. The policy owners are government and private organizations and the respondents are employees of these organizations.

This implies that, due to various reasons, the corporation’s insurance product owners are organizations rather than individuals.

**Table 4:9. Ownership of Insurance Policy**

		Frequency	Valid Percent
Valid	yes	312	99.4
	no	2	.6
	Total	314	100.0

Source: Survey data, 2019

As indicated in the above Table 4.9, almost all of the respondents purchased insurance covers from the corporation are the owner of the policy. The questionnaire was distributed to the customers of the corporation. However for unknown reason 2 (0.6%) respondents indicated that they didn’t buy cover from EIC.

This implies that, almost all respondents are the corporation’s policy owners and indicates that the research targeted proper population to obtain the right information to reach on the final conclusion and recommendation.

**Table 4:10. Ownership of Insurance Policy by class of Insurance**

Type of policy purchased		Frequency	Valid Percent
Valid	Property	195	62.9
	Life	41	13.2
	Liability	68	21.9
	Others	6	1.9
	Total	310	100.0
Missing		4	
Total		314	

Source: Survey data, 2019

As presented in the above table 4.10 the most 195 (62.9%) of purchased type of policy was property insurance policy followed by 68 (21.9%) liability and 41 (13.2%) life insurance policy respectively. This shows that the majority of the respondents are property insurance holders.

It implies that most of the people give priority to protect their property followed by legal responsibilities and obligations to hold their legal liability insurance cover for their legal responsibility. Long – Term (life) insurance ownership has been given less priority than general (non-life) and legal liability insurance cover by the population.

**Table 4:11. Term of Insurance Policy/the duration for how long respondents have been served by EIC.**

		Frequency	Valid Percent
Valid	<1	46	14.7
	1-5	152	48.7
	6-10	68	21.8
	11-15	24	7.7
	>15	22	7.1
	Total	312	100.0
Missing		2	
Total		314	

Source: Survey data, 2019

The insurance policy term indicated in Table 4.11 above the customers' length of time with Ethiopian Insurance Corporation. As presented in the table the majority of the respondents 152 (48.7%) have 1-5 years of service experience with the corporation. 68 (21.8%) of the respondents have 6-10 service experience, 46 (14.7%) of the respondents have less than one year of service experience. 24 (7.7%) and 22 (7.1%) of the respondents have 11-15 years and more than 15 years of service experience respectively. This implies that the majority 266 (85.2%) of the respondents have got 1-15 years of services from the corporation.

This implies that the majority 220 (70.5%) and 22 (7.1%) of the respondents have got 1-10 years and above 15 years of services from the corporation respectively. Compared with the corporation's more than four decades service in the insurance sector in the country, it is possible to say that the corporation didn't maintain many customers for a long period of time.

**Table 4:12. Through which source you became aware of the services and products of EIC for the first time?**

		Frequency	Valid Percent
Valid	Friends	61	19.5
	Print advertisement	33	10.5
	Sales persons (agents/sales officers)	60	19.2
	Electronic media (Radio/TV /internet)	143	45.7
	Other	16	5.1
	Total	313	100.0
Missing		1	
Total		314	

Source: Survey data, 2019

Table 4.12, above shows through which tools they became aware about the services and products of EIC for the first time. About 45.7% of respondents replied that they came to know about the services and products of the company through electronic medias (Radio/TV /internet); 19.5% and 19.2% of the respondents were informed through friends and sales persons (agents/sales officers) respectively. Print advertisement took the last position to create awareness of respondents for the first time. This shows that electronic media is more useful for the corporation to reach its actual and potential customers.

**Table 4:13. Have you watched any ad of the corporation?**

		Frequency	Valid Percent
Valid	yes	294	93.6
	no	20	6.4
	Total	314	100.0

Source: Survey data, 2019

Respondents were asked, if they have an experience of watching the corporation's ad Table 4.13 indicated the result, whether customers watched any ad of the corporation or not. From the findings, 294 (93.6%) of respondents indicated that they have watched ads transmitted by EIC while 20 (6.4%) indicated they didn't watch ad of the corporation. The result shows that significant number of customers can be reached through a variety of media type.

The result shows that significant number of customers can be reached through television commercials. This tells us the corporation should further produce and transmitted TV commercials to inform and remind its customers about its services and products and persuade them to purchase the products.

**Table 4:14. How do you rate the quality of EIC’s ad?**

variables		Frequency	Valid Percent
Valid	Excellent	101	32.4
	Good	122	39.1
	Average	65	20.8
	Fair	20	6.4
	Poor	4	1.3
	Total	312	100.0
Missing		2	
Total		314	

Source: Survey data, 2019

The study sought to establish how the respondents, as customers, rated the quality of EIC’s ad they have watched. Accordingly, the respondents were further asked to indicate the level of the quality of the ads they have watched. According to the findings in Table 4.14 above 223 (71.5%) of the respondents indicated that the quality of ads they watched are above average (excellent and good), 65 (20.8%) indicated that its quality is an average, and 24 (7.7%) indicated the quality of the corporation is below average (fair and poor).

This implies that, the corporation’s ad quality is rated good, average and excellent. However, considering the current innovative technological development, the corporation should continuously improve its ads’ quality.

**Table 4:15. Do you think that the corporation's ad should be modified?**

		Frequency	Valid Percent
Valid	yes	218	70.1
	no	93	29.9
	Total	311	100.0
Missing		3	
Total		314	

Source: Survey data, 2019

One can note from Table 4.15 the majority 218 (70.1%) of the respondents indicated that the corporation ads need to be modified. Even though, in Table 4.11 most of the respondents indicated the quality is above average, in Table 4.12 they recommend that modification and further improvement should be taken. The reasons for modification required by the respondents are:

- i. Transmitting ad through television alone is not adequate by itself, the corporation should prepare different materials such as calendar, note book, pen, etc. and provide to customers as a sales promotion tools.
- ii. Ad must be transmitted more frequently and present detail information to customers
- iii. The corporation should prepare brochures and leaflets about its products and services and send to customers.
- iv. It should be detail and clear to be understood by those customers who are at lower level education.
- v. The advertising system should be developed parallel to the development of technology.
- vi. Transmission time, better to be immediately after news.
- vii. Use modern media channels.
- viii. Most of the ads are focused on the corporation's image. But it should present detail information about the insurance products.
- ix. The recording of the advertisements lacks attractiveness and to make it more attractive, it is better to use celebrities in your ads.
- x. The message should be trustful and convincing as well as humorous to attract the audience.
- xi. In addition to the corporation's service, it should include pre-risk prevention message.
- xii. Minimize the repetition of similar ads and create new ads frequently and use varieties.
- xiii. As much as possible try to make your ad more descriptive and memorable in the minds of the audience.
- Xiv. In order to reach most of the audiences it is better to use all media channels.

On the other hand 93 (29.9%) respondents indicated that the ad doesn't need further modification.

The response for the above question indicated that, the corporation's ads need modifications in terms of clarity, attraction, content, description...etc.

**Table 4:16. Which media you prefer to watch/listen/read the company's ad?**

		Frequency	Valid Percent
Valid	Television	226	72.0
	Newspaper	7	2.2
	Magazine	13	4.1
	Radio	31	9.9
	Billboard	17	5.4
	Websites	20	6.4
	Total	314	100.0

Source: Survey data, 2019

As shown in the above Table 4.16 from the results, 257 (81.1%) of the respondents preferred electronic media (72%, 9.9% and 6.4% preferred television, radio and website respectively), 5.4% preferred billboard, 4.1% preferred magazine while 2.2 % preferred newspaper. It means customers do prefer various mediums to get awareness but the highest preference is being given to television followed by radio. This clearly indicated that the choice of electronic media to transmit advertising message of the corporation will be effective. Moreover, it can be noted that more respondents preferred to view the ads on television as compared with other media outlets. Hence EIC should increase to transmit its ads on television and other electronic Medias.

This implies that, since TV is preferred to be viewed by most of the respondents EIC needs to increase to transmit its ads on television and other electronic Medias and should work hard to make other medias as preferable as television.

#### **4.4. Descriptive statistics results and analysis of the variables**

Descriptive statistics is presented in the form of frequencies; percentages, means and s standard deviations to demonstrate the level of agreement or disagreement of customers (respondents) with their perception to Ethiopian Insurance Corporation's promotion performance.

In order to gather the perception of customers, they were asked to express the level of their agreement. Accordingly, the responses of the customers for the variables indicated below were measured on five point Likert scale with: 1= strongly disagree (SDA), 2= Disagree (D) which are below average, while 3 = Neutral (N) mean or average point 4= Agree (A) and 5= strongly agree (SA) which is above average. In order to be more specific and for analysis purpose, the score of mean,  $\leq 1.4$  was interpreted strongly disagree, while a score of  $1.4 \leq 2.2$  interpreted as disagree,  $2.2 \leq 3$  is interpreted as moderately disagree, the score of  $3 \leq 3.8$  is interpreted as moderately agree,  $3.8 \leq 4.6$  is interpreted as agree, and finally  $\geq 4.6$  considered as strongly agree.

The variables are analyzed using descriptive statistics i.e. Frequencies, percentages, means and standard deviations. The mean indicates to what extent the sample group averagely agrees or disagrees to different statements stated in the tables. The higher the mean, the more the respondents agree whereas the lower the mean, the more the respondents disagree with the stated statements. On the other hand, standard deviation (SD) shows the variability of observed responses from a single sample Marczyk, Dematteo and Festinger (2005).

**Table 4:17. Does EIC use proper media to transmit its marketing message?**

Tools	Responses	SD	D	N	A	SA	Mean	St.Dev
TV	Frequencies	19	20	55	78	141	3.96	1.196
	Valid %	6.1	6.4	17.6	24.9	45.0		
News paper	Frequencies	40	68	95	77	30	2.96	1.172
	Valid %	12.9	21.9	30.6	24.8	9.7		
Magazine	Frequencies	31	75	104	74	26	2.96	1.104
	Valid %	10.0	24.2	33.5	23.9	8.4		
Radio	Frequencies	16	34	80	114	67	3.59	1.098
	Valid %	5.1	10.9	25.7	36.7	21.5		
Billboard	Frequencies	40	62	95	69	44	3.05	1.228
	Valid %	12.9	20.0	30.6	22.3	14.2		
Websites	Frequencies	60	54	76	59	61	3.02	1.39
	Valid %	19.4	17.4	24.5	19.0	19.7		
Group mean score of proper media usage	Frequencies	34	52	82	79	62	3.26	1.198
	Valid %	11	17	27	25	19.8		

Source: Survey data, 2019

The above table 4.17 shows how respondents rating EIC's proper use of a Variety of media outlets to transmit marketing messages to existing and potential customers. Accordingly, on average, the majority 141 (44.8%) of respondents positively rated (either strongly agree or agree) that EIC properly uses electronic and print medias to transmit its marketing message. However, when each media outlets rated individually, Television took the highest level with mean score of 3.96 and SD of 1.198, followed by Radio (3.59), Billboard (3.05) and Website (3.02), with average group mean score of 3.26 ( moderately agree) which indicated EIC uses proper media to transmit its marketing message. Regarding Magazine and Newspaper, the majority 106 (24.2%), and 108 34.8%) respondents respectively negatively rated with similar average mean score of 2.96.

From the above descriptive analysis results in the above table, it is possible to conclude that on average EIC properly uses Medias to transmit its marketing message. However, regarding magazine and newspaper the respondents' negative response overweighs the positive response. This shows that EIC should work hard to make proper these Medias proper for the customers.

**Table 4:18. Does EIC select proper broadcast timing and print space to place its advertisements?**

		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mea n</b>	<b>St.Dev.</b>
TV	Frequencies	24	30	58	91	107	3.73	1.245
	Valid %	7.7	9.7	18.7	29.4	34.5		
News paper	Frequencies	30	70	98	79	29	3.02	1.123
	Valid %	9.8	22.9	32.0	25.8	9.5		
Magazine	Frequencies	32	78	92	73	32	2.98	1.153
	Valid %	10.4	25.4	30.0	23.8	10.4		
Radio	Frequencies	23	45	80	94	65	3.43	1.19
	Valid %	7.5	14.7	26.1	30.6	21.2		
Billboard	Frequencies	39	78	88	67	33	2.92	1.191
	Valid %	12.8	25.6	28.9	22.0	10.8		
Websites	Frequencies	68	71	73	59	35	2.75	1.308
	Valid %	22.2	23.2	23.9	19.3	11.4		
Group mean of broadcast time and space							3.14	

Source: Survey data, 2019

The above table 4.18, demonstrates the response rate of respondents on the corporation's selection of proper broadcast timing and print space to place its advertisements. The finding indicated that respondents moderately rated (either agree or strongly agree) that time and print space of medias such as television, radio and newspaper have been properly selected to transmit and print ad of EIC with a mean score of 3.73, 3.02, and 3.43 respectively. Medias such as magazine billboard and website are rated as moderately disagree with a mean score of 2.98, 2.92, and 2.75 respectively. Respondents' moderately agreed (either agree or strongly agree) that EIC has selected proper broadcast timing and print space with group mean score of 3.14.

This implies that EIC has selected proper broadcast timing on TV and Radio and print space on newspapers. But magazine and website ads places need to be reconsidered to place on which audiences can be reached.

**Table 4:19. The frequency (repetition) of the EIC's advertisement to promote its services and products.**

Tools	Responses	SD	D	N	A	SA	Mean	St.D
TV	Frequencies	35	59	84	60	71	3.24	1.307
	Valid %	11.3	19.1	27.2	19.4	23.0		
News paper	Frequencies	49	86	76	71	20	2.76	1.175
	Valid %	16.2	28.5	25.2	23.5	6.6		
Magazine	Frequencies	45	93	83	61	22	2.74	1.152
	Valid %	14.8	30.6	27.3	20.1	7.2		
Radio	Frequencies	36	81	71	85	34	3.0	1.207
	Valid %	11.7	26.4	23.1	27.7	11.1		
Billboard	Frequencies	56	92	72	60	24	2.68	1.207
	Valid %	18.4	30.3	23.7	19.7	7.9		
Websites	Frequencies	72	78	68	51	36	2.68	1.319
	Valid %	23.6	25.6	22.3	16.7	11.8		
Group mean score of frequencies	Frequencies	49	82	76	65	35	2.85	1.228
	Valid %	16	27	25	21.2	11.27		

Source: Survey data, 2019

Table 4.19 illustrates the reflection of the customers towards the frequency (repetition) of the EIC's advertisements to promote its services and products. As it can be seen from the table the results of mean scores of responses regarding frequency are (television 3.24, Radio 3.0, newspaper 2.76, Magazine 2.74, billboard and website 2.68 each) with group mean score of 2.85. This indicates that the majority of the customers were moderately agreed with television and radio ad frequency/repetition. Regarding newspaper, Magazine, billboard and website ad frequencies (repetition), the mean indicates that the respondents rated as moderately disagree which indicated that the frequency/repetition of EIC's print ad were not adequate. In general, except television and Radio the ad frequency (repetition of advertisement) is not adequate to meet its objectives of informing, persuading and reminding customers.

As indicated in the table above, on average 100 (32.47%) respondents positively rated that EIC's Ad transmission frequency (either agree or strongly agree), 76 (25%) of respondents were neutral and the majority 131 (43%) of respondents rated negatively (either disagree or strongly disagree). From the finding, it is possible to infer that the frequency of ad transmission of EIC is not yet at the expected level.

From the above descriptive analysis result in the above table, it is possible to infer or conclude that except TV and Radio ad EIC hardly transmitting its ads repeatedly through other medias, so that major employees responded moderately disagree (as it is evidenced by the respondents' negative response outweigh positive responses) towards the statement given in the above table to measure the frequency of the ads through each media.

#### 4.4.1. Advertisement

**Table 4:20. Does EIC'S advertisements are informative?**

Variables	Responses	SD	D	N	A	SA	Mean	S. D
Advertisement of EIC provides good knowledge about its products & Services.	Frequency	16	52	98	67	80	3.46	1.184
	Valid %	5.1	16.6	31.3	21.4	25.6		
EIC's advertisements demonstrates the corporation's service and product are different from its competitors	Frequency	19	68	96	86	43	3.21	1.117
	Valid %	6.1	21.8	30.8	27.6	13.8		
EIC's advertisement are effective in awareness creation	Frequency	23	55	123	64	44	3.17	1.109
	Valid %	7.4	17.8	39.8	20.7	14.2		
Sufficient and adequate information About the corporation, its services and products is provided through advertisements of the corporation.	Frequency	28	55	113	65	45	3.12	1.153
	Valid %	8.9	19.8	36.1	20.8	14.4		
EIC's advertisements are more Informative than those of competitors.	Frequency	29	55	100	78	40	3.11	1.155
	Valid %	9.3	20.8	32.1	25.0	12.8		
EIC's advertisements effectively Communicate its message regarding the availability of its services and products in the market to existing and prospective customers.	Frequency	29	55	102	81	41	3.15	1.153
	Valid %	9.3	18.6	32.8	26.0	13.2		
Group mean score of advertisements are informative	Frequency	24	57	105	74	49	3.20	1.145
	Valid %	7.7	19.3	33.8	23.6	15.7		

Source: Survey data, 2019

Regarding the informativeness of EIC's ad, respondents were asked to express their agreement or disagreement on the statement given in the questionnaire. The response shows, 147(47%) of the respondents moderately rated (either agree or strongly agree) with a mean score of 3.46, that the advertisement of EIC provides good knowledge about its products & services, 68 (21.7%) of the respondents rated negatively (either disagree or strongly disagree), whereas 98 (31.34%) respondents were neutral (neither agree nor disagree). Regarding the difference of EIC's advertisements in demonstrating the corporation's services and products from its competitors 129 (41.4%) of respondents positively rated by stating (either agree or strongly agree), 87 (27.9%) of respondents rated negatively (either disagree or strongly disagree), while 96 (30.8%) of respondents were neutral (neither agree nor disagree). Pertaining to the awareness creation of the corporation's ad 108 (34.9%) of respondents positively rated saying (either agree or strongly agree) in their response, 78 (25.2%) of respondents negatively rate (either disagree or strongly disagree), whereas 123 (39.8%) of respondents were neither disagree nor agree.

Regarding Sufficiency and adequacy of information provided in the advertising about the corporation's services and products 110(35.2%) of the respondents indicated their agreement by stating (either agree or strongly agree), 83 (28.7%) of respondents rated negatively (either disagree or strongly disagree), and 113 (36.1%) of respondents neutral.

In comparing the informativeness of the corporation's ad with competitors in the market 118 (37%) of respondents positively rate (either agree or strongly agree) and 84 (30.1%) of respondents negatively rated stating disagree or strongly disagree. 100 (32.1%) of respondents stood in between (neither agree nor disagree).

Regarding the effectiveness of advertising, in communicating the corporation's message about the availability of its services and products in the market to existing and prospective customers 122 (39.2%) respondents rated positively (either agree or strongly agree), 84 (27.9%) of respondents rated negatively (either disagree or strongly disagree), while 102 (32.8%) of respondents were neutral (neither agree nor disagree).

In general, on average 123 (39.3%) of respondents rated positively (either agree or strongly agree) that the corporation ads are informative to actual and prospective customers. 81 (27%) of respondents rated negatively (either disagree or strongly disagree) whereas 105 (33.8%) respondents were neutral (neither agree nor disagree). This implies that the respondents moderately agreed with average group mean score of 3.2 that EIC's advertisements are informative.

This implies that the respondents moderately agreed with average group mean score of 3.2 that EIC's advertisements are informative. Moreover the corporation's ads provide good knowledge about its products & Services

**Table 4:21. EIC's advertisements are persuasive.**

Variables	Responses	SD	D	N	A	SA	Mean	s.D
EIC's advertisements have A power to attract audiences and encourage them to purchase insurance cover.	Frequency	18	55	97	94	49	3.32	1.11
	Valid %	5.8	17.6	31.0	30.0	15.7		
EIC's advertisements are reliable and enhance/ /motivate me to purchase insurance covers from the corporation.	Frequency	21	58	94	88	50	3.28	1.143
	Valid %	6.8	18.6	30.2	28.3	16.1		
Even though the same Insurance covers can be obtained from competitors; EIC's advertisements influence me to purchase the cover from EIC.	Frequency	27	51	92	81	58	3.3	1.201
	Valid %	8.7	16.5	29.8	26.2	18.8		
EIC's advertisements are Effective in changing the attitudes of its	Frequency	31	68	99	71	43	3.09	1.179
	Valid %	9.9	21.8	31.7	22.8	13.8		
EIC's advertisements are More persuasive than those of competitors' advertisements.	Frequency	38	60	82	78	54	3.16	1.265
	Valid %	12.2	19.2	26.3	25.0	17.3		
Group average mean of advertisements' persuasiveness	Frequency	27	58	92	83	51	3,23	1.18
	Valid %	7	15	29.8	26.5	16.4		

Source: Survey data, 2019

Table 4.21 reveals the respondents' rate on the persuasiveness of EIC's advertisements. The study found out that 134 (42.9%) of respondents rated positively (either agree or strongly agree) that EIC's advertisements have persuasive power to influence customers to purchase services of the corporation with group mean score of 3.23 (moderately agree). The survey revealed that 85 (22%) of the respondents rated negatively (either disagree or strongly disagree), while 92 (29.8%) of respondents stood neutral (neither agree nor disagree).

Concerning EIC's advertisements power to attract audiences and encourage them to purchase insurance cover, the majority 143 (45.7%) of the respondents responded positively (either agree or strongly agree) and some 73 (23.4%) respondents responded negatively (either disagree or strongly disagree) while only 97(31%) were (neither agree nor disagree) with the highest mean score of 3.32. Respondents were also asked whether EIC's advertisements are reliable and motivate customers to purchase insurance covers from the corporation. In this regard 138 (44.4%) of respondents have responded positively (either agree or strongly agree) with mean score of 3.28 and 79 (25.4%) respondents responded negatively (either disagree or strongly disagree) while 94.3 (30.2%) were neutral (neither agree nor disagree).

As far as EIC's advertisement's power to influence its audiences when compared to competitors concerned, the majority 139 (45%) of the respondents have responded positively (either agree or strongly agree). 78 (25.2%) respondents responded negatively (either disagree or strongly disagree) while 92(29.8%) were neither agreed nor disagreed with mean score of 3.3 (moderately agree).

Regarding the effectiveness of EIC's advertisements in changing the attitudes of the audiences 114 (36.6%) respondents stated their agreement (either agree or strongly agree), 99 (31.7%) respondents forward their disagreement (either disagree or strongly disagree), whereas 99 (31.7%) respondents prefer to be neutral (neither agree nor disagree) with mean score of 3.09 (moderately agree).

With regard comparing EIC's advertisements are more persuasive than those of competitors' advertisements 132 (42.3%) respondents rated positively (either agree or strongly agree) and 98 (31.4%) respondents were rated negatively (either disagree or strongly disagree) while 82 (26.3%) respondents were neutral (neither agree nor disagree) with mean score of 3.23 (moderately agree). From the above descriptive analysis result in the above table, we can conclude that the persuasiveness of the corporation's ad is moderately effective.

From the above descriptive analysis result in the above table, we can conclude that the persuasiveness of the corporation's ads is moderately effective and the advertisements have a power to attract audiences and encourage them to purchase insurance cover from the corporation.

**Table 4:22. EIC’s advertisements are reminding.**

Variables	Responses	SD	D	N	A	SA	Mean	Std. Dev.
EIC’s advertisements leave a Lasting impact on the minds of the audiences regarding its services and products.	Frequency	21	50	83	81	76	3.45	1.212
	Valid %	6.8	16.1	26.7	26	24.4		
I can easily identify the logo of EIC from other competitors in the sector	Frequency	12	19	58	84	139	4.02	1.107
	Valid %	3.8	6.1	18.6	26.9	44.6		
Advertisements of EIC are Designed to remind consumers about the benefits of insurance covers provided by the Corporation.	Frequency	25	34	90	104	59	3.44	1.152
	Valid %	8.0	10.9	28.8	33.3	18.9		
When I am thinking about Insurance company, EIC quickly comes to my mind.	Frequency	16	23	57	91	127	3.92	1.156
	Valid %	5.1	7.3	18.2	29.0	40.4		
Compared to other competitors in the Insurance industry EIC’s advertisements are more effective in reminding customers.	Frequency	16	40	91	100	67	3.52	1.114
	Valid %	5.1	12.7	29.0	31.8	21.3		
Group Mean score of reminding related variables	Frequency	18	33	76	92	94	3.67	1.148
	Valid %	6	10.6	24.3	29.4	29.9		

Source: Survey data, 2019

Table 4.22, illustrates the reflection of the customers towards the reminding characteristics of EIC’s advertisements. The results indicates that the advertisements of EIC are reminding and have positive impact on customers to remind the corporation’s services and products with the average group mean score of 3.67 (moderately agree) which indicated that EIC’s advertisements are effective in

reminding customers. When we see the respondent's frequency and valid percent, it showed that 186 (59.3%) respondents rated positively (either agree or strongly agree) some 53 (16.6%) Respondents negatively rated (either disagree or strongly disagree) while 76 (24.3%) were neutral (neither agree nor disagree). When we analyze each variables' reminding effect of advertisements separately, the finding in the above table indicated that most 223 (71.5%) of the respondents responded positively (either agree or strongly agree) that customers can easily identify the logo of EIC from other competitors in the sector, some 31 (9.9%) respondents negatively rated (either disagree or strongly disagree) whereas 58 (18.6%) respondents showed they are neutral (neither agree nor disagree) with the highest mean score of 4.02 which is agreed.

The study further found that EIC's advertisements leave a lasting impact on the minds of the audiences regarding its services and products. As a result, 157 (50.4%) respondents showed their agreement, 71 (22.8%) respondents negatively rated (either disagree or strongly disagree), while 83 (26.7%) respondents were neutral (neither agree nor disagree) with mean score of 3.45 (moderately agree). Respondents were asked to express their level of agreement whether the advertisements of EIC are designed to remind consumers about the benefits of insurance covers provided by the Corporation or not. The majority of the respondents 163 (52.2%) rated positively (either agree or strongly agree), and 59 (18.9%) of the respondents negatively rated (either disagree or strongly disagree) while 90(28.8%) respondents were indifferent to rate (neither agree nor disagree) with mean score of 3.44 (moderately agree).

The results also indicated that most 218 (69.4%) of respondents assured (either agree or strongly agree) that when they think about insurance company, EIC comes first to their mind. On the other hand, some 39 (12.4%) respondents rated negatively (either disagree or strongly disagree) the priority to think about EIC, whereas 57 (18.2%) respondents were neutral to forward their response (neither agree nor disagree) with the average group means score of 3.92 which is agreed.

According to the findings, the majority 167 (53.1%) respondents confirmed (Either agree or strongly agree) that Compared to other competitors in the Insurance industry EIC's advertisements has more effect in reminding customers about the corporation's image, services and products. Minority 51 (16.6%) of respondents rated negatively (disagree or strongly disagree), while 91 (29%) respondents stood neutral (neither agree nor disagree) with mean score of 3.52 (moderately agree).

From the above descriptive analysis, it is possible to deduce that EIC's advertisements are reminding and can leave lasting impact on the minds of the audience regarding its products and services.

#### 4.4.2. Sales Promotion

**Table 4:23. EIC’s Sales promotions**

Variables	Responses	SD	D	N	A	SA	Mean	St. D
I know that EIC uses different sales promotion incentives as part of its promotional means.	Frequency	16	49	91	89	66	3.45	1.14
	Valid %	5.1	15.8	29.3	28.6	21.2		
Sales promotion can make customers aware of EIC’s services and products.	Frequency	19	34	101	105	52	3.44	1.082
	Valid %	6.1	10.9	32.5	33.8	16.7		
EIC’s sales promotion tools enhance customers’ awareness about the corporation and provoke customers to purchase insurance covers.	Frequency	15	62	91	99	45	3.31	1.092
	Valid %	4.8	19.9	29.2	31.7	14.4		
EIC offers price discount as sales promotion tool to its customers and the amount of discount is significant as compared to competitors and it is a cause for me to purchase cover from the corporation.	Frequency	47	60	88	69	47	3.03	1.276
	Valid %	15.1	19.3	28.3	22.2	15.1		
EIC frequently offers attractive and memorable gifts to promote its brand and products.	Frequency	31	47	109	84	40	3.18	1.143
	Valid %	10.0	15.1	35.0	27.0	12.9		
EIC’s sales promotion activities play the role of informing, persuading and reminding prospective and current customers.	Frequency	26	43	97	99	45	3.3	1.134
	Valid %	8.4	13.9	31.3	31.9	14.5		
A price discount offered by the corporation has influenced me to buy additional insurance cover which is not planned in advance.	Frequency	42	47	90	75	55	3.17	1.275
	Valid %	13.6	15.2	29.1	24.3	17.8		
Group mean of Sales promotion of EIC	Frequency	28	49	95	89	50	3.3	1.163
	Valid %	9	16	31	29	16		

Source: Survey data, 2019

The study sought to find out the extent of the effectiveness of sales promotion performance of the corporation. The respondents were asked to disclose the extent of their agreement about sales promotion performance of EIC. The findings were presented in Table 4.23 above. From the findings, on average the majority 139 (45%) of respondents positively rated (agree or strongly agree) with the average group mean score of 3.3 which is moderately agreed. Some 77 (25%) respondents rated negatively (either disagree or strongly disagree), while 95 (31%) respondents remained neutral (neither disagree nor agree). As indicated in the Table the overall performance of sales promotions is moderately effective.

Customers' knowledge about EIC's use of different kinds of promotional incentives looks like the following. 155(49.8%) of the respondents' respond positively (agree or strongly agree), 65 (20.9%) respondents negatively respond (disagree or strongly disagree), whereas 91 (29.3%) respondents took neutral position (neither agree nor disagree) with the mean score of 3.45 which is moderately agreed.

When respondents were asked to rate whether Sales promotion can make customers aware of EIC's services and products, significant number 154 (50.5%) of respondents rated positively (either agree or strongly agree) and 54 (17%) respondents rated negatively (either disagree or strongly disagree), while 101 (32.5%) respondents became neutral (neither disagree nor agree) with the mean score of 3.44 which is moderately agreed.

In addition, Respondents were asked regarding the statement that EIC's sales promotion tools enhance customers' awareness about the corporation and if it can provoke customers to purchase insurance covers. From the results captured above 144 (46.1%) respondents responded in a positive way (either agree or strongly agree) and 77(24.7%) respondents rated negatively (either disagree or strongly disagree), whereas 91 (29.2%) respondents were neutral (neither agree nor disagree) with the mean score of 3.31 which is moderately agreed.

Respondents were asked to rate if EIC offers price discount as sales promotion tool to its customers and the amount of discount given is significant when compared to competitors and if it becomes the cause for customers to purchase cover from the corporation. Regarding this question 116 (36.9%) respondents rated positively (either agree or strongly agree, nearly equal number 107 (34.4%) of respondents rated on the contrary (either disagree or strongly disagree) whereas 88 (28.3%) respondents were neutral (neither agree nor disagree) with the mean score of 3.03 which is moderately agreed.

When respondents were asked to express their level of agreement that EIC frequently offers attractive and memorable gifts to promote its brand and products. 139 (39.9%) respondents confirmed positively (either agree or strongly agree), 78(25.1%) rated negatively (either disagree or strongly disagree), and 109 (29.2%) remained neutral (neither disagree nor agree) with the mean score of 3.18 which is moderately agreed.

Pertaining to EIC's sales promotion activities, the role it plays in informing, persuading and reminding prospective and current customers, 144 (46.4%) respondents rated strongly agree and agree, 69 (22.3%) rated strongly disagree and disagree, while 97 (31.3%) were undecided (neither agree nor disagree) with the mean score of 3.3 which is moderately agreed.

When respondents were asked whether a price discount offered by the corporation has influenced them to buy additional insurance cover which is not planned in advance; 130 (43.1%) respondents rated positively (either agree or strongly agree), and 89 (28.8%) respondents negatively rated (either disagree or strongly disagree), whereas 90 (29.1%) respondents were neutral (neither agree nor disagree) with the mean score of 3.17 which is moderately agreed.

Generally as indicated in the above Table 4.23, it is possible to summarize the result of descriptive analysis, there were positive response (moderately agree, agree and strongly agree) than negative response for all of sales promotion activities of EIC.

### 4.4.3. Personal Selling

**Table 4:24. EIC's Personal selling.**

Variables	Responses	SD	D	N	A	SA	Mean	Std. D
Personal selling is effective in persuading customers to purchase insurance cover.	Frequency	20	29	76	94	93	3.68	1.179
	Valid %	6.4	9.3	24.4	30.1	29.8		
Through personal selling, a seller can identify the specific needs and problems of the customers.	Frequency	7	34	71	106	94	3.79	1.061
	Valid %	2.2	10.9	22.8	34.0	30.1		
Personal selling has a benefit of direct interaction between buyers and sellers to create close relationship.	Frequency	9	32	79	97	94	3.76	1.083
	Valid %	2.9	10.3	25.4	31.2	30.2		
EIC's sales people frequent visit of customers provides you a chance to be visited and get free advice.	Frequency	29	62	90	80	49	3.19	1.198
	Valid %	9.4	20.0	29.0	25.8	15.8		
EIC' sales people has attractive approach, who are able to provide detailed and full information about the corporation, give professional response for any inquiry and provide good assistance to customers.	Frequency	17	44	96	74	80	3.5	1.175
	Valid %	5.5	14.1	30.9	23.8	25.7		
The explanation given by the corporation's sales people urges me to purchase insurance cover from the corporation.	Frequency	26	53	89	75	68	3.34	1.229
	Valid %	8.4	17.0	28.6	24.1	21.9		
Group mean score of Personal Selling of EIC	Frequency	18	42	84	88	80	3.54	1.154
	Valid %	5.8	13.6	26.8	28.2	25.5		

Source: Survey data, 2019

The study sought to find out the extent of personal selling practiced by EIC is effective. According to the findings in the above Table 4.24, 168 (53.7%) respondents confirmed by rating (either strongly agree or agree), 84 (26.8%) respondents were neutral (neither agree

nor disagree) and only 60 (19.4%) respondents rated negatively (either disagree or strongly disagree) with the average group mean score of 3.54 which is moderately agreed that the overall activities of personal selling is moderately effective.

As shown in the above Table respondents also rated separate variables related to personal selling. Accordingly 187 (59.9%) of the respondents positively rated (either strongly agree or agree) that Personal selling is effective in persuading customers to purchase insurance cover. But limited number 49 (15.7%) of respondents negatively rated (either disagree or strongly disagree), while 76 (24.4%) respondents were neutral (neither agree nor disagree) with mean score of 3.68 which is moderately agreed.

Respondents were asked to rate the sellers' ability to identify the specific needs and problems of the customers, and most 200 (64.1%) of the respondents rated positively (either agree or strongly agree), and a very few number 41 (13.1%) of respondents rated negatively (either disagree or strongly disagree) whereas 71(29.2%) respondents were neutral (neither agree nor disagree) with mean score of 3.79 which is moderately agreed.

Regarding the benefit of Personal selling, particularly the direct interaction between buyers and sellers to create close relationship, 191(61.4%) respondents witnessed by positively rating (either strongly agree or agree), on the contrary, 41 (13.2%) respondents negatively rated (either strongly disagree or disagree) while 79 (25.4%) respondents didn't show their agreement or disagreement with mean score of 3.76 which is moderately agreed.

Respondents were asked to rate if EIC's sales people frequently visit their customers it gives customers a chance to be visited and get free advice in their business relationship. In this regard, the majority 129 (41.6%) of respondents positively rated (either strongly agree or agree), 91 (29.4%) respondents didn't support (either strongly disagree or disagree) the statement, while 90 (29%) respondents were neutral (neither agree nor disagree) with mean score of 3.19 which is moderately agreed.

Respondents were also asked about EIC's sales people approach, ability to provide detailed and full information about the corporation, professional response for any inquiry and good assistance to customers.

Pertaining to this statement, the majority 154 (49.5%) of respondents rated positively (either strongly agree or agree), and the minority 61 (19.6%) of the respondents negatively rated (either strongly disagree or disagree), while 96 (30.9%) respondents remained neutral (neither agree nor disagree) with mean score of 3.5 which is moderately agreed.

The other question asked was related to if the explanation given by the corporation's sales people urges customers to purchase insurance cover from the corporation. In this regard most 143 (46%) of the respondents consented (either agree or strongly agree), and 79 (25.4%) respondents rated it negatively (either disagree or strongly disagree) whereas 89 (28.6%) respondents were neutral in rating the subject matter with mean score of 3.34) which is moderately agreed.

This implies that personal selling were rated moderately ranging from mean score of 3.34 up to 3.79 with group mean score of 3.54. It is considered to being good performance in persuading customers, it provides benefit of direct interaction and enables seller to identify the specific needs and problems of customers.

#### 4.4.4. Public Relations

**Table 4:25. EIC's Public Relations.**

Variables	Responses	SD	D	N	A	S A	Mean	Std. Dv
EIC's Public relations stimulates interest amongst customers about the Corporation's products and services.	Frequency	11	33	86	107	76	3.65	1.067
	Valid %	3.5	10.5	27.5	34.2	24.3		
EIC's PR disseminates press releases and organizes press conferences to disseminate timely information	Frequency	36	72	99	70	35	2.99	1.17
	Valid %	11.5	23.1	31.7	22.4	11.2		
EIC's PR provides information and education/instruction to the audience.	Frequency	26	92	92	60	39	2.98	1.156
	Valid %	8.4	29.8	29.8	19.4	12.6		
EIC's Public relations enhances corporate image building and creates positive attitude about the organization.	Frequency	22	49	93	96	53	3.25	1.142
	Valid %	7.0	15.7	29.7	30.7	16.9		
EIC's Public relations help to develop relationships between different stakeholders in the corporation.	Frequency	21	55	103	83	51	3.28	1.134
	Valid %	6.7	17.6	32.9	26.5	16.3		
Group mean score of public relations of EIC.	Frequency	23	51	95	83	51	3.23	1.137
	Valid %	7	19	30	27	16		

Source: Survey data, 2019

To the statements on the effectiveness of public Relations performance of EIC, the findings were presented in the above Table 4.25. From the result it is clear that, on average the majority 134 (43%) of the respondents positively rated (either agree or strongly agree), on the contrary, 74(26.3%) respondents negatively rated (either disagree or strongly disagree), while 95 (30%) respondents refrained (neither disagree nor agree) from rating with the average group mean score of 3.23 (Moderately agree) which indicated that EIC's public relations performance is moderately effective, because the positive responses of the respondents' outweigh the negative responses.

With regard to each variable related to public relations performance of the corporation, the study further sought to find out to what extent that EIC's Public relations stimulates interest amongst customers about the Corporation's products and services. The study showed that most of the respondents 183(58.5%) highly rated (either agree or strongly agree), some 44 (14%) respondents rated to the minimum level (either disagree or strongly disagree), whereas 86 (27.5%) respondents didn't put their perception (neither disagree nor agree) with mean score of 3.65 (moderately agree).

Regarding press release issuance and organization of press conferences to disseminate timely information on matters related to the corporation, the majority 108 (34.6%) of respondents negatively rated (either strongly disagree or disagree), nearly equal number 105 (33.6%) of respondents positively rated (either agree or strongly agree), while 99 (31.7%) respondents were neutral (neither agree nor disagree) with mean score of 2.99 (moderately disagree).

Respondents were asked to rate the corporations performance in providing information and education to the audience. In this regard, the majority 118 (38.2%) of the respondents negatively rated (either disagree or strongly disagree), 99 (32%) of respondents positively rated (either agree or strongly agree), whereas 92 (29.8%) respondents remained neutral (neither disagree nor agree) with mean score of 2.98 which is (moderately disagree).

The respondents were also asked about Public relations ability to stimulate interest amongst customers about the Corporation's products and services. According to the findings, 125 (40%) respondents positively rated (either agree or disagree), 84 (26.9%) respondents rated negatively (either disagree or strongly disagree) while 104 (33.2%) respondents stood neutral (neither agree nor disagree) with mean score of 3.65, which is moderately agreed. Respondents also asked to rate whether Public relations enhances corporate image building and creates positive attitude about the organization or not. For this statement the majority 149 (47.6%) respondents accepted positively (either agree or strongly agree), and some of the respondents didn't accept the statement by stating their perception (either disagree or strongly disagree), while 93 (29.7) respondents remain neutral (neither disagree nor agree) with mean score of 3.25 which is moderately agreed.

From respondents 134 (42.8%) respondents rated positively that EIC's Public relations help to develop relationships between different stakeholders in the corporation. However the minority 76 (24.3%) respondents rated the statement negatively by stating (either disagree or strongly disagree), while 103 (32.9%) respondents didn't mention (neither agree nor disagree) anything about the concept with mean score of 3.28 which is moderately agreed.

This indicated that EIC's public relations performance is moderately play its role, because the positive responses of the respondents overweigh the negative responses. Among statements about public relations; it is possible to say that EIC's Public relations activities stimulate interest amongst customers about the Corporation's products and services is rated at relatively high level with mean score of 3.65 (moderately agreed level). On the other hand most (high frequency) of the respondents indicated that providing information and education through press release and press conference are not properly performed by the corporation.

#### 4.4.5. Promotional Tools

**Table 4:26. Promotional tools.**

	N	Minimum	Maximum	Mean	Std. Dev
Advertisement	314	1.07	5.00	3.37	.83548
Public Relations	314	1.00	5.00	3.25	.92270
Sales Promotion	312	1.00	5.00	3.27	.87449
Personal Selling	312	1.00	5.00	3.55	.88619
Group mean of the promotion tools				3.36	

Source: Survey data, 2019

Table 4.26 indicates the results on the extent to which promotion tools are effective in terms of providing information (awareness creation), persuading (enhancing) customers to purchase the corporation's services and products and reminding customers about the corporation's services and products as well as its image.

The study describes the mean score of the effectiveness of each promotion tool of the corporation. Accordingly the result of the mean score is ranked as five being the highest mean score while one being the least score.

The study sought to find out the respondents' agreement level on the effectiveness of the promotion tools adopted by EIC.

From the findings, the respondents moderately agreed that promotional tools adopted by EIC are performing at moderate level to meet the objective of the promotion. Personal selling took the priority as shown by a mean score of 3.55, and advertisement, sales promotion and public relations follow with mean score of 3.37, 3.27, and 3.25 respectively.

This indicated that the corporation needs to work hard to increase the level of its effectiveness to the highest degree. It implies that the corporation should design strong promotion strategy which enables it to make more effective the promotion tools adopted to promote its business.

## CHAPTER FIVE

### 5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this chapter, based on the objective of the study, summary, conclusion, and recommendations are presented. This chapter consists of three sections, namely summary, conclusion, and recommendations following that order.

#### 5.1 Summary of Major Findings

The main objective of the study was to assess the promotion tools employed by the Ethiopian Insurance Corporation in terms of informative, persuasive and reminding objectives.

The study was guided by the following research questions in regards to the promotion performance of EIC: What is the existing promotion practice of EIC? Which of the promotion mix element is given more emphasis in EIC? What is the level of effectiveness of promotion practiced by EIC, in terms of informing, persuading and reminding customers? Which media mix is frequently used by EIC? And which of the media mix used are more effective?

The study revealed that EIC employed different promotion mixes: advertising, sales promotion, personal selling and public relations to promote its services and products. Accordingly, from the analysis of the data collected on these tools, the following major points have been recognized by the study.

- ✚ The researcher planned to collect data from 384 customers. However, due to various reasons the response rate of 83% could be achieved. Accordingly, 314 sample respondents were considered in the data analysis.
- ✚ The Demographic Characteristics of Respondents showed that from 314 respondents 214 (68.2%) and 100 (31.8%) respondents were male and female respectively. The age of most 237 (75.9%) of the respondents were between 26-45 years old. 214 (68.2%) of the respondents were married. Regarding the respondents educational background 215 (68.5%) of the respondents were Diploma and first degree holders. 176 (56.1%) of the respondents who participated in the study were employees of private company and government organization. From all respondents 312 (99.4%) were policy owner of the corporation and most of them 263 (84.8%) purchased property and liability insurance cover. Regarding the duration of the insurance cover, most of the policy owners 220 (70.5%) used their policy from one to ten years.

- ✚ The majority 143 (45.7%) of the respondents indicated that for the first time they became aware of the corporation's services and products through electronic media (Radio/TV) and most of them 294 (93.6%) indicated that they have watched the corporation's ad and 257 (81.9%) respondents indicated their media preference to watch ad is television. This shows that electronic media is more useful for the corporation to reach its actual and potential customers.
- ✚ 223 (71.5%) respondents rated the quality of the ads as good and excellent. However, 218 (70.1%) of the respondents recommended that the corporation's ad should be modified for better quality.
- ✚ From descriptive statistics analysis of variables, with average group mean score of 3.26 (moderately agreed) EIC uses proper media to transmit its marketing message. The majority (219) nearly (70%) of respondents witnessed that EIC properly uses Television and Radio to transmit its marketing messages to the audience with mean score of 3.96 (agreed level) and 3.56 (moderately agreed level) respectively. But newspaper and magazine are rated at lower level with the same mean score of 2.96 (moderately disagree level). This shows that EIC should work hard to increase the use of magazine and newspaper.
- ✚ In relation to selecting proper broad casting time and print space, 141 (44.75%) of the respondents positively rated (either agree or strongly agree) that EIC has selected proper broadcast timing and print space. Respondents' moderately agreed (either agree or strongly agree) that EIC has selected proper broad cast timing and print space with group mean score of 3.14. Magazine, billboard and website are rated at moderately disagreed level.
- ✚ When we come to transmission frequency, on average 131 (43%) respondents negatively rated with mean score of 2.75 (moderately disagreed level). Except Television and Radio ad frequency which are positively rated with mean score of 3.24 and 3.0 (moderately agreed) respectively all other medias are rated at moderately disagree level.
- ✚ From the respondents reply who filled the questionnaire, on average 186 (59.3%), 134 (42.9%), and 123 (39.3%), respondents positively rated that EIC's ads were reminding, persuasive and informative with group mean score of 3.20, 3.23, and 3.67 (moderately agreed level) respectively. In addition regarding the reminding effect the corporation's ads are effective in enabling customers to easily identify the logo of EIC from other competitors in the sector with mean score of 4.02 (agreed level) and respondents positively rated the statement which states that customers give priority to EIC to come to their mind when they think about insurance company with mean score of 3.92 (at agreed level). Other variables are rated at moderately agreed level.

- ✚ With regard to variables related to public relations performance of the corporation, respondents were asked to indicate their level of agreement. On average the majority of the respondents positively rated (moderately agree) public relations function with mean score of 3.23. This indicated that EIC's public relations performance is moderately play its role, because the positive responses of the respondents' outweigh the negative responses. Among public relations statements; EIC's Public relations stimulates interest amongst customers about the Corporation's products and services is rated at relatively high level with mean score of 3.65 (moderately agreed level). On the other hand most (high frequency) of the respondents indicated that providing information and educational works through press release and press conference are not properly performed with mean score of 2.99 and 2.98 respectively (moderately disagree level).
- ✚ Sales promotions were positively rated with average group mean of 3.3 (moderately agree level). Sales promotions of the corporation can create awareness about services and products as well as provokes and influences customers to purchase insurance cover from the corporation. Respondents indicated that attractive and memorable gifts play great role in reminding customers. All variables of sales promotion ranges moderately from 3.03 up to 3.45 (moderately agree level). This indicated that the overall performance of sales promotions is moderately effective
- ✚ Personal selling were also rated moderately ranging from mean score of 3.34 up to 3.79 with group mean score of 3.54. It is considered to be in good performance in persuading customers, it provides benefit of direct interaction and enable seller to identify the specific needs and problems of customers.
- ✚ The overall result of the analysis indicated the extent of the performance of the promotion tools in terms of providing information (awareness creation), persuading (enhancing) customers to purchase the corporation's services and products and reminding customers about the corporation's services and products as well as its image. From the findings, the respondents moderately agreed that promotional tools adopted by EIC are performing at moderate level to meet the objective of the promotion. Personal selling took the priority as shown by a mean score of 3.55, and advertisement, sales promotion and public relations follow with mean score of 3.37, 3.27, and 3.25 respectively.

## 5.2. Conclusion

The objective of the study was to assess the performance of promotion tools adopted by EIC in terms of informing, persuading and reminding objectives. In the research the performance of those promotion mix (elements) used by EIC has been assessed and the result revealed that both of these elements are moderately performing in providing information (creating awareness), persuading (changing attitude and enhancing buying the corporation's services and products) and reminding customers.

Based on the data collected and the analysis conducted as well as practical observations of the researcher as an employee of the corporation, the study concludes that the promotion tools used by the corporation (advertising, sales promotion, personal selling, and public relations) are moderately perform with the average group mean score of 3.36. This implies that, even though, promotion tools are performing moderately and the mean score is above average, the result indicated that the level of their performance in terms of informing, persuading and reminding customers is not to a great extent. When the variables are rated by the respondents as indicated in the summery above except two statements in reminding element, almost none of the tools and variables registered the average mean score of 3.8 and above which leveled as agree and strongly agree level. The implication of this result is, nearly all promotional tools are scored on moderate level, but not to the highest level.

Regarding each tools, the study concludes that personal selling leads to play the role of informing, persuading and reminding customers than all other tools followed by advertisement, sales promotion and public relations respectively. The study reveals that, personal selling scores the higher level in providing information, persuading customers to purchase from the corporation. Personal selling has a lot of advantages which includes creating long-term business relationship between customers and the corporation. The corporation's sales persons are able to provide detailed and full information about the corporation, give professional reply for any inquiry and provide assistance to customers. It also enables to identify the specific needs and problems of customers and provides the opportunity to get advice.

Advertisements of EIC can be said moderately meets its objective in providing knowledge, sufficient and adequate information, awareness creation, differentiate the corporation's services and products from competitors, and effectively communicating a message to the audience.

The ads of the corporation also has a power to attract, influence, encourage and motivate customers

to purchase insurance cover and are effective in changing the attitudes and influence customers to select the corporation to purchase insurance cover. The reminding effect of the ads is operative next to personal selling. In this regard the corporation's ads are strong in leaving lasting impact in the minds of the audiences. Due to this lasting impression audiences are able to easily identify EIC's logo wherever it appears. Customers feel that EIC's advertisements are more effective than competitors' in reminding effect. EIC's ads can be said to be more reminding than informative and persuasive effect.

The choice of proper media, broadcast timing, print space, and frequency of advertisements and quality of message also have great effect in disseminating informative, persuasive and reminding message to attract customers to purchase cover from the corporation.

The study also concludes that customers exposed to more than one media in order to listen and view the corporation's advertisement message. The finding in this study shows that most (93.6%) of the respondents watched ads of the corporation, and nearly 80% of them preferred to watch and listen TV and Radio ads respectively. This means electronic Medias are more powerful media channels in transmitting the corporation's ads. The study shows that print (magazine and newspaper) ads are not effective in terms of meeting its disseminating, informing, persuading and reminding objectives.

Advertisement broadcast time and print space should be convenient for customers to view, listen and read the ads. Otherwise it would be wastage of resources. In this regard, the study concludes that EIC has selected proper broadcast timing and print space.

The study also revealed that sales promotion of the corporation has a positive impact on the objectives informing, persuading and reminding customers. The study further concludes that the corporation's sales promotion made customers aware of its services, enhances and provokes customers to purchase insurance cover. Sales promotion elements such as price discount induced customers to purchase insurance cover from the corporation, attractive and memorable gifts to customers promote the corporation brand and services. In general, sales promotion activities played the role of informing, persuading and reminding.

The study reveals that the corporation's public relations function is performing at moderate level, but not to the highest level. Public relations of EIC plays important role in image building, stimulating interest amongst customers, and creating positive attitude as well as creating smooth relationships between different stakeholders is moderately effective. In spite of all these,

disseminating press releases and organizing press conferences are performed at lower level.

Since promotion (awareness creation, persuasion and reminding) is the backbone of sales growth, as shown in table 1.1, the corporation's promotion budget has been increased consecutively and it contributes to the growth of the sales. As a result, the sales of the corporation also increased in a similar manner. Although, all other marketing elements have their own contribution to the sales of the insurance cover, the relationship between promotion and sales can be said positive and significant.

Despite the importance of strategic promotional practices in any business; the researcher couldn't find designed promotion strategy in the corporation's corporate strategy, except a single sentence stating -All activities to create and promote insurance service delivered by EIC. ... It shall include the assurance of message quality, utilizing relevant types of media, frequency of transmission ,impact assessment in meeting the expected outcomes are also few among others to be taken in to consideration.

### **5.3. Recommendations**

Having analyzed, discussed and interpreted the data collected in this study, the researcher therefore recommends the following:

- ✓ Due to the competitive nature of the insurance industry, in order to survive in such a competitive marketing environment, the Corporation needs to adopt promotional mix strategies to effectively communicate so as to attract new customers and retain the existing ones as well as boost the promotion results.
- ✓ Although, most of the respondents positively rated the corporation's promotion performance, in order to present and promote products, services and ideas, improving the frequency, accessibility, quality of message, using a Variety of media channels etc. must be considered too.
- ✓ The Corporation's initiation to use the promotion tools adopted needs to maximize the use of social media such as advertising on Website, Twitter and Face book.
- ✓ The Corporation must continue to use personal selling and sales promotions as a very effective tool to increase sales volumes.
- ✓ The Corporation must continue to use electronic media channels. Because most of the customers' preference is television followed by radio.
- ✓ Effects of promotion should be timely evaluated to understand and make the necessary improvement on time, based on the feedback.

- ✓ The Management must increase the promotion initiatives and must implement consistently, to increase its effectiveness to great extent in informing, persuading and reminding.
- ✓ The Corporation's public relations function should be improved to be able to register the required result.
- ✓ The Corporation should organize timely press conference and disseminate press release to make the society familiar with its performance.
- ✓ Since other competitors have similar advertising messages, it is recommended that for more distinguished and effective response from the customer, improved advertisement should be used.
- ✓ The corporation needs to maximize the use of a variety of national and regional Medias and the corporation should also transmit its message using different local languages to simply reach and communicate, inform and encourage existing and new customers. Because all audiences might not be the viewer, listener, and
- ✓ The frequency of the corporation's ad should be increased to be exposed to a variety of audiences at different time.
- ✓ The Corporation must continue to use sales promotions as a very effective tool to enhance loyalty and increase sales volumes.
- ✓ The corporation should continue with the direct personal selling approach (face to face interaction) with one or more prospective as well as existing customers for the purpose of making sales and building customer relationships.
- ✓ The message to be transmitted should be trusted and convincing as well as being humorous to attract the audiences.
- ✓ Nevertheless the promotion tools employed by EIC on average perform at moderate level in informing, persuading and reminding objectives, the corporation must work hard to increase the effectiveness of the performance of the promotion mixes to the highest (strongly agree) level.

## **5.4. Limitations and Recommendations for further research**

### **5.4.1. Limitations of the study**

It is true that every study could have some limitations. This research focused on the assessment of the performance of promotional tools implemented by EIC. The study is sponsored by EIC, and the sponsor needs to conduct a study regarding promotional tools adopted by the corporation to promote its own products and services. The study is restricted both in coverage and time.

Due to the constraints of time and the purpose of the study, the research is limited to assess only EIC's promotional tools and the data was collected from customers residing in Addis Ababa.

Getting on time response from the respondents was also one of the major challenges. The challenge was minimized by close follow up and convincing Directors, Team Leaders and Branch managers who manage the distribution and collection of the questionnaires to properly approach the respondents to take some time to fill it.

#### **5.4.2. Recommendations for Further Study**

As indicated in the first chapter of this study, the research focuses only on the promotion tools adopted by EIC and the study investigated the promotion tools used by EIC. Promotion can be evaluated from different point of view, such as decision making, brand related issues, market share, profit maximization, language usage, media vehicles, etc. In this regard further study should be done on the impact of promotion tools.

It is stated in the limitation of the study that the study focused only on EIC's customers in Addis Ababa. Further studies should be conducted by incorporating all regions where EIC's Branches offices existed. More over future studies can be done industry wide. This would help for comparison purposes as the relationship between promotion performances of the whole industry. Further investigation is required on the effect of promotion strategies on customer loyalty or repeat purchase.

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## ANNEXES

### Annex 1: Registered insurance providers in Ethiopia in the year 2017/18

No	Insurance companies	Under write General Insurance only	Under write Long term Insurance only	Underw rite compos ite Insuran ce	Market share* (General- Insurance ) % 2017/18	Market share* (Longterm Insurance) % 2017/18	Total Market share* % 2017/18	Gross written premium in '000,000 of ETB 2017/18
1	EIC		-	√	35.1	26.9	5.5	2,975
2	Nyala insurance company S.C.		-	√	8.5	16.0	9.1	766
3	United Insurance Company S.C.		-	√	5.4	8.3	5.7	474
4	Awash Insurance Company S.C.		-	√	7.4	16.0	8.0	674
5	Global Insurance Company S.C.	√	-		1.1	-	1.1	88
6	National Insurance Company of Ethiopia S.C	√	-		3.2	-	3.1	263
7	Africa Insurance Company S.C		-	√	6.8	8.2	7.0	589
8	NIB Insurance Company S.C		-	√	5.4	8.8	5.7	479
9	Nile Insurance Company S.C		-	√	5.0	7.6	5.3	441
10	Lion Insurance Company S.C	√	-	-	4.4	-	4.3	357
11	Tsehay Insurance Company S.C	√	-		3.5	-	3.4	287
12	Lucy Insurance Company S.C	√	-		1.7	-	1.6	135
13	Abay Insurance Company S.C		-	√	2.8	1.4	2.8	238
14	Bunna Insurance Company S.C	√	-	-	2.0	-	2.0	164
15	Oromia Insurance Company S.C		-	√	4.9	1.5	4.9	408
16	Berhan Insurance	√	-	-	1.3	-	1.3	105
17	Ethio-Life & General Insurance S.C.		-	√	1.4	5.3	1.6	136

Source: Marketing and Strategic Management Directorate, EIC.

\*Market share based on gross premiums.

**Annex. 2: Promotional activities of EIC**

No	Activities/tools	Frequency/repetition per year
<b>1</b>	<b>Advertisement</b>	
	producing new life TV ads	3
	producing new life radio ads	3
	Producing new life print ads.	2
	transmit new & existing life based TV ads in selected TV channel	250 times
	Transmit new & existing life based radio ads through different radio channels.	250 times
	produce corporate ads	2
	Produce holiday best wish ads.	5
	Transmit new and existing general insurance TV ads in selected TV channels(EBS, EBC, Fana TV, Addis TV, Nahoo,Walta)	150 times
	Transmit new & existing general insurance radio ads through different local radio channels.	150 times
	print new & existing general insurance print ads on different publications	40 times
	print new & existing life insurance print ads on different publications	40 times
	Print various messages on banners for various vents (annual meeting, six month meeting, seminars, employees' days...)	As required
	Bill board ads	As required
	Box light ads	As required
<b>2</b>	<b>Public Relations</b>	
	provide education about life insurance policies through selected radio channel for audiences	Weekly

	conducting clients seminars in AA/ outside AA	2
	handling sponsorship & social corporate responsibilities	400 requests
	reprinting and distributing brochures and leaflets in Amharic & English	10
	printing and distributing brochures and leaflets for newly developed products	As required
	web site administration	Throughout the year
	organizing corporate and calendar events	8
	Printing of medin magazine(external magazine)	2
	Printing zenamedin ( in-house magazine)	4
	Printing communiqué (in house newsletter)	12
	Printing and distributing company profile in Amharic and English.	1
	preparing speech	12
	media monitoring	Throughout the year
	Facilitating and arranging travel for internal and external gusts	
	Conducting press conference	2
	Conducting news release	2
<b>3</b>	<b>Sales Promotions</b>	
	Preparing and distributing corporate marketing and give away materials	1
	Preparing and distributing new year items (agenda and colander)	1
	Printing and distributing greeting cards for public holidays	3
	Providing price discount and ex gratia benefit	As required

<b>4</b>	<b>personal selling</b>	
	Employed/salaried sales people	
	Commission agents	
	brokers	

**Annex 3. Market Share of The Ethiopian Insurance Industry during the last five years by premium.**

Birr in,000

F.Y	Industry Premium	EIC Premium	Private Companies	Market Share	
				EIC (%)	Pvt. (%)
2014	4,961,528	1,982,536	2,978,992	45.0	60.0
2015	5,557,129	2,096,476	3,460,653	37.7	62.3
2016	6,426,685	2,296,788	4,129,897	35.7	64.3
2017	7,493,571	2,721,468	4,772,103	36.3	63.7
2018	8,380,296	2,974,662	5,405,634	35.5	64.5

Source:-Marketing and strategic management Directorate, EIC.

## APPENDIXES

### Appendix A: Questionnaires (English version)

**Dear respondents,** this questionnaire is prepared by Deresse Belayneh, for partial fulfillment of masters degree in business administration. The aim of this questionnaire is to collect data about -The effectiveness of promotional tools used by Ethiopian Insurance Corporation. The information you will provide has both academic and policy related values in the areas of insurance marketing. The data collected will be used for academic purpose only.

I highly appreciate your kind cooperation in providing the necessary information by answering the questions spending some minute from your precious time. Thank you!!!

#### General

##### Instruction:

No need of writing your name

Please carefully read each of the following questions and honestly answer the questions and make a **tick mark** (✓) in the appropriate box. You can choose more than one alternative.

Deresse Belayneh

Phone: 09 11 86 71 86

Email: tinaderesse@gmail.com

**Section I: Demographic Information**

1. Gender: [1] Male  [2] Female

2. Age: [1] ≤ 25  [2] 26-35   
 [3] 36-45  [4] 46 and above

3. Marital Status: [1] Married  [2] Single   
 [3] Others

4. Educational Background

[1] Elementary  [2] Second   
 [3] Diploma  [4] 1st Degree   
 [5] Masters & above

5. Occupation: [1] Private sector employee  [2]   
 Public sector employee [3]   
 Own Business   
 [4] Government sector   
 [5] Other

6. Have you purchased insurance policy from Ethiopian Insurance Corporation?

[1] Yes   
 [1] No

7. Type of policy purchased: [1] property  [2] Liability   
 [3] Life  [4] Others

8. How long have you been a customer of EIC?

(In year) [1] <1  [2] 1-5   
 [3] 6-10  [4] 11-15

## Section II: General questions

1. Through which of the following tools you became aware of the services and products of EIC for the first time?

- 1) Friends
  - 2) Print advertisement
  - 3) Salespersons (agents/sales officers)
  - 4) Electronic advert (Radio/TV)/internet
  - 5) Other, please specify \_\_\_\_\_
- 

2. Have you watched any ad of the corporation?

- 1) Yes: - through which media
- 2) No

3. If yes, then how is the quality of the ad?

- 1) Excellent
- 2) Good
- 3) Average
- 4) Fair
- 5) Poor

4. Do you think that company's ad. Should be modified?

- 1) Yes
- 2) No

If yes, please suggest about the modification.

5. On which media you prefer to watch/listen/read the company's ad?

- 1) Television
- 2) Newspapers
- 3) Magazines
- 4) Hoarding/billboard
- e) Websites

Please, express the extent of your agreement or disagreement with the following statements by make a tick mark (✓) in the appropriate box on the five point likert scale.

Note that: 1= Strongly Disagree (SDA), 2= Disagree (DA), 3= Neutral (N), 4= Agree (A), 5= Strongly Agree (SA)

6. To what extent do you agree that Ethiopian Insurance Corporation properly uses the following media type to transmit its marketing message?

	<b>Tools</b>	5	4	3	2	1
6.1	Television					
6.2	Newspapers					
6.3	Magazine					
6.4	Radio					
6.5	Billboards					
6.6	Website					

7. Do you agree that Ethiopian Insurance Corporation selects proper broadcast timing and print space to place its advertisement?

	<b>Tools</b>	5	4	3	2	1
7.1	Television					
7.2	Newspapers					
7.3	Magazine					
7.4	Radio					
7.5	Billboards					
7.6	Website					

8. The frequency (repetition) of the Ethiopian Insurance Corporation's advertisement to promote its services and products through the media indicated below are adequate.

	<b>Channels</b>	5	4	3	2	1
8.1	Television					
8.2	Newspapers					
8.3	Magazine					
8.4	Radio					
8.5	Billboards					
8.6	Website					

Please, express the extent of your agreement or disagreement with the following statements by make a tick mark (√) in the appropriate box on the five point likert scale.

Note that: 1= Strongly Disagree (SDA), 2= Disagree (DA), 3= Neutral (N), 4= Agree (A), 5= Strongly Agree (SA)

**9. Advertisement**

	<b>1. Informative</b>	5	4	3	2	1
1	Advertisement of EIC provides good knowledge about its Products & services					
2	EIC's advertisements demonstrates the corporation's service and product are different from its competitors					
3	EIC's advertisement are effective in awareness creation					
4	Sufficient and adequate information about the corporation, its services and products is provided through advertisements of					
5	EIC's advertisements are more informative than those of Competitors.					
6	EIC's advertisements effectively communicate its message regarding the availability of its services and products in the					

	<b>2. persuasive</b>	5	4	3	2	1
7	EIC's advertisements have a power to attract audiences and encourage them to purchase insurance cover.					
8	EIC's advertisements are reliable and enhance/ /motivate me to purchase insurance covers from the corporation					
9	Even though the same insurance covers can be obtained from competitors, EIC's advertisements influence me to purchase the cover from EIC.					
10	EIC's advertisements are effective in changing the attitudes of its audiences.					
11	EIC's advertisements are more persuasive than those of					

Please, express the extent of your agreement or disagreement with the following statements by making a tick mark (✓) in the appropriate box on the five point likert scale.

Note that: 1=

Strongly Disagree (SDA), 2=Disagree (DA), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA)

	<b>3. Reminding</b>	5	4	3	2	1
12	EIC's advertisements leave a lasting impact on the minds of the audiences regarding its services and products.					
13	I can easily identify the logo of EIC from other competitors in the sector					
14	Advertisements of EIC are designed to remind consumers about the benefits of insurance covers provided by the Corporation.					
15	When I am thinking about insurance company, EIC quickly comes to my mind.					
16	Compared to other competitors in the Insurance industry EIC's					
	Advertisements are more effective in reminding customers. .					

#### 10. Public Relations

	<b>Statements</b>	5	4	3	2	1
10.1	Publications hold necessary information of the truth or correct issues and thereby removing misunderstandings. Therefore its publications are important					
10.2	EIC's PR disseminates press releases and organizes press conferences to disseminate timely information					
10.3	EIC's PR provides information and education/instruction to the audience.					
10.4	EIC's Public relations stimulates interest amongst customers about the Corporation's products and services.					
10.5	EIC's Public relations enhances corporate image building and creates positive attitude about the organization.					
10.6	EIC's Public relations help to develop relationships between different stakeholders in the corporation.					

Please, express the extent of your agreement or disagreement with the following statements by make a tick mark (√) in the appropriate box on the five point likert scale.

Note that: 1= Strongly Disagree (SDA), 2= Disagree (DA), 3= Neutral (N), 4= Agree (A), 5= Strongly Agree (SA)

**11. Sales promotion**

	Statements	5	4	3	2	1
11.1	I know that EIC uses different sales promotion incentives as part of its promotional elements/instruments/means.					
11.2	Sales promotion can make customers aware of EIC's services and products.					
11.3	EIC's sales promotion tools enhance customers' awareness about the corporation and provoke customers to purchase insurance covers.					
11.4	EIC offers price discount as sales promotion tool to its customers and the amount of discount is significant as compared to competitors and it is a cause for me to purchase cover from the corporation.					
11.5	EIC frequently offers attractive and memorable gifts to promote its brand and products.					
11.6	EIC's sales promotion activities play the role of informing, persuading and reminding prospective and current customers.					
11.7	A price discount offered by the corporation has influenced me to buy additional insurance cover which is not planned in advance.					

Please, express the extent of your agreement or disagreement with the following statements by make a tick mark (√) in the appropriate box on the five point likert scale.

Note that: 1= Strongly Disagree (SDA), 2= Disagree (DA), 3= Neutral (N), 4= Agree (A),

5= Strongly Agree (SA)

## 12. Personal Selling

	Statements	5	4	3	2	1
12.1	Personal selling is effective in persuading customers to purchase insurance cover.					
12.2	Through personal selling, a seller can identify the specific needs and problems of the customers.					
12.3	Personal selling has a benefit of direct interaction between buyers and sellers to create close relationship.					
12.4	EIC's sales people frequent visit of customers provides you a chance to be visited and get free advice.					
12.5	EIC' sales people has attractive approach, who are able to provide detailed and full information about the corporation, give professional response for any inquiry and provide good assistance to customers.					
12.6	The explanation given by the corporation's sales people urges me to purchase insurance cover from the corporation.					

**Appendix B: Questionnaires (Amharic Version)**

በኢትዮጵያ መድን ድርጅት ደንበኞች የሚሞላ የፕሮሞሽን ጥናት መጠይቅ

ውድ ይህ መጠይቅ የደረሰችሁ ደንበኞች

ከሁሉ አስቀድሜ ይህንን መጠይቅ ለመሙላት ውድ ጊዜዎን ስለሰጡኝ ከልብ አመሰግናለሁ።

መጠይቁ የተዘጋጀው በቢዝነስ አድሚኒስትሬሽን ለምሳሌ የማስተረስ ዲግሪ ማሟያ ትምህርታዊ ጥናት ለማዘጋጀት መረጃ ለማሰባሰብ ነው።

በዚህ መጠይቅ አማካይነት የሚሰበሰበው መረጃ ሚስጥራዊነቱ ተጠብቆ የሚያዝ መሆኑንና ለታሰበው ጥናት ብቻ እንደሚውል ላረጋግጥ እወዳለሁ። ከሚደረገው የፕሮሞሽን (promotion) ጥናት የሚገኘው ውጤት ጥራቱ በሚሰበሰበው መረጃ የሚወሰን በመሆኑ የቀረቡትን ጥያቄዎች በግልፅና በትክክል በመመለስ ትብብር እንዲደረግልኝ እጠይቃለሁ።

ይህን መጠይቅ ለመሙላት ከ 10-15 ደቂቃ ስለሚበቃ ይህችን ጊዜ በመስጠት ትብብርዎን ያድርጉልኝ።

ምንም አይነት ጥያቄ ወይም ግልፅ ያልሆነ ነገር ካጋጠመዎ ደረሰ በላይነህ ብለው

በ0911 867186 ላይ ቢደውሉልኝ ወይም

በኢሜይል፡- [tinaderesse@gmail.com](mailto:tinaderesse@gmail.com) ብለው ቢልኩልኝ መልሱን በፍጥነት እሰጣለሁ።

በድጋሚ ከልብ አመሰግናለሁ።

ማሳሰቢያ፡- በክፍል አንድና በክፍል ሁለት ለቀረቡት ጥያቄዎች አንዱን መርጦ ከጥያቄው ትይዩ በሚገኘው ሳጥን ውስጥ የ(✓) ምልክት በማድረግ መልስ መስጠት ይቻላል።

ክፍል1:- ስለመላሾች አጠቃላይ መረጃዎች

1. የታዎ የቱ ነው? : [1] ወንድ  [2] ሴት
2. እድሜዎ የሚገኘው:- [1] ≤ 25  [2] 26-35   
 (በዓመት) [3] 36-45  [4] 46 እና ከዚያ በላይ
3. የጋብቻ ሁኔታ : [1] ያገባ  [2] ያላገባ   
 [3] ሌላ \_\_\_\_\_

4. የትምህርት ደረጃዎ የትኛው ነው?

- [1] አንደኛ ደረጃ  [2] ሁለተኛ ደረጃ   
 [3] ዲፕሎማ  [4] የመጀመሪያ ዲግሪ  [5] ሁለተኛ ዲግሪና ከዚያ በላይ
5. ሥራዎ ምንድን ነው? [1] የግል ሥራ  [2] ነጋዴ   
 [3] የግል ድርጅት ሰራተኛ  [4] የመንግሥት ሰራተኛ   
 [5] ሌላ ከሆነ ይግልፁ \_\_\_\_\_

6. ከኢትዮጵያ መድን ድርጅት የመድን ሽፋን ውል ገዝተዋል?

- [1] ገዝቻለሁ   
 [2] አልገዛሁም
7. የገዙት የውል አይነት: [1] የንብረት  [2] የህጋዊ ኃላፊነት   
 [3] የህይወት  [4] ሌላ ከሆነ ይግለጹ \_\_\_\_\_

8. የኢትዮጵያ መድን ድርጅት ድንበኛ ከሆኑ ምን ያህል ጊዜ ይሆንዎታል? (በዓመት)

- [1] <1  [2] 1-5  [3] 6-10   
 [4] 11-15  [5] > 15

**ክፍልሁለት፡- ጠቅላላ ጥያቄዎች**

**ለሚከተሉት ጥያቄዎች የእርስዎን ምላሽ የያዘውን ፊደል በመክበብ ቢገልጹልን።.**

1. ስለ ኢትዮጵያ መድን ድርጅት ምርትና አገልግሎት ለመጀመሪያ ጊዜ ያወቁት ከሚከተሉት መንግዶች በየትኛው ነው?

- ሀ) ከጓደኛዎት
- ለ) በህትመት ማስታወቂያ (ጋዜጣ/መጽሔት/የማስታወቂያ ሰሌዳ)
- ሐ) ከሽያጭ ሠራተኞች (ኤጀንቶች ወይም የድርጅቱ ሽያጭ ሠራተኞች)
- መ) በኤሌክትሮኒክ ማስታወቂያ (ሬዲዮ/ቴሌቪዥን/ኢንተርኔት)
- ሠ) ሌላ ከሆነ ግለጹ \_\_\_\_\_

2. የኢትዮጵያ መድን ድርጅትን ማስታወቂያ አይተው/ ሰምተው ያውቃሉ? በየትኛው መገናኛዘዴ?

- ሀ) አውቃለሁ በ \_\_\_\_\_
- ለ) አላውቅም

3. ለጥያቄ ተራ ቁጥር 2 መልስዎ አውቃለሁ ከሆነ የማስታወቂያውን ጥራት (quality) እንዴት አገኙት?

- ሀ) በጣም ጥሩ ነው
- ለ) ጥሩ ነው
- ሐ) ደህና ነው
- መ) ደካማ ነው

4. የድርጅቱ ማስታወቂያ መስተካከል ያስፈልገዋል ብለው ያምናሉ?

- ሀ) ያስፈልገዋል
- ለ) አያስፈልገውም

መልስዎ ያስፈልገዋል ከሆነ ሊስተካከል የሚገባውን ሁኔታ ቢገልጹልን

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5. ከሚከተሉት በየትኛው የማስተዋወቂያ ዘዴ የድርጅቱን ማስታወቂያ ማየት / ማንበብ / ማዳመጥ ይመርጣሉ?

- ሀ) ቱሌቪዥን
- ለ) ቦጋዜጣ
- ሐ) በመጽሔት
- መ) በሬዲዮ
- ሠ) በማስታወቂያ ያሰሌዳ
- ረ) በዌብሳይት

6. የኢትዮጵያ መድን ድርጅት የሽያጭ መልእክቶችን ለማስተላለፍ የሚከተሉትን መገናኛ ዘዴዎች (Media channels) በትክክል ይጠቀምባቸዋል ብለው ያምናሉ?

መገናኛዘዴዎች	5	4	3	2	1
6.1 ቴሌቪዥን					
6.2 ጋዜጣ					
6.3 መጽሔት					
6.4 ሬዲዮ					
6.5 ማስታወቂያያሰሌዳ					
6.6 ዌብሳይት					

ለሚከተሉት ጥያቄዎች ከአምስቱ ሳጥኖች ውስጥ የእርስዎን የስምምነት ደረጃ ይገልጻል

ብለው ባሰቡት ሳጥን ውስጥ የ(✓) ምልክት በማስቀመጥ ቢገልጹልን።

ማሳሰቢያ: ለምርጫ የተቀመጡት ቁጥሮች የሚከተሉትን ሀሳቦች የሚወክሉ ናቸው።

5=በጣም እስማማለሁ 4= እስማማለሁ 3=በከፊል እስማማለሁ 2= አልስማማም

1= በጣም አልስማማም

7. የኢትዮጵያ መድን ድርጅት ማስታወቂያ የሚያስተላልፍባቸው ሰዓቶችና በህትመት የሚያወጣባቸው ቦታዎች ትክክለኛ ሰዓትና ቦታ ናቸው ብለው ይስማማሉ።

	መገናኛዘዴዎች	5	4	3	2	1
7.1	ቴሌቪዥን					
7.2	ጋዜጣ					
7.3	መጽሔት					
7.4	ሬዲዮ					
7.5	ማስታወቂያ ሰሌዳ					
7.6	ዌብሳይት					

8. የኢትዮጵያ መድን ድርጅት ምርቱንና አገልግሎቱን ለማስተዋወቅ የሚያስተላልፋቸው ማስታወቂያዎች ድግግሞሽ በቂ ነው።

	መገናኛዘዴዎች	5	4	3	2	1
8.1	ቴሌቪዥን					
8.2	ጋዜጣ					
8.3	መጽሔት					
8.4	ሬዲዮ					
8.5	ማስታወቂያ ሰሌዳ					
8.6	ዌብሳይት					

ለሚከተሉት ጥያቄዎች ከአምስቱ ሳጥኖች ውስጥ የአርስዎን የስምምነት ደረጃ ይገልጻል ብለው ባሰቡት ሳጥን ውስጥ የ(✓) ምልክት በማስቀመጥ ቢገልጹልን።

ማሳሰቢያ: ለምርጫ የተቀመጡት ቁጥሮች የሚከተሉትን ሀሳቦች የሚወክሉ ናቸው።

5=በጣም እስማማለሁ 4= እስማማለሁ 3=በከፊል እስማማለሁ 2= አልስማማምም 1= በጣም አልስማማም

9. ማስታወቂያ (Advertisement)

	1. ጠቃሚ መረጃ መስጠት/Informative	5	4	3	2	1
1	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች ስለድርጅቱ ምርትና አገልግሎት ምንነትና ጠቃሚነት በቂ ግንዛቤ ያስጨብጣሉ					
2	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች የድርጅቱ ምርትና አገልግሎት ክሌሎች የተለየ መሆኑን ያስገነዝባሉ					
3	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች ግንዛቤ በመፍጠር ረገድ የተዋጣላቸው ናቸው					
4	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች ስለድርጅቱ 'ለአገልግሎቶቹ' ስለምርቶቹ የተሟላና በቂ መረጃ በመስጠትና በማስተዋወቅ ረገድ የተዋጣላቸው ናቸው					
5	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች በሌሎች በዘርፉ ከተሰማሩ ተወዳዳሪ ድርጅቶች የበለጠ በቂ መረጃ በመስጠት የማስተዋወቅ ስራ ይሰራሉ .					
6	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች የድርጅቱ ምርትና አገልግሎት በገበያ ላይ መኖሩን በየጊዜው ለደንበኞቹ የማሳወቅ ስራ ይሰራሉ .					
	2. አሳማኝነት/Persuasive	5	4	3	2	1
7	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች አድማጮችን ወይም አንባቢዎችን (audiences) የመሳብ ኃይል አላቸው። ሰዎች የመድን ሽፋን እንዲገዙ ያነሳሳሉ/ይጋብዛሉ።					
8	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች ተአማኒነት ያላቸው በመሆኑ የመድን ሽፋን ከድርጅቱ መግዛት ውሳኔ ላይ ተጽእኖ በማድረግ የመድን ሽፋን እንድገዛ አድርገውኛል።					
9	ምንም እንኳን ተመሳሳይ የመድን ሽፋኖች በሌሎች የኢንሹራንስ ድርጅቶች ቢኖሩም የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች የመድን ሽፋን ከኢትዮጵያ መድን ድርጅት እንድገዛ አድርገዋል።					
10	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች የአድማጫቸውን/የአንባቢያቸውን አመለካከት በመቀየር ረገድ ውጤታማ ናቸው					
11	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች ከመሰል ተፎካካሪ የኢንሹራንስ ድርጅቶች ማስታወቂያዎች የበላይ ሳቢና አሳማኝ ናቸው					

	3. አስታዎሽነት (Reminding)					
12	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች የድርጅቱን ምርትና አገልግሎት በሚመለከት በሰው አእምሮ ውስጥ የማይረሳ ትውስታ ትተው ያልፋሉ					
13	የኢትዮጵያ መድን ድርጅትን አርማ (ምልክት) በዘርፉ ውስጥ ካሉ ሌሎች ተወዳዳሪ የኢንሹራንስ ድርጅቶች አርማ ይልቅ በቀላሉ መለየት እችላለሁ					
14	የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች በድርጅቱ የሚሸጡትን የመድን ሽፋኖች ጥቅሞች በተመለከተ ሽማቾችን እንዲያስታውሱ ታስበው የተዘጋጁ ናቸው					
15	ስለ ኢንሹራንስ ኩባንያ ሳስብ በፍጥነት ወደ አእምሮዬ የሚመጣው የኢትዮጵያ መድን ድርጅት ነው					
16	በመድን ኢንዱስትሪው ውስጥ ካሉ ሌሎች ተወዳዳሪ የኢንሹራንስ ድርጅቶች ጋር ሲነጻጸር የኢትዮጵያ መድን ድርጅት ማስታወቂያዎች ደንበኞችን በማስታወስ ረገድ የበለጠ ውጤታማ ናቸው					

ለሚከተሉት ጥያቄዎች ከአምስቱ ሳጥኖች ውስጥ የአርስዎን የስምምነት ደረጃ ይገልጻል ብለው ባሰቡት ሳጥን ውስጥ የ(√) ምልክት በማስቀመጥ ቢገልጹልን።.

ማሳሰቢያ: ለምርጫ የተቀመጡት ቁጥሮች የሚከተሉትን ሀሳቦች የሚወክሉ ናቸው።

5=በጣም እስማማለሁ 4= እስማማለሁ 3=በከፊል እስማማለሁ 2= አልስማማም 1= በጣም አልስማማም

10.የህዝብግንኙነት (Public Relations)

	መግለጫዎች (Statements)	5	4	3	2	1
10.1	የኢትዮጵያ መድን ድርጅት የሚያወጣቸው ህትመቶች ተገቢ መረጃዎችንና እውነታውን ይዘው ስለሚወጡ የተሳሳተ ግንዛቤ እንዳይኖር ያደርጋሉ በመሆኑም ህትመቶቹ ጠቀሚ ናቸው					
10.2	የኢትዮጵያ መድን ድርጅት ህዝብግንኙነት ጋዜጣዊመግለጫዎችን ይሰጣል ፣ ወቅታዊ መረጃዎችን ለማሰራጨት የፕሬስ ኮንፈረንስ ያዘጋጃል					
10.3	የኢትዮጵያ መድን ድርጅት ህዝብ ግንኙነት መረጃን/ ትምህርትን ለሕዝብ ያቅርባል					
10.4	የኢትዮጵያ መድን ድርጅት ህዝብ ግንኙነት ደንበኞች በድርጅቱ ምርትና አገልግሎት ፍላጎት እንዲያደርግባቸው ያበረታታል					
10.5	የኢትዮጵያ መድን ድርጅት ሕዝብ ግንኙነት የመልካም ገጽታ ግንባታ ሥራ በመስራት ህብረተሰቡ ስለ ድርጅቱ መልካም አመለካከት እንዲኖረው ያደርጋል					
10.6	የኢትዮጵያ መድን ድርጅት ህዝብ ግንኙነት በድርጅቱ ውስጥ በተለያዩ ባለድርሻ አካላት መካከል ግንኙነት ለመፍጠር ይረዳል					

ለሚከተሉት ጥያቄዎች ከአምስቱ ሳጥኖች ውስጥ የአርስዎን የስምምነት ደረጃ ይገልጻል ብለው ባሰቡት ሳጥን ውስጥ የ(√) ምልክት በማስቀመጥ ቢገልጹልን።.

ማሳሰቢያ: ለምርጫ የተቀመጡት ቁጥሮች የሚከተሉትን ሀሳቦች የሚወክሉ ናቸው።

5=በጣም እስማማለሁ 4= እስማማለሁ 3=በከፊል እስማማለሁ 2= አልስማማም 1= በጣም አልስማማም

11. የሽያጭ ማስተዋወቂያ መሳሪያዎች(salespromotions)

	መግለጫዎች (Statements)	5	4	3	2	1
11.1	የኢትዮጵያ መድን ድርጅት የተለያዩ የሽያጭ ማበረታቻዎችን እንደ አንድ የፕሮሞሽን መሳሪያ / ዘዴ ይጠቀማል					
11.2	የሽያጭ ማስተዋወቂያ ዘዴዎች ደንቦች የኢትዮጵያ መድን ድርጅትን አገልግሎትና እና ምርት እንዲያውቁ ሊያደርግ ይችላል					
11.3	የኢትዮጵያ መድን ድርጅት የሽያጭ ማስተዋወቂያ መሳሪያዎች ስለ ድርጅቱ የሚኖረው ግንዛቤ ከፍ እንዲል ያደርጋሉ።ደንቦች የመድን ሽፋኖችን እንዲገዙም ያነሳሳሉ።					
11.4	የኢትዮጵያ መድን ድርጅት የዋጋ ቅናሽን እንደ ሽያጭ ማስተዋወቂያ መሳሪያ ለደንቦች ይሰጣል።ከተመሳሳይ ድርጅቶች ጋር ሲነፃፀር የኢትዮጵያ መድን ድርጅት የሚሰጠው የዋጋ ቅናሽ መጠን ከፍተኛ ነው።ከድርጅቱ ሽፋን ለመግዛቱም ምክንያት ነው.					
11.5	የኢትዮጵያ መድን ድርጅት ምርቶቹንና ብራንዱን ለማስተዋወቅ የሚረዱ ማራኪ እና የማይዘነጉ ስጦታዎችን በተደጋጋሚ ይሰጣል					
11.6	የኢትዮጵያ መድን ድርጅት የሽያጭ ማስተዋወቂያ እንቅስቃሴዎች ደንቦችን ለማሳወቅ እና ለማሳመን እና ለማስታወስ ሚና ይጫወታሉ					
11.7	የዋጋ ቅናሽ መስጠት ተጨማሪ የመድን ሽፋን እንደገዛ ተፅዕኖ አሳድሮብኛል					

ለሚከተሉት ጥያቄዎች ከአምስቱ ሳጥኖች ውስጥ የእርስዎን የስምምነት ደረጃ ይገልጻል ብለው ባሰቡት ሳጥን ውስጥ የ(✓) ምልክት በማስቀመጥ ቢገልጹልን።.

ማሳሰቢያ: ለምርጫ የተቀመጡት ቁጥሮች የሚከተሉትን ሀሳቦች የሚወክሉ ናቸው።5=በጣም እስማማለሁ 4= እስማማለሁ 3=በከፊል እስማማለሁ 2= አልስማማም 1= በጣም አልስማማም

12. በአካል ተገኝቶ መሸጥ (Personal selling)

	መግለጫዎች (Statements)	5	4	3	2	1
12.1	በአካል ተገኝቶ ሽያጭ ማካሄድ ደንበኞች የመድን ሽፋን እንዲገዙ በማድረግ ረገድ ውጤታማ ነው					
12.2	በአካል ተገኝቶ ሽያጭ ማካሄድ የሽያጭ ሠራተኛው የደንበኛውን የተለየ ፍላጎትና ችግር ለመለየትና ለመረዳት ያስችለዋል					
12.3	በአካል ተገኝቶ ሽያጭ ማካሄድ አገልግሎት ሰጪውንና አገልግሎት ገዢውን በቀጥታ የማገናኘትና የማቀራረብ ጠቀሜታ አለው					
12.4	የኢትዮጵያ መድን ድርጅት የሽያጭ ሠራተኞች አዘውትረው ደንበኞቻቸውን ስለሚጎበኙ እርስዎም የመጎብኘትና ነጻ የማማከር እድል ገጥሞዎታል።					
12.5	የድርጅቱ የሽያጭ ሠራተኞች አቀራረባቸው የሚያረካ እና ስለድርጅቱ ጥልቅ የሆነና የተሟላ መረጃ የሚሰጡ ፣ ለሚቀርብላቸው ጥያቄ ሙያዊ የሆነ ምላሽ የሚሰጡና አስፈላጊውን እገዛ የሚያደርጉ ናቸው					
12.6	በድርጅቱ ሽያጭ ሠራተኞች የተደረገልኝ ገለጻ የመድን ሽፋን ከድርጅቱ እንደገዛ አድርጎኛል።					

ስለ ኢትዮጵያ መድን ድርጅት የፕሮግራሙን ሥራ ተጨማሪ አስተያየት ቢኖርዎት እባክዎ በዚህ ገጽ ጀርባ ላይ ያስፍሩልኝ። በድጋሜ አመሰግናለሁ።