

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
MARKETING MANAGEMENT PROGRAM UNIT
GRADUATE PROGRAM**



**THE RELATIONSHIP AMONG ADVERTISING EFFECTIVENESS,
CUSTOMER PERCEIVED VALUE AND CUSTOMER LOYALTY: A
CASE STUDY ON BERHAN INTERNATIONAL BANK S.C, IN ADDIS
ABABA**

**BY
LULE ITANA**

**May 2015
Addis Ababa**

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DISSERTATION

**Presented in Partial Fulfillment of the Requirements for
The Master of Art in Marketing Management**

By: Lule Itana

Advisor: Rakshit Negi (Ph.D.)

May 2015

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Declaration

I, Lule Itana, declare that this work entitled “**The Relationship Among Advertising Effectiveness, Customer Perceived Value and Customer Loyalty: A Case Study on Berhan International Bank S.C, in Addis Ababa**”, is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Masters of Art in Marketing Management.

By: Lule Itana

Signature_____

Date_____

Advisor: Rakshit Negi (Ph.D.)

Signature_____

Date_____

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Abstract

The purpose of this study was to understand the relationship among advertising effectiveness, customer perceived value and customer loyalty in the Ethiopian banking sector and particularly to the Berhan International Bank S.C. The study was conducted at the eight branches of the Bank located in Addis Ababa. Quantitative research method approach was implemented and the study is explanatory research. The primary data was collected using questionnaires distributed to 380 customers of the Bank where the sample size is selected based on the standard sample size determination table. Secondary data was collected from the Bank's Marketing and Business Development Department. The questionnaires were distributed randomly i.e. to those customers who came to get service at the selected branches. The total response rate was 86% which was acceptable to make the necessary statistical test. The data gathered was analyzed using frequency tables, correlation, regression, t-test and one way ANOVA through Statistical Package for Social Science (SPSS). The result revealed that a positive and significant relationship between advertising effectiveness and customer loyalty. Customer perceived value was not found to partially mediate the relationship between advertising effectiveness and customer loyalty. On the other hand, gender was found to be insignificant in determining the effectiveness of the Bank's products/services advertising in contrary to age difference and educational background of customers. In general, the findings indicated that effective advertising contributed to develop loyal customers at least in the context of Berhan International Bank S.C. Therefore, to increase the number of loyal customers, the Bank should work on marketing strategies, predominantly effective advertising, so that in addition to attracting new customers, the Bank could gain the loyalty from its existing customers.

Key words: *Advertising effectiveness, customer perceived value, customer loyalty*

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Acronyms

BrIB : Berhan International Bank S.C

AE : Advertising Effectiveness

CPV : Customer Perceived Value

CL : Customer Loyalty

CHAPTER ONE

Introduction

1.1. Background of the Study

The banking industry is one of the financial sectors undertaking extensive promotional activities to attain the interest of the potential customers. The competition between the banks is not only to address the demand of potential customers, but is, rather to increase the number of customers and most importantly to develop a long term relationship that will result in customer loyalty. Firms invest enormous amount of money on promotional mix, particularly, on advertising to establish basic awareness and build knowledge of their products and services which will ultimately enhance customer loyalty. The importance of advertizing cannot be over emphasized as the world-over employ it as part of promotional mix which they adopt in pushing their products and services (Poku & Ampadu, 2014).

A review of literature depicts that advertising of products and services is one important strategy in trying to create, develop and maintain relationships between a firm and its customers. Agrawal (1996) suggests that advertising can be seen as a “defensive” strategy implemented to build loyalty, which helps in retaining the loyal consumers away from competitors. Kuusik and Varblane (2008) reported on their study that the most important mechanism to retain customers is through image creation; and Kofi and Mark (2014) noted that the more customers are exposed to advertisement, the more they become loyal. Furthermore, Cengiz, Ayyildiz and Bünyamin (2007) also reported that advertising effectiveness is highly important in building the loyalty of customers. These and other studies create a better understanding that there exists a relationship between advertising and customer loyalty despite the fact that there are few studies investigating the relative influence of the variable on customer loyalty.

In the past, banks in Ethiopia have managed to survive the pressure of competition over customers, mainly because there were few competitors in the industry and, the unbanked and under-banked society was very large. Nonetheless, these situations are gradually changing that the number of banks have increased and the society is becoming more aware of the

banking industry and its importance. In addition to the extensive expansion strategies, the banks are using several promotional activities, in particular advertising, to create awareness and build image of their product and services. Furthermore, the demand of the society is increasing with the changing of awareness and understanding of the advantage towards the banking industry, subsequently implicating to the competition of the banks to increase their share of loyal customers.

Therefore, it would be both theoretical and managerial interest to study this relationship in the case of Ethiopian banking industry. This research attempted to examine the relationship of advertising effectiveness and customer loyalty in the case of Berhan International Bank S.C. In line with this, the role of demographic profile of customers in determining advertising effectiveness and the extent of customer perceived value in mediating the relationship between advertising effectiveness and customer loyalty is investigated.

1.1.1. The Banking Industry in Ethiopia

Modern banking in Ethiopia was introduced in 1905 by the agreement that was made between Emperor Menilik II and Mr. Ma Gillivray, representative of the British owned National Bank of Egypt. Following the agreement, the first bank called Bank of Abyssinia was inaugurated in February 16, 1906 by the Emperor. In 1931, it was liquidated and replaced by the Bank of Ethiopia until the Italian invasion of 1936. In 1943, the State Bank of Ethiopia was established, with two departments performing the separate functions of an issuing bank and a commercial bank. The functions were formally separated and the National Bank of Ethiopia (the central and issuing bank) and the Commercial Bank of Ethiopia were formed in 1963 (Melese, 2006).

In the period before 1974, several other financial institutions emerged including the state-owned: The Agricultural and Industrial Development Bank (established largely to finance state-owned enterprises), the Savings and Mortgage Corporation of Ethiopia and the Imperial Savings and Home Ownership Public Association (which provided savings and loan services). However, the takeover of power by the Marxist Government in 1975 brought about several changes to the banking system, and led to the nationalization of private banks and insurance companies. The new government aimed to create a socialist, centrally controlled economy on the Soviet model. The main financial sector reform during that regime was

therefore, to direct the government banks to finance a greatly increased public sector (Melese, 2006).

Due to the fact that the single commercial bank remained sound in the post-1975 reforms, the 1990s economic liberalization did not require lengthy and costly rehabilitation and was flexible to respond to the opportunities created. However, this was not sufficient for financial sector reform to achieve its objectives. Government-owned development banks expanded into commercial banking and licensing of new private banks which intensified competition but their success was endangered by inadequate banking legislation and central bank supervisory capacity (Melese, 2006). Currently, there are 19 banks of which three are government owned and 16 are private banks established under the regulation of the National Bank of Ethiopia while 10 of these banks have operated for 11 or more years, the rest 9 commenced in the past 10 years. Berhan International Bank S.C. is one of the youngest financial institutions which started operation five years ago.

1.1.2. Berhan International Bank S.C

Berhan International Bank S.C. is a private Share Company, established with an authorized capital of Birr 300 million and paid-up capital of Birr 95 million by more than 6,300 shareholders. The cardinal philosophy behind the promoters' initiation for establishing the Bank is to build a bank that provides banking services with the highest ethical standard and play positive role in the socio-economic development endeavor of the nation. To this end, the Bank was organized by Board of Directors comprises of renowned scholars and successful business persons having a common notion and philosophy of bringing the envisaged bank into reality.

The Bank started operation with management team that comprises of five directors (Credit, Operation, Finance and Treasury, Human Resource and Property Administration and Information Systems) spearheaded by the president. Obtaining license from the NBE on June 27, 2009, the Bank was officially inaugurated on October 3, 2009 opening its door for public through opening its first branch at Bole. Berhan International Bank S.C is one of the few Ethiopian banks to apply core-banking solution (Rubicon) from the start. The Bank aims to continue to work on providing products and services supported by the state-of-the-art technology. In line with this, efforts to launch internet banking, mobile banking and

electronic payment services are currently underway (BrIB, Strategic Plan Document 2012/13 - 2014/15). The bank had 25 city branches and 26 outlying branches in total of 51 branches until the end of January 2015. The branches have 83,707 deposit customers where 42,229 are city branch customers and the rest 41,478 are outlying branch customers (BrIB, Strategic Plan document 2012/13 – 2014/15).

Vision

The bank envisions “To being a radiant and trustworthy bank in excellence”.

Mission

The stated mission of the bank is to provide diverse financial products by deploying motivated and qualified human resource as well as up-to-date technology with the highest ethical standard to create maximum value to stakeholders.

Values

The Bank upholds:

- Quality service
- Utmost respect to customers
- Innovation, excellence and progress
- Integrity and loyalty
- Professionalism and team sprit
- Collaboration and partnership
- Public confidence and trust
- Fairness, and
- Confidentiality; as its core values.

1.2. Statement of the Problem

Banks in Ethiopia have recently taken much attention on how to provide better services and develop the loyalty of customers than their competitors. In an effort to outperform their competitors, banks are introducing state-of-the-art technology to improve service delivery and quality and also invest on promotional activities particularly advertising. Accordingly, the growth and sustainability of customer loyalty has become crucial in maintaining competitiveness in the market. Customers become loyal because they believe that they receive superior services from their service providers; however, these customers are mostly not aware of the influence that their service providers' advertisement really has on them to keep them loyal (McIlory & Barnett, 2000). Other than retaining their customers, firms devote large budget for promotional activities to minimize the cost of attaining new customers. Furthermore, studies show that firms spend five times more as much to obtain a new customer than to retaining an existing one (Kotler & Keller, 2006; Wills, 2009).

Despite the role of advertising in inducing customer loyalty, no studies have been made to determine the relationship among advertising effectiveness, customer perceived value and customer loyalty by the Berhan international Bank S.C in the past. This study, therefore, aimed to investigate the relationship among advertising effectiveness, customer perceived value and customer loyalty in the case of Berhan International Bank S.C, in Addis Ababa. The study is also believed to help fill the relevant gaps in the literature and advance the study of banking industry. To these end, the following research questions are raised;

1. Does advertising effectiveness directly influence customer loyalty in Berhan International Bank S.C?
2. To what extent does the advertising of Berhan International Bank S.C influence the perceived value of customers?
3. To what extent customer perceived value mediates the relationship between advertising effectiveness and customer loyalty?
4. What role does demographic profile of customers play in determining the advertising effectiveness?

1.3. Objectives of the Study

The overall objective of this study is to examine the relationship among advertising effectiveness, customer perceived value and customer loyalty in the case of Berhan International Bank S.C. The specific objectives include:

- To identify the extent to which the Bank's products/services advertising influence the perception of the Bank's customers;
- To examine the relationship between advertising effectiveness and customer loyalty;
- To assess the mediating role of customer perceived value in the advertising effectiveness and customer loyalty relationship; and
- To examine the role of customers' demographic profile in determining advertising effectiveness.

1.4. Significance of the Study

A study of the relationship among advertising effectiveness, customer perceived value and customer loyalty is very important for several reasons. First, it provides feedback to Berhan International Bank S.C regarding the perceptions of customers toward its advertising effectiveness in generating their perceived value and loyalty; and provides further information in what to work on in the future. Second, it provides additional evidence as to the relationship between advertising effectiveness and customer loyalty particularly in the case of the banking industry in Ethiopia. Third, it will fill the relevant gaps in the literature and advances the study of the Ethiopian banking industry. Forth, it provides foundation for further research in the area for service industry. Overall, it extends the customer loyalty literature.

1.5. Scope of the Study

This study focuses on conducting an investigation on the relationship between advertising effectiveness and customer loyalty with the mediating factor of customer perceived value. Although, different dimensions of the variables were considered in order to make sufficient coverage of the issue in the context of the banking industry and particularly in Berhan International Bank S.C, a few were left out to limit the broadness of the study.

The research also applied quantitative data measurement technique. Geographically, this study limited itself to surveying eight city branch customers of the Bank. The eight branches under consideration are selected based on the time they have operated i.e. branches which have operated only for more than three years, namely Bole, Hayahulet, Amedegebeya, Kaliti, Genet, Legehar, Megenagna and Dirtera. The study confined itself only on those customers who have accounts with the Bank.

1.6. Conceptual Definitions

- **Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor (Kotler, 1984, p.58).
- **Advertising effectiveness:** The market response to a firm's (or a brand's) advertising (Gerard, 2009, p. 240)
- **Customer Perceived Value:** Consumer's overall assessment of the utility of a product (or service) founded on perceptions of what is received and what is given (Zeithaml, 1988, p. 14).
- **Customer Loyalty:** A psychological character formed by sustained satisfaction of the customer coupled with emotional attachment formed with the service provider that leads to a state of willingly and consistently being in the relationship with preference, patronage and premium (Alok & Srivastava, 2013, p. 141).

1.7. Organization of the Study

This paper is organized in five chapters. The first chapter presents the background of the study, the problem statement, the objectives, the scope and significance of the study. In the second chapter, the literature review is presented covering the theoretical and empirical framework on advertising, customer perceived value and customer loyalty in addition to the conceptual framework forwarded by the researcher. The research methodology that incorporates research design, data collection instrument, data collection approaches, structure of the questionnaire, data analysis approach, validity and reliability and ethical concerns are presented in the third chapter. Afterwards, the detailed data analysis and interpretation is discussed in the fourth chapter. Finally, the summary findings, conclusion and recommendations are presented the last section, chapter five.

CHAPTER TWO

Review of Related Literature

In this chapter, the theoretical, empirical and conceptual frameworks are forwarded. The theoretical framework incorporates the relevant theories regarding advertising effectiveness, customer perceived value and customer loyalty followed by the theories concerning their relationships. The empirical framework presents findings of other researches that are relevant to this study. Finally, the model and the hypothesis of the study are presented under conceptual framework. At the end of this major section, it is hoped that a critical understanding of key issues is exhibited, that the reader is better informed and that there is a clear justification for the research in this area.

2.1. Theoretical Framework

2.1.1. Advertising Effectiveness

Kotler and Keller (2009) defined advertising as, any paid form of non-personal presentation and promotion of ideas, goods, or services. Advertising is one part of marketing strategy that firms undertake to address the market at large; to those who are concerned with the products and services of the firm as well as those who have never heard about the firm or its products and services. Advertising allows to communicate important message to a large audience at once than any other form of communication and advertising creates a sense of urgency for the consumer, honest awareness and accurate that there are products, places, styles or sensibilities that cry out for attention or action (Sharma, 2012). Advertising activities are very important to maintain customer traffic throughout the market season, and if implemented at the proper time and media, it draws customers to the business and maintains customer traffic levels during slow periods (Dunn, 1995).

According to Sharma (2012), there are several ways of advertising, a soft sell or a hard sell, a subtle approach or a blatant approach, an informative style, humor or a modern and edgy one; and the style can change with the type of product or service that are being sold, with the timing of the message and with the medium or the channel that are used. Furthermore, the

quality of advertising can depend on the content or the message, the actors involved, the sound track, the words used etc. where these factors have huge contribution in the tendency that the audience likes or dislikes the advert or judge the advert as good or bad.

The need for advertising is highlighted by Latif et al., (2011) as primary tool to reach prospective customers and by so doing, influence their attitudes, awareness and buying behavior. Advertising helps shift demand away from peak periods, increase utilization during slow periods, or teach customers how to become part of the service production and delivery process, so greater productivity is generated from existing technical capacity (Rust et al. & Fugate, 1998). Advertising has the power to persuade and influence; and it has the power to change markets and improve profit margins (Jerry, 2007). On top of these, several researches showed that advertising has the power to communicate new information, create awareness, and build reputation and image in the minds of potential customers or even existing once. In general, as Kotler and Armstrong (2012) put it the objectives of advertising can be classified by their primary purpose - to inform, persuade, or remind.

On the contrary, although advertising is essential to reach large audience at a time, it cannot be as effective as salespeople can inform and persuade directly. For the most part, advertising can carry on only a one-way communication with an audience, and the audience does not feel that it has to pay attention or respond (Kotler & Armstrong, 2012). In addition, false and misleading advertising may create wrong awareness in the minds of customers which may lead to customer turnover and disloyalty. Bad word-of-mouth and negative image may destroy the reputation of the firm. Abuses in advertising can range from, exaggeration and concealed facts to outright lying (Ferrell, 2004). Firms must avoid advertising that have the capacity to deceive, even though no one actually may be deceived (Kotler & Armstrong, 2012).

It is believed that the banking industry of Ethiopia is a market environment where there is high competition; and banks undertake extensive promotional activities to attract potential customer and increase the customer traffic. Corporate customer management programs and advertising campaigns are part of the marketing strategies that banks currently invest huge resource to create stable and long term relationship with their customers. Since financial institutions provide same products and services may be with slight difference in price, almost

all advertising that are communicated have similar messages which is hard to differentiate the qualities one has over the other. But studies show that advertising is an important marketing tool in building image; and an effective advertising influences the perception of customers which eventually determines their loyalty.

2.1.2. Advertising Effectiveness Dimensions

Advertising effectiveness is all about how well a firm's advertising is successful in achieving the intended goals such as image or attitudinal change, recall of audience, brand awareness, profit etc. The effects of advertising on consumers can be described as a sequence of stages or steps that begins with an awareness of the existence of what the product or service has to offer, favorable attitudes, preference over all other possibilities, and the conviction that the purchase would be wise, and finally culminates in the actual purchase of the product or service (Wheatley, 1969). Lavidge and Steiner (1961) offered the following model to explain the concept or the dimensions.

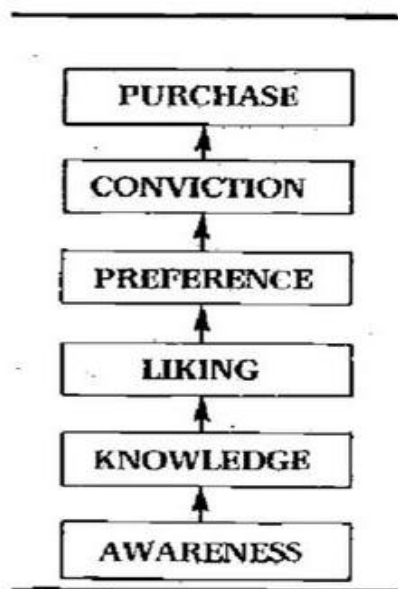


Figure 1: Advertising Effectiveness Model

(Source: Lavidge and Steiner 1961, p. 141)

In line with the above model, advertising is said to be effective when it passes the six stages of informing and persuading the audience to purchase the products/services of the firm. Creating awareness and knowledge by itself is not an end result but growing to liking and

preference which at the end leads to conviction or assurance to purchasing. Accordingly, Lavidge and Steiner (1961) consider these dimensions to measure the effectiveness of advertising. While using these dimensions, it is also important to consider how many people who are exposed to the advertising remember the message, recall the advertising but not the brand, or remember every detail of the advertising but are not attracted or persuaded to make purchase. This is for the reason that creating awareness and knowledge by itself is not the end results of advertising campaign and cannot be considered as effective advertising.

Other methods of measuring advertising effectiveness is suggested by Lucas (1963), such as test based on memory, opinion and attitude ratings, projective testing, laboratory tests and content analysis, and inquiries and sales measures. According to Cao (1999), the products/services that are advertised, the medium used to make the advertising, the quality of the advertisement and the environment that the audience is in i.e. the attention and involvement level affect the effectiveness of the where each are used as measurements. Perceptions related to other aspects of advertising that are related to attitudes towards advertising including informational value, entertainment, interruptive nature, sexual content and use of women, ethics and deception and falsehood were included later (Alwith & Prabhark, 1994).

2.1.3. Customer Perceived Value

Customer perceived value as “a customer’s perceived preference for and evaluation of those products attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer’s goals and purposes in use situations” (Woodruff, 1997, p. 142). Customer value can be conceptualized as a comparison of weighted “get” attributes to “give” attributes (Heskett et al., 1994). It results from an evaluation of the relative rewards and sacrifices associated with an offering. According to Schechter (1984), perceived value is composed of all factors - qualitative and quantitative, objectives and subjective –that jointly form a consumer’s buying experiences.

Customer’s perceived value is highly important for organizations and in recent years has been the spotlight of the marketing strategies (Huns & Samuelsson, 2008). Consumers evaluate the difference between what they receive and what they have paid (monetary and non-monetary)

to get the service and to continue their relationship with the firm. They are inclined to feel equitably treated if they perceive that the ratio of their outcome to inputs is comparable to the ratio of outcome to inputs experienced by the company (Oliver & DeSarbo, 1988). Wrong perception will eventually lead to customer turnover due to the fact that customers prefer to make a onetime switching cost of moving to other firms rather than making a long term sacrifice purchasing from a firm that costs more than its benefit.

The service industry is one of the sectors where building a strong relationship with the customer and providing higher service quality is mandatory to reduce customer switching behavior. Literatures indicate that financial institutions particularly banks should focus their efforts on three essential points which are shareholder value (Ingo, 1997), employee value (Payne et al., 1999) and consumer perceived value (Reidenbach, 1996; Kelly, 1998; Marple & Zimmerman, 1999). In the banking context, the term ‘customer value’ is used to express the value that customers generate to them rather than the value that they offer to their customers (Payne et al., 1999). Generating a high value in the minds of customers is a source of competitive advantage in the current market environment for the reason that customers value the attention and worth they are provided.

It is important to highlight that for many banks the term “customer value” is used solely to refer to the value that the customer generates for them, rather than the value that they can offer their users (Payne et al., 1999). From the customer’s point of view, they can appreciate achieving economic benefits (Peterson, 1995), obtaining a service better adapted to their needs, preferential treatment, or additional services (Gwinner et al., 1998; Rust et al., 2000). The challenge here is to understand the need and demand of customers and generate high value that magnifies the benefits over their cost.

2.1.4. Customer Perceived Value Dimensions

While investigating the concept of perceived value, several approaches to the conceptualization and dimensionality are identified by different authors. Sanchez et al., (2006), defines customer perceived value as a construct configured by two parts; benefits received by the customer i.e. economic, emotional, social and relationship benefits, and sacrifices made by the customer i.e. price, time, effort, risk and inconvenience. The other

approach that is based on the conception of multidimensional construct which incorporates the functional dimension and affective dimension that includes emotional and social aspects of the individual, examining more closely subjects relating to the consumer's purchasing behavior (Woodruff, 1997 & De Ruyter et al., 1997).

Sweeney and Soutar (2001) used a multidimensional model of four dimensions to measure customers' perceived values of a product or a service: emotional, social, functional (value-for-money), functional (performance/quality); economic value is related to perceived economic benefits received by users in comparison to the monetary cost of the services. Many researchers found a significant role of consumers' perceived monetary value in satisfaction and future decisions (McDougall & Levesque, 2000; Chen, 2003). Emotional value is the utility derived from the feelings or affective states that a product/service generates; and social value is the utility derived from the product's or service's ability to enhance social self-concept (Sweeney & Soutar, 2001).

Ruyter et al. (1997) said that the major dimensions that are highly useful to measure perceived value of customers are emotional dimension or intrinsic value and functional dimension or extrinsic value. Sheth et al. (1991) added two more saying that customer perceived value dimensions are social value, emotional value, functional value, epistemic value and conditional value. All in all, the figure below demonstrates the model of customer perceived value (CPV) by Zhao (2006) which is inclusive of dimensions the scholars pointed out. The model explains the dimensions of customer perceived value i.e. the constructs that assist to measure the benefits of customers and the sacrifices that customers make while purchasing a product or services. Incorporating one or more of these constructs is highly important to measure the perceived value of customers.

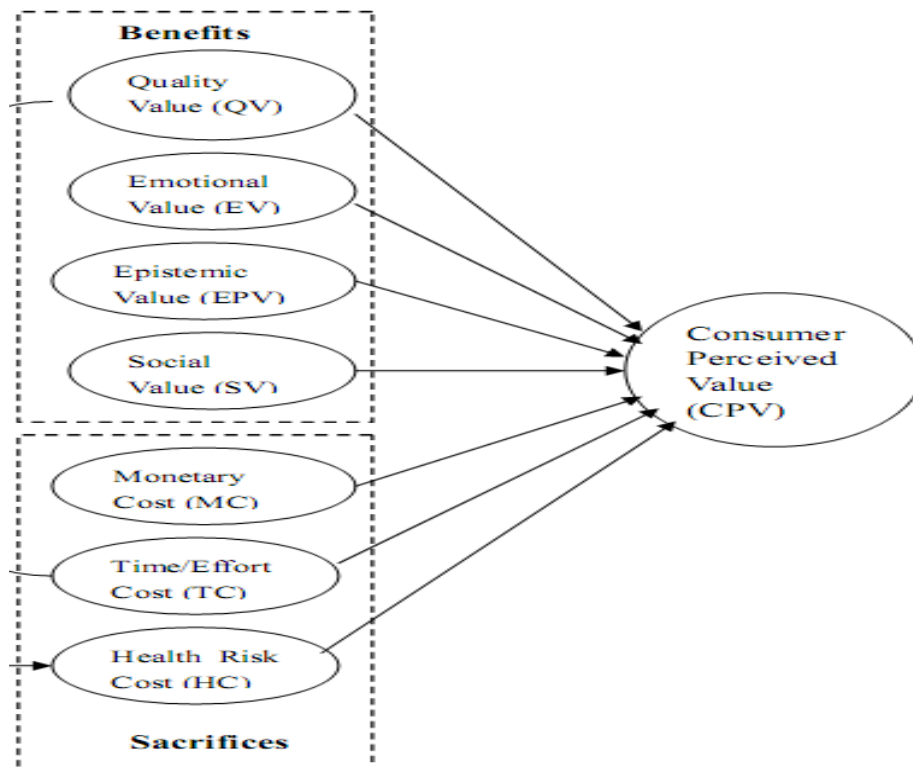


Figure 2: Customer Perceived Value Model

(Source: Zhao 2006, p.95)

2.1.5. Customer Loyalty

Customer loyalty is defined as a customer’s attitude to the service (Ramaswamy, 1996; Stank et. al., 1999). Oliver (1999) also defined loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing” (p. 392). A loyal customer is one who makes regular purchases, refers others, and sticks with an institution over the long run implicating on the conviction that enhancing customer loyalty is an extremely important business strategy for financial institutions (Craig & Sahara 2001). Cohen et al. (2007) found that a loyal customer takes less of the company’s time during transactions and are less sensitive to price changes. Bloemer et al. (1998) defined bank loyalty as the biased (i.e. non-random) behavioral response (i.e. revisit), expressed over a period of time by some decision-making unit with respect to one bank out of a set of banks, which is a psychological function (decision-making and evaluative process resulting in brand commitment).

The development and sustainability of loyal customers is important in creating and maintaining competitive advantage predominantly in the banking industry. Loyal customers tend to consider the cost of switch before shifting to another bank providing the same products and services. The longer a loyal customer stays with a firm, the more profitable it is that firm (Kim & Cha, 2002). Customer loyalty can lower costs and/or increase profitability, as the cost of recruiting a new customer is said to be five times more than the cost of retaining an existing customer (Barsky, 1994; Reichheld, 1996).

In contrary to recruiting a new one, customer loyalty helps to establish and uphold a competitive advantage in the service industry. Hennig-Thurau and colleagues (2002) state that loyalty is more than a repetitive purchase and also related to appreciation and commitment. Thus, Bharatwaj et al. (1993) suggested that organizations should start taking customer loyalty as a source of competitive advantage and willingness to spread positive word-of-mouth about a service provider and repeat purchasing behavior are the most common indicators of loyal customers (Fornell, 1992).

The banking industry globally is facing a very competitive environment that is forcing it to be enhancing the development and sustainability of loyalty opportunities (Auka, 2012). Firms that desire to remain competitive, need to build and enhance relationships with loyal customers because of its benefits that include profitability, business referral and publicity, customer share and competitive position (Hennih-Thurau et al., 2002). Even though the unbanked and under banked society in Ethiopia is estimated to be large, banks compete in active market environment implementing different marketing strategy and state-of-the-art technology. Loyalty programs and promotional activities particularly advertising are among the marketing strategies but the importance of these programs is not recognized as it needs to be.

2.1.6. Customer Loyalty Dimensions

Oliver (1997) categorized customer loyalty development (dimensions) into four sequential phases. The first phase is cognitive loyalty where the customer believes the product to be superior to others and thus, chooses it over others; and information about the brand its perceived benefits affect the buying decisions. The second phase is affective loyalty where

reiterated confirmations of customers' expectations lead to affective form of loyalty where a particular favorable attitude gets developed towards that brand. The third phase is conative loyalty where high involvement and motives fueled by strong buying intentions give way to the development of an intense form of loyalty i.e. conative loyalty. The last phase is action loyalty where strong motivations that ultimately lead to actions directed by the 'need to remove' every possible problem that might hinder the loyalty driven decision of purchasing specific brand (Oliver, 1997).

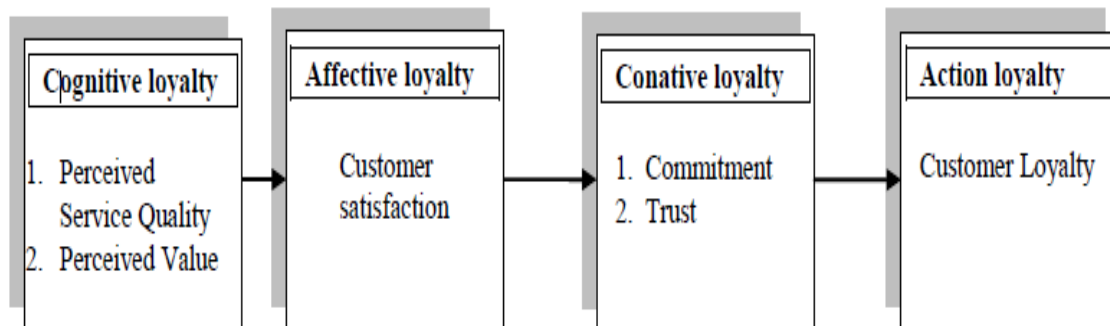


Figure 3: Four-stage loyalty Model
(Source: Oliver 1997, p. 392)

According to Daniel (2012), loyalty has both behavioral and attitudinal dimensions; the behavioral repurchase consisting of repeated purchase of product while attitudinal loyalty refers to attitudinal commitment or favorable attitude toward a product resulting in repeat purchasing behavior. With regards to behavioral intentions in a services setting, Zeithaml et al. (1996) proposed a framework comprised of the four main dimensions: (1) word-of-mouth communications; (2) purchase intention; (3) price sensitivity; and (4) complaining behavior.

Jaishankar, Arnold and Kristy (2000) described loyalty as a product of repeat purchase, self-stated retention, price insensitivity, resistance to counter persuasion, and recommendation to others. On the contrary, Dick and Basu (1994) brought out the idea of relative attitudes and described loyalty as the strength of the relationship between a customer's relative attitude and repeat patronage and four dimensions had been identified: true loyalty, latent loyalty, spurious loyalty and no loyalty. They believed that these dimensions are the major indicators or measurements of customer loyalty.

Bei and Chiao (2001) pointed out that the process of repetitive purchase might be due to convenience, habits or no alternatives, thus, it may difficult to measure loyalty, loyal customer publicize a firm and its products through positive word of mouth and through a desire to maintain that relationship (Hennig-Thurau et al., 2002), which is the focus of the current study. This loyalty refers to committed behavior that is manifested by propensity to participate in a particular recreation service and recommendation to others (Oppermann, 2000; Backman & Crompton, 1991). This definition is supported by Jones and Sasser (1995) who argued that intent to repurchase is a very strong indicator of future behavior.

2.1.7. Advertising Effectiveness and Customer Loyalty

Studies have been made in identifying the relationship between promotional activities and customer loyalty particularly in service industry. It is believed that promotion, more specifically advertising, has a direct or indirect impact in generating customer loyalty. Through repeated exposure to adverts, awareness is created in the minds of the public which eventually leads to interest and the creation of loyalty. Ndubiri and Chan (2005) reported that communication is responsible for building awareness in the early stage, developing customer preference, convincing and encouraging the customers to make the decision to purchase.

However, reaching customers is not the only target that is set to be addressed by advertisement rather developing loyal customers through addressing their demands and creating values so that they will not search other firms providing their needs. Customers are willing to invest their loyalty in business that can deliver superior value relative to the offerings of competitors (Reichheld, 1996). When customers are loyal to a firm, they may minimize the time expended in searching, locating and evaluating purchase alternatives. Moreover, customers can avoid the learning process that may consume the time and effort needed to become accustomed to a new vendor.

Loyal customers provide greater value to a firm through promotion i.e. word-of-mouth, and support the effectiveness of advertising. Customer loyalty not only ensures repeat purchases and positive publicity with greater value in terms of reliability, it also leads to the host of other significant benefits such as cross buying intentions, exclusive and priority based preference to the company and its products/services, greater share of wallet and so on which

provide a competitive edge to the company (Alok & Srivastava, 2013). However, a wrongly perceived advertising can build a negative image of the firm and reduce the loyalty of customers.

2.1.8. The Mediating Role of Perceived Value in Advertising effectiveness and Customer Loyalty Relationship

Advertising has various roles, among which the most important are informing the potential target group about the appearance of new product or company and persuading consumers to buy some specific good or service (Ackerberg, 2001). Advertising has to deliver some positive information or value in the minds of the audience then a purchase action be made. A major objective for delivering value to customers is developing loyal customers who can increase purchase frequency, purchase quantity, and avoid switching behavior (Rust, Lemon & Zeithaml, 2004). Perceived value is a main element of customer loyalty in a majority of organizations in the service industry (Bolton & Drew, 1991). Various studies have been made to identify the relationship of perceived value and customer loyalty; and it is believed by many researchers that these variables are highly interconnected. Oliver (1999) asserted that “value” is a unique construct stemming from both satisfaction and quality, also outcome variables such as loyalty. The value perceived in the mind of a customer’s defines whether they will have repeat intention or loyalty.

A study written by Brady and Cronin (2001) stated that customers’ value perceptions seem to drive their future behaviors such as repurchase intent and word-of-mouth referrals and proposed that consumers’ affective responses were directly related to perceived value in highly experiential service settings. Customers with high perceived value tend to be price insensitive and tend to have low compliant behavior. In the contrary, a negative perception highly degrades the loyalty of customers. Perceived value is reported as a significant predictor of customer satisfaction and behavioral intention (Cronin et al., 2000). Behavioral intentions include purchase intention, positive word-of-mouth, repeat purchase intention etc. Chang and Wildt (1994) reported that customer-perceived value has been found to be a major contributor to purchase intention. Favorable customer value can lead to positive behavior such as loyalty that will be demonstrated by word of mouth, increased purchase, willingness to pay more for products and recommending others to the firm (Zeithmal, 2000). It is to say

that higher perceived value will lead to repurchase intention towards the services and products offered which develops customer loyalty in the long run.

There are significant developments in the banking sector affecting the marketing activities such as changing customer behavior characterized by longer life spans, increasing urbanization, increased living standards and higher income; reduced prices of services, interest rates and profit margins due to deregulation and globalization of financial markets; technological innovations such as Automated Teller Machines (ATMs) and electronic banking helping to broaden the resources and ability of the institutions to compete in the volatile industry (Daniel, 2012). The products of banks in Ethiopia are identical with slight difference enabling consumers to transfer easily from one to another bank in cases of dissatisfaction or poor quality service with a very low switching cost. Thus, establishing and maintaining customer loyalty has been the main challenge of commercial banks in Ethiopia. With the growing need of customers, it is important to have good understanding of customer behavior and demand to build long term relationship or to increase the loyalty of customers. As customers become more demanding, competition further intensifies, and economic and industrial growth slows down, firm image might not be an adequate source of a competitive advantage; thus, advertising is the next underlying source for competitive advantage that also reinforces firm image (Ekrem et. al., 2007).

There are limited researches elaborating the relationship of advertising with perceived value and customer loyalty identifying customer perceived value as a mediating factor; and quiet few in the context of banking industry in Ethiopia. Thus, at the end of this study, it is believed that the relationship among these variables will be identified in the case of Berhan International Bank S.C.

2.2. Empirical Review

There are a number of studies that are relevant to the study of the relationship among advertising effectiveness, customer perceived value and customer loyalty; and few are discussed in this review. Cengiz and Yayla (2007) studied the relationship between marketing mix, perceived value, perceived quality, customer satisfaction, and customer loyalty with word of-mouth. Their first finding was that marketing mix elements have an important influence on customer loyalty in particular; price and promotion have significant indirect effects on loyalty. Second, price, place, and perceived quality (product) have positive effects on perceived value. However, there were limitations in the measurements for perceived value and customer loyalty. They used items that were only monetary sacrifices, for instance good value for money, acceptable price, to be a good buy, and no items for non-monetary sacrifices. Furthermore, word-of-mouth was the dependent variable, and hence was not a component of the independent variable of customer loyalty.

Dodds et al. (1991) tested the effects of price, brand and store information with perceived value (quality and sacrifice) as a mediating influence on willingness to purchase. The results show that while price had a positive influence on perceived quality, price also had a negative effect on perceived value and willingness to buy. Furthermore, favorable brand and store information did have a positive effect on perceived quality and willingness to purchase. But as with similar measurements by Cengiz and Yayla (2007), they did not consider any items for non-monetary sacrifices and focused on only price. Dodds et al. (1991) state that as price increases beyond the acceptable range, the perceptions of value will decline, thus, the relationship between price and perceived value should also be curvilinear.

Few studies investigating on the relationship of customer loyalty and other variables were found in the case of banking industry. Cengiz, Ayyildiz and Bünyamin (2007) examined the relationships between image, advertising efficiency, customer satisfaction, customer expectation, perceived quality, perceived value, customer complaint and customer loyalty on Turkish Banks. They pointed out that these variables are being recognized as competitive advantage particularly in the banking industry. They found out that advertising efficiency influences customer expectation positively and indirectly. Advertising efficiency was found to have no direct relationship with perceived quality but indirect positive relationship. Perceived value, customer complaint, customer loyalty and customer satisfaction were

affected by advertising efficiency positively and indirectly. Bank image determines perceived quality directly and indirectly. In general, their result implicated that bank image and advertising efficiency significantly influence customer loyalty and antecedents of loyalty.

Gallego and Fragata (2009) studied the loyalty of corporate banking customers. They developed a model showing the relationship between perceived service quality, customer satisfaction, loyalty and intention to increase utilization of banking services by medium/large corporate banking customers. From the analysis, they found out that customer satisfaction is an antecedent to loyalty which implicates that satisfied corporate customers expect to maintain the relation with their bank in the future. They also pointed out that corporate customers are happy to increase their usage of their main bank services due to satisfaction and the length of the relationship with the main bank. Finally, they suggested that perceived service quality appears to be the primary driver of bank loyalty.

Bilal (2009) tested the factors of customer loyalty and their relationship with banking industry in Pakistan proposing a model for customer loyalty. The scholar pointed out in the analysis that perceived quality, satisfaction, trust, switching cost and commitment are the factors which influence the Loyalty of the customers. The relationship in between the factors was analyzed as well. The findings were first, the effect of satisfaction and trust on commitment is positive and significant and the greater the satisfaction the greater is commitment and the greater the trust the greater is the commitment. Second, the effect of perceived quality on satisfaction is positive and significant but low. Third, the effect of satisfaction, switching cost and commitment on customer loyalty is positive and significant; and switching cost has more influence on loyalty.

A study by Jumaev, Kumar and Hanaysha (2012) investigated the impact of customer loyalty in banking sector. They pointed out that one way of enhancing customer loyalty in banking industry is by focusing on offering excellent services and meeting the needs of customer. The objective of their study is to examine the causal relationships of several antecedents of customer loyalty in the context of retail banking in Northern Malaysia. The result from the analysis implicated that the factors which related to customer loyalty like trust, commitment, empathy, perceived value and conflict handling have better influence on the customer's choice as well preferred bank. Therefore, they concluded that a good understanding of

customer behavior is crucial so that appropriate marketing strategies are designed to build better customer relationship and customer retention. They also pointed out that it is paramount to be competitive in market environment that of the banking industry.

Megdadi, Aljaber and Alahmi (2013) examined factors affecting customer loyalty toward the financial services of Jordanian Commercial Banks. Perceived quality and expectations, willingness and trust, bank changes and switching cost, and bank commitment were the factors proposed which were believed to affect the customer loyalty. The analysis implicated that perceived quality is the major factor affecting customer satisfaction. The effect of perceived quality and expectations, willingness and trust, bank change and switching cost and bank commitment on satisfaction is strongly positive and significant. The effect of customer satisfaction on loyalty was also strongly positive and significant.

Alirakbar and Younos 2015 studied on the relationship between the customer's perceived value and customer's loyalty in the branches of Mellat Bank (case study on the province of Semnan). The aim of the study was to survey the relationship between the customer's perceived value and customer's loyalty in the branches of Mellat Bank, to examine the attitude of customers toward the perceived value by them and to rank the different dimension of this value. The level of customer's loyalty in the branches of Mellat Bank was also measured. In their model, three components were represented in the case of customer's perception of the value which is dissatisfactory, satisfactory and ecstatic. The cost to value model dealt with what the customer has attained and what has he paid for it. The model for consuming value included the key dimension of functional, emotional, social and epistemic values. According to the results of their analysis, there is a direct and significant relationship between the customer's perceived value and customer's loyalty. In addition, the status of each one of the five dimensions of the value was found to be favorable.

Though few researches are pointed out in this section, these literatures support that there exists a relationship among these variables and customer perceived value has a mediating effect on customer loyalty.

2.3. Conceptual Framework

The model focuses on the effect of advertising on customer loyalty incorporating the key variables such as customer perceived value, advertising effectiveness and customer loyalty. The model is designed taking into consideration the concepts discussed in the literature and testing in the context of Ethiopian banking industry. In this model, customer loyalty is the dependent variable and advertising effectiveness is the independent variable while customer perceived value is the mediating variable. The end result of the model is to explain relationship that is assumed to exist among these variables. In addition, assessment on the relationship of demographic profile (in this case gender, age and education) and advertising effectiveness is also included. To this end, the model illustrates four problems that are forwarded in the form of hypothesis and addressed through the analysis.

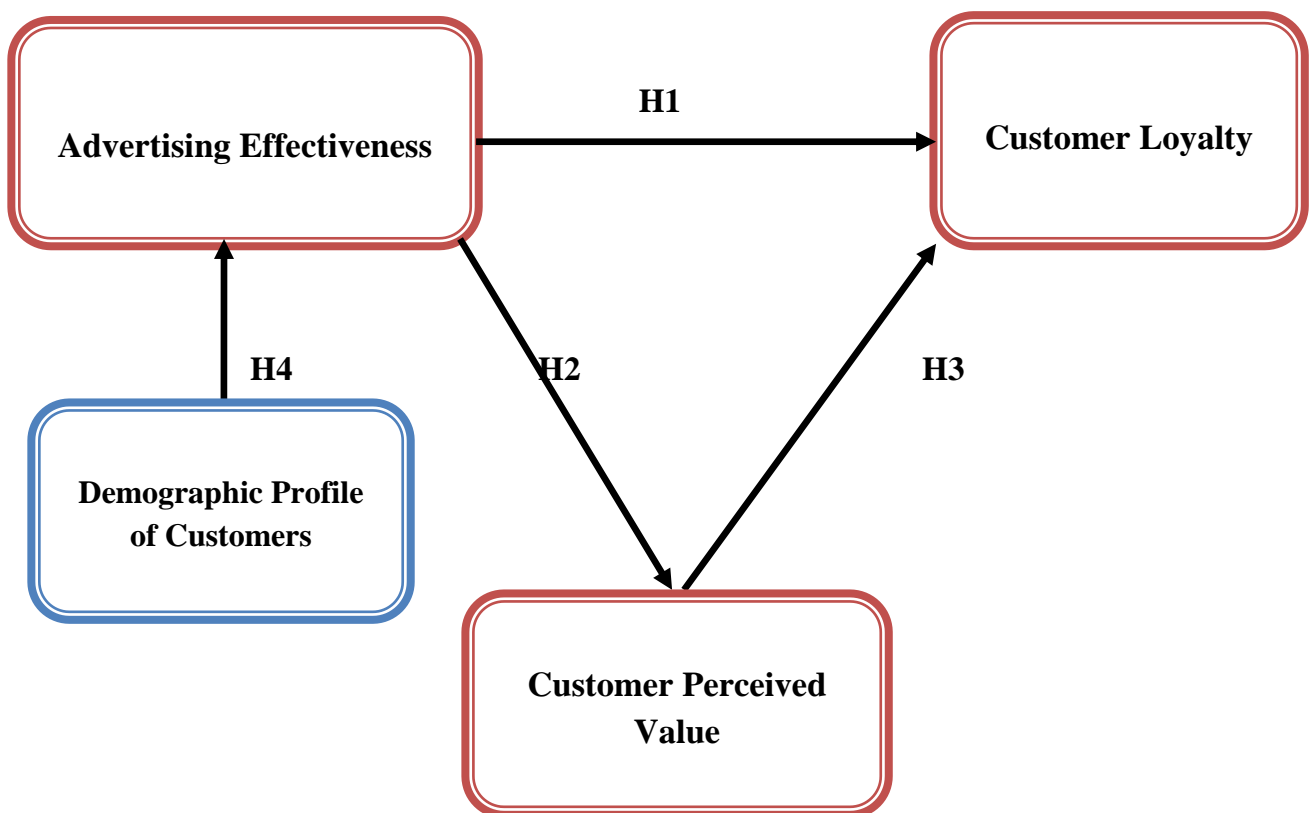


Figure 4: Conceptual Model

The above figure depicts the conceptual model of this study. Advertising effectiveness is the independent variable and customer perceived value as mediating (independent) variable,

while customer loyalty is the dependent variable. The hypothesis of the study is presented as follows:

H₁: There is a positive and significant relationship between advertising effectiveness and customer loyalty.

H₂: There is a positive and significant relationship between advertising effectiveness and customer perceived value.

H₃: Customer perceived value positively and significantly mediates the relationship between advertising effectiveness and customer loyalty.

H₄: Demographic profile variables of the customers significantly determine advertising effectiveness.

H₄₁: Gender of the customers significantly determines advertising effectiveness.

H₄₂: Age difference between customers significantly determines advertising effectiveness.

H₄₃: Educational background of the customers significantly determines advertising effectiveness.

CHAPTER THREE

Research Methodology

This chapter provides the means of collecting data for analysis, and the analysis approach of the research. The procedures and techniques employed in this study are presented under eight subheadings. The first and second subheadings discuss the research design and the sampling population respectively. In the third section the data collection instrument is discussed followed by the data collection approach. Afterward, the structure of the questionnaire, the data analysis method, and reliability and validity analysis are discussed. Finally, ethical concerns are presented in the last section of this chapter.

3.1. Research Design

A research design is “a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems” (Kerlinger 1986, p. 279). Though several authors classify research design in different ways the most common types of research design are quantitative and qualitative. In this study quantitative research design is applied, that helps to explain phenomena by collecting numerical data that are analyzed using mathematically based methods. This research is also an explanatory research since it explains the relationship among the three variables i.e. advertising effectiveness, customer perceived value and customer loyalty.

3.2. Sampling Population

Sampling is the process or technique of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population (John et. al., 2007). The sample for this study is undertaken on the Bank’s branches located only in Addis Ababa. The samples in this research were based on convenience sampling method.

The bank had a total of 51 branches (25 city and 26 outlying branches) by the end of January 2015 with a total of 83,707 customers where 41,117 are city branch customers and 39,147 are

outlying branch customers. Out of these branches, 15 have operated for three or more years out of which 8 are city branches with 31,966 customers and 7 are outlying branches with 23,415 customers. The study considers the city branches only, therefore, the population considered is 31,966 customers and according to Krejcie and Morgan (1970) standard sample size determination table, the sample size was 380 respondents.

The questionnaires were distributed to eight branches of the Bank as shown in the table below and the number of the respondents from each branch is calculated based on the following formula:

$$\text{No. of Respondents} = \frac{\text{No. of Customers of Branch} * \text{Sample Size}}{\text{Total No. of Customers}}$$

Table 1: Sample size distribution

No.	City Branch	Population Size	Sample Size	Extra
1	Bole	10,144	121	12
2	Hayahulet Mazoriya	2,869	34	3
3	Amede Gebeya	4,897	58	6
4	Kaliti	5,009	60	6
5	Genet	2,539	30	3
6	Legehar	1,867	22	2
7	Megenagna	3,141	37	4
8	Dirtera	1,500	18	2
	Total	31,966	380	38

(Source: BrIB Finance & Treasury Department, 2015)

3.3. Data Collection Instrument

Questionnaire was used to gather the primary data. The questionnaire had two sections that contain questions of demographic profiles of the respondents, attitude statements, etc. which assisted to gather the necessary information from respondents. The questionnaire was designed based on the factors which were extracted from existing literature related to advertising effectiveness, perceived value and customer loyalty. It was also translated into Amharic to make it convenient to those customers who could not fully understand English language.

The questions in the questionnaires were adopted from different studies with some adjustments i.e. for advertising effectiveness from Joby, Swinder and Siva (2011), for customer perceived value Juan, Javier, Miguel and Jaume (2006) and for customer loyalty from Alko and Srivastava (2013) and Ali and Arash (2011).

3.4. Data Collection Approach

A structured questionnaire was developed and administered among the customers of the Bank in order to measure the relationship and a self-completion or self-administered method was used to complete the questionnaire. A self-administered survey is a quantitative research method that produces information from which one can generate percentages (Creswell, 2002). It has advantages of cost and time efficiently, anonymity and no interviewer error; in the contrary, it has disadvantages of respondent's error, incomplete surveys and lower response rates.

Primary data collection was done through distribution of self-administered questionnaires to the respondents. Customers that come to the door of these branches were provided with the questionnaire. The questionnaires were administered during working hours of the Bank from 8 a.m. to 4 p.m., Monday through Saturday where the bank has peak traffic of customers. Secondary data was gathered from the Bank's Marketing and Business Development Department. The questionnaires were distributed to each of the branches according to the proportion of the customers to the total sample size. For assuring the accuracy of the data collection, appropriate design, wording and validation of the questionnaire was performed.

3.5. Structure of Research Questionnaire

The questionnaire that is used for this study had two distinct sections which are presented as follows. In section one, demographic information of customers such as gender, education and age were measured. In addition, questions that assist to gather detail information such as products/services customers use and customers' knowledge on the advertising of the Bank's products/services were asked.

In section two, a total of 24 items were used to evaluate the study variables measured through five point Likert scale ranging from strongly disagree to strongly agree. The items were constructed based on the literature on advertising effectiveness, customer perceived value and customer loyalty.

3.6. Data Analysis Approach

The data collected from the questionnaire was analyzed with the use of the Statistical Package for Social Sciences (SPSS 20.0). The reliability test using Cronbach's alpha and the regression analysis were computed along with descriptive analysis. The Sobel test was performed to examine the significance of mediation.

A test of multicollinearity was also conducted to determine the correlation of the independent variables i.e. advertising effectiveness and customer perceived value. Multicollinearity occurs when one independent variable is a linear function of other independent variables. In other words, one independent variable can be explained by another independent variable. The diagnostics Variance Inflation Factor (VIF) and tolerance were used to test the multicollinearity of the independent variables. Multicollinearity occurs when the VIF for the independent variables is greater than 10 (rule of thumb) or tolerance of 0.1 or less.

3.7. Validity and Reliability

Validity is important to test and maintain the quality of measures in a research. There are several types of validity testing. Construct validity is the appropriateness of inferences made on the basis of observations or measurements, specifically whether a test measures the intended construct whereas concurrent validity refers to a measurement device's ability to vary directly with a measure of the same construct or indirectly with a measure of an opposite construct; and content validity is concerned with a test's ability to include or represent all of the content of a particular construct (www.allpsych.com).

The content validity of the instrument for the study was ensured as the items of the questionnaire were from the literature and was reviewed by professionals and academicians. In addition, pilot tests were conducted on 38 customers selected from the study population.

The purpose of the pre-testing was to refine the questionnaire and to assess the validity of measures in Ethiopian context.

According to Cronbach (1951), a scale should consistently reflect the construct it is measuring that he came up with a measurement called Cronbach’s alpha. A value of 0.8 is generally acceptable value for Cronbach’s alpha but as noted by Kline (1999), a cut-off point of 0.7 is more suitable. The reliability test is made on 10% of the responses, i.e. 38 responses, collected. The reliability statistics table below shows that the value of the coefficient of Cronbach is 0.945 or 94.5% for 24 items. This gets over the percent of 80%, which is an extra good value for the internal consequence of the conceptual construction of the investigated scale (Anastasiadou, 2010; Nouris, 2006). The result of Cronbach’s alpha of this study calculated for 24 measures and the result makes the constructs used in this measurement valid and acceptable.

Table 2: Reliability Statistics (a)

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.919	0.920	24

(Source: Survey data, 2015)

The table Item-Total Statistics (Table 3) shows that all the items appear from good up to high correlation coefficients and they will not be omit from the scale.

Table 3: Reliability Statistics (b)

Items	Cronbach's Alpha if Item Deleted
AE understandability	0.918
AE believability	0.916
AE relationship	0.917
AE relevance	0.926
AE benefit	0.916
AE purchase	0.913
AE better	0.912
CPV positive image	0.915
CPV unique	0.912
CPV popularity	0.912
CPV emotional relation	0.914
CPV difference	0.917
CL best choice	0.915
CL no other product	0.923
CL keep buying	0.916
CL do it again	0.916
CL great difference	0.913
CL not switch	0.92
CL say positive	0.918
CL recommend	0.917
CL tell about bank	0.912
CL ad effect	0.913
CL committed	0.914
CL ad patron	0.911

(Source: Survey data, 2015)

3.8. Ethical Concerns

It is believed that this study clarifies the relationship among advertising effectiveness, customer loyalty and customer perceived value of the Bank under consideration. Consent form including the purpose, procedures and benefits of the study is notified on the top of the questionnaire that participants read before filling out. The researcher also does not intend to engage in fraudulent practices such as wrong interpretations, falsifying findings and misuse of results.

CHAPTER FOUR

Data Presentation, Analysis and Interpretation

This chapter attempts to present, analyze and interpreted the data gathered in relation to the research questions of this study. As it has been indicated in the previous chapter, Statistical Package for Social Science (SPSS 20.0) was applied to make the analysis. In terms of organization, this chapter is put into six subheadings. In the first section, the rate of response is presented followed by the second section that presents the secondary data that was gathered from Berhan International Bank S.C. In the third and forth sections, the descriptive statistics and the correlation analysis are presented respectively. The regression analysis, the independent t-test and the one-way ANOVA are presented in the fifth section. Finally, the summary of the hypothesis test results are presented.

4.1. Response Rate

The total number of questionnaire distributed was 418 which is 380 the sample size and 10% (38 questionnaires) extra to increase the response rate. From this, 349 (91.84%) were responded and the 327 (86%) were valid for the analysis. The remaining 22 questionnaires were found to be invalid for the reason that the respondents answered “no” to question number 8 (have you ever seen/heard/read the advertising of the Bank’s products/services?) and did not respond to the remaining questions. Some other questionnaires that were not responded sufficiently were also not included in the analysis.

4.2. Advertising of the Bank

In addition to the primary data gathered from customers of the Bank, information regarding the advertising campaigns of the current fiscal year (2014/15) was gathered from the Bank’s Marketing and Business Development Department. As the table below illustrates, the Bank advertises on electronic media such as television and radio. The Bank also has its own website and has recently begun advertising on Facebook and LinkedIn as part of digital marketing.

Table 4: BrIB's Electronic Media Coverage

No.	Media Type	Name	No. of spot	Message Content
1	Television	Ethiopian Broadcasting corporation (EBC)	125	<ul style="list-style-type: none"> • New Year Best wish • New products/services announcement • branch expansion • Money transfer agents • General Assembly announcement • General information
2	Radio	Sheger, Fana, Oromia radio, Amhara radio, Southern Regional State radio & Tigray radio	300	
3	Social Media	Facebook and LinkedIn		
4	Website	Bank's website		

(Source: BrIB Marketing and Business Development Department, 2015)

Furthermore, the Bank uses print media such as newspapers, magazines, flyers and brochures. The frequency and coverage has increased from year to year to reach out to all its customers scattered throughout the country and those who live abroad.

Table 5: BrIB's Print Media Coverage

No.	Media Type	Name	No. of spot	Message Content
1	Newspaper	Amharic Reporter, Capital, Fortune	9	<ul style="list-style-type: none"> • New Year Best wish • New product/service • branch expansion • Money transfer agents • General Assembly announcement • General information
2	Magazine		5	<ul style="list-style-type: none"> • General information
3	Flyer	ATM User Guide	12,000	Berhan Card and ATM service
4	Poster		300	
5	Brochure		15,000	Detail information about the Bank

(Source: BrIB Marketing and Business Development Department, 2015)

4.3. Descriptive Statistics

4.3.1. Demographic Profile of Respondents

Table 6 demonstrates that out of the 327 respondents 52.60% are male and 47.40% are female. The largest age composition of respondents is between the age of 26 and 35 taking the share of 51.99% (170 respondents) followed by the age group between 36 and 45 taking share of 19.27% (63 respondents). The age group that is less than 25 counts 16.21% (53 respondents) and 11.01% (36 respondents) between the age of 46 and 55. The least is the age group that is greater than 55 years which takes 1.53% (5 respondents) of the total sample size.

Table 6: Profile of Respondents

Parameters		Frequency	Percent
Gender	Male	172	52.60
	Female	155	47.40
	Total	327	100.00
Age	< 25	53	16.21
	26-35	170	51.99
	36-45	63	19.27
	46-55	36	11.01
	>55	5	1.53
	Total	327	100.00

(Source: Survey Data, 2015)

This implicates that most of the Bank's customers are the young and the youth age population. The older age customers (> 55) are found to be fewer than any other age group in the case of this Bank. The gender composition shows that the Bank has more male customers than female and it is important for the Bank to work on marketing strategies that encourages female customers.

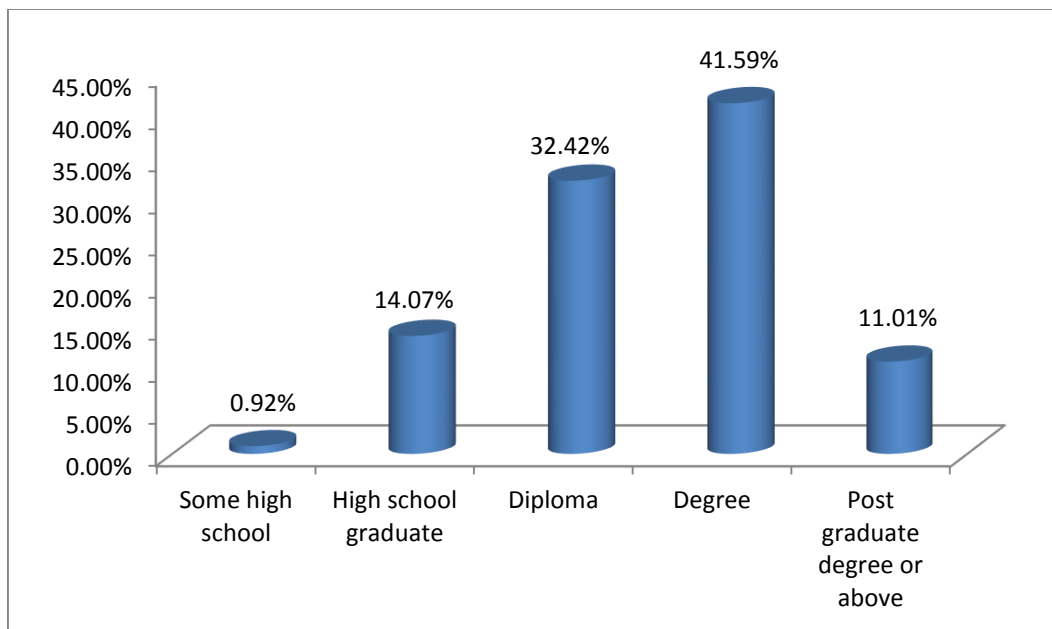


Figure 5: Educational Background of respondents

(Source: Survey Data, 2015)

The above figure depicts that 136 (41.59%) of the respondents are degree holders, 106 (32.42%) are diploma holders and 46 respondents (14.07%) are high school graduates. Post graduate degree holders take 11.01% share whereas 0.92% of the respondents are below high school. From this finding, it can be said that the Bank's customers are relatively educated which may be an outcome of the fact that most of the Bank's branches are located in urban areas. On the other hand, it shows that the societies with lower educational background are not aware of banking. The Bank could seize this opportunity and access all parts of the society with the appropriate marketing strategies.

4.3.2. General Information

As the figure 6 below illustrates, 104 respondents (31.8%) have been customers of the Bank for 1 to 2 years, 82 respondents (25.1%) for less than a year whereas 24.8% have been customers for more than 3 years. The remaining 60 respondents (18.35%) have been customers for 2 to 3 years. This implies that 75% of the Bank's customers have been customers for at least a year or more and the retention rate of customers is good compared to the fact that the Bank has operated in the market for only five years.

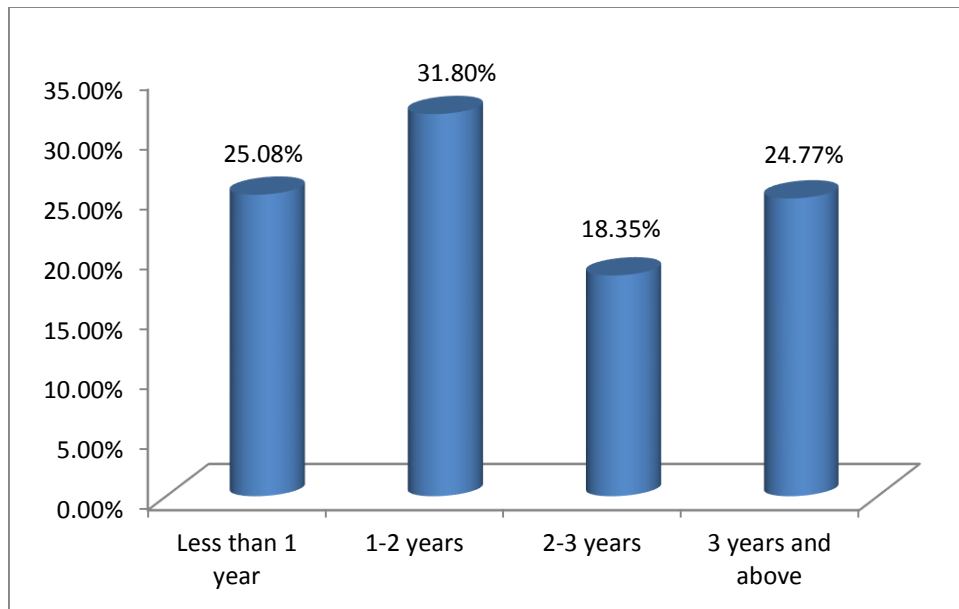


Figure 6: Duration of customer-bank relationship

(Source: Survey Data, 2015)

From table 7 it is observed that 65.75% of the Bank’s customers use only deposit products of the Bank; and around 14.68% of the respondents use deposit in addition to other products/services such as credit or trade service of the Bank. 10.7% and 4.59% of the respondents are credit and trade services users respectively. The remaining 3.67% of the respondents use other services such as local transfer and remittance and 0.31% use both credit and trade services.

As per the information gathered from the Bank, there are three major deposit types; saving deposit, current (demand) deposit and fixed time deposit. Table 7 shows that more than 85% of the Bank’s customers use one or more of these deposit products/services. On the other hand, the Bank has fewer credit customers compared to its deposit customers.

Table 7: Product type in use

	Parameter	Frequency	Percent
Product/Service customers purchase	Deposits (Saving, current or fixed time)	215	65.75
	Credit	35	10.70
	Trade services (IBD)	15	4.59
	Others	12	3.67
	Deposit & Credit	29	8.87
	Deposit & IBD	14	4.28
	Credit & IBD	1	0.31
	Deposit, Credit & IBD	8	1.53
	Missing	1	0.31
	Total	327	100.00

(Source: Survey Data, 2015)

Table 8 below represents which type of media the respondents usually follow or which type of media they are frequently exposed to. 58.41% of the respondents are mostly exposed to television and 7.03% are exposed to television and one or more other media; whereas 17.74% are mostly exposed to radio; newspaper takes a share of 6.73% and other media (websites, banners, etc.) takes 7.34%. The implication of this analysis is that most of the Bank's customers are frequently exposed to television that the Bank should use television more often for promotional activities than any other media.

Table 8: Most followed media

	Parameter	Frequency	Percent
Most followed Media	Television	191	58.41
	Radio	58	17.74
	Newspaper (NP)	22	6.73
	Others	24	7.34
	TV & Radio	15	4.59
	TV & NP	6	1.83
	Radio & NP	4	1.22
	TV, Radio, & NP	2	0.61
	Radio, NP & Others	2	0.61
	Missing	3	0.92
	Total	327	100.00

(Source: Survey Data, 2015)

As illustrated in the table below (table 9), from the total 327 respondents 220 (67.28%) use products/services that they have seen/heard/read on advertisement or products/services that are frequently advertised whereas 107 (32.72%) do not use products that are frequently advertised. For this reason, making a quality and unique advertisement campaign can be considered as one opportunity to this Bank.

Table 9: Use advertised Products

Parameter		Frequency	Percent
tend to use products/services that are frequently advertised	Yes	220	67.28
	No	107	32.72
	Total	327	100.00

(Source: Survey Data, 2015)

4.3.3. Response on the Advertising of the Bank’s Products/Services

Respondents were asked whether they have seen/heard/read the advertising of the Bank’s products or services on any media and the response rate for this specific question is 100 percent. To this end, it can be said that all customers of the Bank have seen/read/heard any of the Bank’ advertising on any media available. The respondents were asked one which media they have seen/read/heard the advertising and 53.82% saw the advertising on television, 15.90% heard the advertising on radio and 8.87% read the advertising on newspapers, and 2.75% on other media such as banners and filers. The remaining 21.41% of the respondents saw/read/heard the Bank’s advertising of products/services on two or more media.

From the table below, it is understandable that the Bank’s customers are exposed to television that they have seen the advertising on TV than any other media. Thus, as it has been mentioned earlier, the Bank should transmit its advertising more on television than any other media.

Table 10: Knowledge on the advertising of the Bank

Parameters		Frequency	Percent
Seen/heard/read the Bank's products/services advertising	Yes	327	100
	Total	327	100
On what media	Television	176	53.82
	Radio	52	15.90
	Newspapers (NP)	29	8.87
	Others (Banners, website, etc)	9	2.75
	TV & Radio	34	10.40
	TV & NP	9	2.75
	TV & Others	6	1.83
	TV, Radio, & NP	7	2.14
	TV, NP, & Others	2	0.61
	TV, Radio & Others	2	0.61
	All media	1	0.31
	Total	327	100

(Source: Survey Data, 2015)

Table 11 shows how many times the respondent saw/heard/read the Bank's product/service on advertising, 4.28% 1 to 5 times, 57.8% 6 to 10 times, 12.84% 11 to 15 times and 25.08% have seen/heard/read the advertising of the Bank's products or services more than 15 times. It can be said from this analysis that more than half of the Bank's customers have seen, heard or read the Bank's advertising at least 6 or more times. Those respondents who remember the advertising that they have seen/heard/read very well are 90 (27.52%) and somewhat well 179 (54.74%) and the rest 58 (17.74%) not very well. Respondents are exposed to the advertising of the Bank in any type of media and whether the advertising are quality or not more than half that are exposed do remember the message content or the advertisement.

Table 11: Exposure to the advertising of the Bank

Parameters		Frequency	Percent
How many times seen/heard/read the Bank's product/services advertising	1-5 times	14	4.28
	6-10 times	189	57.80
	11-15 times	42	12.84
	15 or more	82	25.08
	Total	327	100.00
How well remember the advertising	very well	90	27.52
	somewhat well	179	54.74
	Not very well	58	17.74
	Total	327	100.00

(Source: Survey Data, 2015)

4.3.4. Descriptive Analysis for Scale Items

Table 12 illustrates the mean and the standard deviation of the three variables; advertising effectiveness, customer perceived value and customer loyalty. The mean value represents the average of the response and the standard deviation provides how far the individual response to a certain question deviates from the mean. The results from the table shows that the perceived value of customers to the advertising of the Bank's products and services is comparatively higher ($x=2.316$) and the standard deviation ($SD = 1.006$) implies that the individual responses, on average, were a little over 1 point away from the mean. On the other hand, advertising effectiveness is rated lower than the two scale items ($x=2.003$, $SD=0.860$) which implies that capacity of the Bank's advertising of products/services to inform, persuade and create an intention of buying in the minds of its customers is weaker than that of creating or increasing the perceived value of the customers which eventually leads to loyalty.

Table 12: Descriptive Statistics

Dimensions	N	Mean	Standard Deviation
Customer Perceived Value	327	2.316	1.006
Customer Loyalty	327	2.164	1.020
Advertising Effectiveness	327	2.003	0.860

(Source: Survey Data, 2015)

4.4. Correlation Analysis

The relationship between advertising effectiveness, customer perceived value and customer loyalty was investigated using Pearson r Correlation Coefficient. The results (table 13) show that there was a strong, positive correlation between advertising effectiveness and customer perceived value ($r = 0.715$, $N = 327$, $p < 0.05$), between advertising effectiveness and customer loyalty ($r = 0.752$, $N = 327$, $p < 0.05$) and customer loyalty and customer perceived value ($r = 0.781$, $N = 327$, $p < 0.05$). This indicates that high levels of one of the variables are associated with higher level of the other.

Table 13: Correlations

		Advertising effectiveness	Customer perceived value	Customer loyalty
Advertising effectiveness	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	327		
Customer perceived value	Pearson Correlation	.715**	1	
	Sig. (2-tailed)	.000		
	N	327	327	
Customer loyalty	Pearson Correlation	.752**	.781**	1
	Sig. (2-tailed)	.000	.000	
	N	327	327	327

** . Correlation is significant at the 0.01 level (2-tailed).

(Source: Survey Data, 2015)

4.5. Regression Analysis

Simple linear regression was undertaken to make the analysis for the first three hypothesis presented. Regression model helps to evaluate the strength of the relationship between the independent and the dependent variable. In the regression model of this study, no problem of multicollinearity was found as the VIF values for both advertising effectiveness and customer perceived value was 2.048 and the tolerance value was 0.488 for both independent variables. The results of the regression analysis are presented as follows.

4.5.1. Influence of Advertising Effectiveness on Customer Loyalty

The relationship of advertising effectiveness and customer loyalty was analyzed through simple linear regression model which was used to examine the effect of advertising effectiveness on the variation in the loyalty of customers of the Bank. In this case, customer loyalty is the dependent variable and advertising effectiveness is the independent variable. The equation for the first hypothesis, i.e. there is a positive and significant relationship between advertising effectiveness and customer loyalty (H_1), is;

$$CL = \beta_0 + \beta_1(AE)$$

Where; CL = customer loyalty, β_0 = Constant or intercept, β_1 = Slope, and AE = Advertising effectiveness.

Subsequently, the result from the regression will be

$$CL = 0.352 + 0.752(AE)$$

Table 14: Regression result, Advertising effectiveness & customer loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.352	0.092		3.839	0.000
Advertising effectiveness	0.905	0.044	0.752	20.576	0.000
R	0.752 ^a				
R square	0.566				
Adjusted R square	0.564				
F	423.367				
Sig.	0.000 ^a				

a. Predictors: (Constant), Advertising effectiveness

(Source: Survey Data, 2015)

According to Grasion (2008), the R^2 value in the model, provided a measure of the predictive ability of the model or measure the percentage of variance in the dependent variable explained collectively by all of the independent variables. Thus, a significant regression equation was found with an R^2 of 0.566. In other words 56.6% of the variation in the loyalty of the Bank's customers can be explained by the variation in advertising effectiveness. The results from the ANOVA table, t-value = 20.576, df = 325, $p < 0.05$, indicate that the model as a whole is found to be significant. In addition, the F statistics is statistically significant at the 0.05 level which ensures that there is less than 5% probability for 423.367 large score happened by chance. Therefore, it can be concluded that there is a significant and positive relationship between customer loyalty and advertising effectiveness in the case of Berhan International Bank S.C; and the hypothesis (H_1) is supported.

4.5.2. Influence of Advertising Effectiveness on Customer Perceived Value

The relationship between advertising effectiveness and customer perceived value was analyzed using simple linear regression model. In this case, customer perceived value is the dependent variable whereas advertising effectiveness is the independent variable. The equation of the hypothesis, there is a positive and significant relationship between advertising effectiveness and customer perceived value (H_2), is

$$CPV = \beta_0 + \beta_1(AE)$$

Where; CPV = customer perceived value, β_0 = Constant or intercept, β_1 = Slope and AE = Advertising effectiveness. From the analysis the relationship between these variables is can be explained as;

$$CPV = 0.405 + 0.715(AE)$$

Table 15: Regression result, Advertising effectiveness & customer perceived value

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.405	0.108		3.760	0.000
Advertising effectiveness	0.954	0.052	0.715	18.456	0.000
R	0.715 ^a				
R square	0.512				
Adjusted R square	0.510				
F	340.706				
Sig.	0.000 ^a				

a. Predictors(Constant), Advertising effectiveness

(Source: Survey Data, 2015)

The results from table 15 shows that the coefficient of determination R (0.715)² which is 0.512 indicates that 51.2% of the variation in the perceived value of the Bank's customers can be explained by the variation in advertising effectiveness. To this end, a 1 percent change in advertising effectiveness leads to a 95.4% change in the perceived value of customer of the Bank. The results of the ANOVA table, t-value = 18.456, df = 325, p<0.05, indicates that the model as a whole is significant. In addition, the F statistics is statistically significant at the 0.05 level which ensures that there is less than 5% probability for 340.706 large score happened by chance. Therefore, there is a positive and significant relationship between advertising effectiveness and customer perceived value; and the hypothesis (H₂) is supported.

4.5.3. Mediating Role of Customer Perceived Value in Advertising Effectiveness-Customer Loyalty Relationship

Mediation between three variables is explained as the effect of one variable on the second variable that in turn affects the third variable. Commonly, there are two ways of evaluating mediation. The first one is proposed by Judd and Kenny (1981) by computing the difference between two regression coefficients; and the second one is proposed by Sobel (1982) which calculates the indirect effect by multiplying two regression coefficients. This study has implemented the Sobel test online (google.com) to test the significance of mediation. In this case, advertising effectiveness is the independent variable, customer loyalty is the dependent variable and customer perceived value is the mediator. The equation of the third hypothesis, customer perceived value positively and significantly mediates the relationship between advertising effectiveness and customer loyalty (H₃), is presented as follows.

$$CL = \beta_0 + \beta_1 (CPV) + \beta_2(AE)$$

Where; CL = customer loyalty, β_0 = Constant or intercept, β_1 and β_2 = Slope, CPV = customer perceived value and AE = Advertising effectiveness. The regression result expressed in equation

$$CL = 0.170+ 0.498(CPV) +0.396(AE)$$

Table 16: Regression result; Advertising effectiveness, customer perceived value and customer loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.170	0.080		2.132	0.034
Customer perceived value	0.449	0.040	0.498	11.202	0.000
Advertising effectiveness	0.476	0.054	0.396	8.893	0.000
R	0.829 ^a				
R square	0.687				
Adjusted R square	0.685				
F	355.508				
Sig.	0.000 ^a				

a. Predictors: (Constant), Advertising effectiveness, customer perceived value
(Source: Survey Data, 2015)

The R square of 0.687 indicates that 68.7% of the variation in the loyalty of customer is explained by the variation in advertising effectiveness and customer perceived value. This also implies that there are other variables that contribute to the loyalty of customers. The beta values ($B_{CPV}=0.498$; $B_{AE}=0.396$) shows that customer perceived value contributes more to customer loyalty than advertising effectiveness. The F statistics at 355.51 is statistically significant at the 0.05 level which ensures that there is less than 5% probability for 355.51 large score happened by chance.

As mentioned earlier, a Sobel test measures the significance of mediation. To make the measurement, AE beta value 0.954 and standard error 0.052; and CPV beta value 0.449 and standard error 0.040 were considered. The result of the Sobel test is 9.57496 with $p < 0.05$, two-tailed, the relationship of advertising effectiveness and customer loyalty mediated by customer perceived value can be judged statistically insignificant because the result of the Sobel test is less than 10, thus, customer perceived value does not partially contributes to the relationship between advertising effectiveness and customer loyalty. Therefore, even though there is a positive and significant relationship among advertising effectiveness, customer perceived value and customer loyalty; the mediating role of customer perceived value is not statistically significant; and the hypothesis (H_3) is not supported.

4.5.4. Advertising Effectiveness by Demographic Profile of Respondents

To make the analysis on the fourth hypothesis, i.e. demographic profile variables of the customers significantly determine advertising effectiveness (H_4), T-test and One-way ANOVA model were implemented. The t-test was implemented for H_{4_1} (gender of the customers significantly determines advertising effectiveness); and the one-way ANOVA for H_{4_2} (age difference between customers significantly determines advertising effectiveness) and H_{4_3} (educational background of the customers significantly determines advertising effectiveness).

a) T-test

The independent sample t-test was applied to compare the mean score of the two gender groups i.e. male and female. The Levene’s test for equality of variance tests whether the variance of the scores for males and females is the same. In this case, as the table depicts below, the significance level of Levene’s is 0.040 ($p < 0.05$) which is less than the cut-off 0.05. This implies that variance for the two groups i.e. male and female, is not the same. Therefore, the t-value information in the second line of the independent sample test table i.e. equal variances not assumed is considered. The significance (2-tailed) are greater than 0.05 that there is no statistically significant difference in the mean advertising effectiveness score for male and female.

The result designates that there was no significant difference in score for male ($m = 1.9909$, $SD = 0.60946$) and female ($m = 2.0157$, $SD = 0.54692$; $t = 0.388$, $p < 0.05$). The magnitude of the difference in the means was found very low. Thus, the advertising of the Bank’s products and services have equal effect both male and female respondents; and the hypothesis (H_{41}) is not supported.

Table 17: independent sample test, Advertising effectiveness & gender

	Gender	N	Mean	Std. Deviation	Std. Error Mean	
Advertising effectiveness	Male	172	1.9909	0.60946	0.04647	
	Female	155	2.0157	0.54692	0.04393	
	Independent sample test					
			F	Sig.	t	df
						Sig. (2-tailed)
	Equal variances assumed	4.235	.040	-0.386	325	0.700
	Equal variances not assumed			-0.388	324.995	0.698

(Source: Survey Data, 2015)

b) One-way ANOVA

The one-way ANOVA analysis of variance was conducted to explore the impact of age and education on advertising effectiveness. Subjects were divided into five groups according to their age (less than 25, 26 – 35, 36 – 45, 46 – 55 and greater than 55). The analysis shows that there was statistically significant difference at $p < 0.05$ level in advertising effectiveness score for all age groups ($F = 2.395$, $p < 0.05$). Therefore, the age difference between customers significantly determines advertising effectiveness in the case of this bank; and the hypothesis is supported. Despite reaching statistical significance, the actual difference in the mean score between the age groups was quite small ranging from 1.857 (age group > 55) to 2.207 (age group < 25). It shows that the young age that is less than 25 years respond slightly higher to the advertising of the Bank than the other age groups and when the age gets older the response decreases.

Table 18: ANOVA and Mean for Age

	Parameter	Mean Square	F	Sig.
Age	Between Groups	0.792	2.395	0.05
	Within Groups	0.331		
	Mean			
< 25		2.2075		
26-35		1.9899		
36-45		1.8912		
46-55		1.9762		
>55		1.8571		

(Source: Survey Data, 2015)

The one-way ANOVA was also made to explore the impact of educational background of customers on the advertising effectiveness of the Bank. The subjects were divided into five groups (some high school, high school graduate, diploma, degree and post graduate degree and above). The result from the table 19 shows that there was a statistically significant difference at the $p < 0.05$ level in advertising effectiveness score for all education group ($F = 8.968$, $p < 0.05$). Therefore, the educational background of customers significantly determines advertising effectiveness in the case of this bank; and the hypothesis is supported. The actual difference in the mean score between the group ranges from $m=2.06$ (degree holders) to $m=1.67$ (high school graduates). It shows that customers with high school graduate had a very low response to the advertising of the Bank than respondents with any of the other education levels.

Table 19: ANOVA and Mean for Education

Parameter		Mean Square	F	Sig.
Age	Between Groups	1.427	4.422	0.002
	Within Groups	0.323		
		Mean		
Some high school		2.0476		
High school graduate		1.6770		
Diploma		2.0593		
Degree		2.0609		
Post graduate degree or above		2.0278		

(Source: Survey Data, 2015)

4.6. Summary of Hypothesis Testing Results

The table 20 below depicts, the results of the hypothesis testing which were measured through simple linear regression analysis, multiple regression analysis, Sobel test, independent t-test and one-way ANOVA.

Table 20: Summary of Hypothesis Test Result

Hypothesis	Analysis Used	Result
H1: There is a positive and significant relationship between advertising effectiveness and customer loyalty.	Simple Linear Regression	Supported
H2: There is a positive and significant relationship between advertising effectiveness and customer perceived value.	Simple Linear Regression	Supported
H3: Customer perceived value positively and significantly mediates the relationship between advertising effectiveness and customer loyalty.	Multiple Regression Sobel test	Not supported
H4₁: Gender of the customers significantly determines advertising effectiveness.	Independent t-test	Not supported
H4₂: Age difference between customers significantly determines advertising effectiveness.	One-way ANOVA	Supported
H4₃: Educational background of the customers significantly determines advertising effectiveness.	One-way ANOVA	Supported

(Source: Survey Data, 2015)

The first hypothesis testing depicted that there is a positive and significant relationship between advertising effectiveness and customer loyalty; thus the hypothesis is supported. In support this result, other scholars have reported that marketing mix (Dodds et al. 1991) in particular advertising effectiveness (Cengiz, Ayyildiz & Bünyamin 2007) has positive and significant relationship with the loyalty of customers in the banking industry. Previous study by Cengiz and Yayla (2007) can also be evidenced that marketing mix element in particular promotion have a significant influence on the loyalty of customers. However, others believe

that not only advertising effectiveness but service quality and customer satisfaction (Cengiz & Kirkbir 2007) and perceived service quality (Gallego & Fragata 2009) have significant relationship with customer loyalty.

The second hypothesis that was analysis through simple linear regression was supported as the results indicated that there was a positive and significant relationship between advertising effectiveness and customer perceived value. This output is also supported by the study of Cengiz, Ayyildiz and Bünyamin (2007) that advertising effectiveness influences the expectation of customers positively and indirectly in the case of banking industry.

The third hypothesis that was analyzed through multiple regression and Sobel test was not supported for the reason that the Sobel test implicated that the customer perceived value does not partial contributes to the relationship between advertising effectiveness and customer loyalty even though there was a positive and significant relationship among the three variables. On the contrary of this result, Zeithmal, (2000) highlight the mediating role of customer perceived value by suggesting that favorable customer value can lead to positive behavior such as loyalty that will be established by word of mouth, increased purchase, willingness to pay more for products. Moreover Rust, Lemon, and Zeithaml (2004) pointed out that the major objective of delivering value is to develop loyal customers who can increase purchase frequency, purchase quantity, and avoid switching behavior.

The forth hypothesis that was tested through independent t-test is not supported due to the finding that there was no significant difference between male and female customers; whereas the hypothesis tested through one-way ANOVA are accepted because educational level of respondents shows significant difference on the perception of respondents to the advertising of the Bank.

In general, this study supports the findings of Cengiz, Ayyildiz and Bünyamin (2007), that advertising effectiveness positively and significantly influence customer loyalty and antecedents of loyalty; but not Dodds et al. (1991) finding on the mediating role of customer perceived value on willingness of customers to purchase. Therefore, advertising effectiveness, customer perceived value and customer loyalty have significant positive relationship but customer perceived value does not mediate the advertising effectiveness-customer loyalty relationship in the case of Berhan International Bank S.C, in Addis Ababa.

CHAPTER FIVE

Summary of Findings, Conclusion and Recommendations

The aim of this study was to make an analysis on the relationship between advertising effectiveness, customer perceived value and customer loyalty of Berhan International Bank S.C. After taking the necessary data collection, the analysis was made using SPSS and the interpretation was provided in the previous chapter. Based on the analysis and the interpretation, the following major findings, conclusion and recommendations are forwarded.

5.1. Summary of Findings

After making analysis of the primary and secondary data through correlation, regression, t-test and one way ANOVA, the following points are presented as the major findings.

- ❖ Berhan International Bank S.C advertises its products and services on electronic and print media. Television and radio are the most frequently used electronic media and newspaper and brochures are the most frequently used print media.
- ❖ The demographic background of the respondents indicates that more than half of the respondents (52.6%) are male and the remaining (47.40%) are female.
- ❖ The age group of 26 to 35 takes the largest share of the respondents, then the age group below 25 which implicates that most of the Bank's customers are the youth age group. The age group above 55 takes the least share of the respondents.
- ❖ The analysis revealed that around 41.59% of the respondents are degree holders, 32.42% are diploma holders, 14.07% are high school graduates and 11% are post graduate holders. Respondents with below high school educational background take only 0.9% shares.

- ❖ 24.8% of the respondents have been customers of the Bank for more than three years and 18.3% have been customers from 2 to 3 years. 31.8% have been customers from 1 to 2 years and 25.1% have been customers of the bank for 1 year or less.
- ❖ The analysis depicts that more than 85% of the respondents use deposit products i.e. saving, current or fixed time deposits and one or more other products/services such as credit and trade services of the Bank.
- ❖ Regarding media types, around 65.44% of the respondents are frequently exposed to television and one or more other media types where as 17% of the respondents are frequently exposed to radio.
- ❖ The analysis shows that from the total 327 respondents 220 (67.28%) use products and services that they see/hear/read on advertisement. The rest 107 (32.72%) respondents do not use products and services that are frequently advertised.
- ❖ All respondents in the analysis have seen/heard/read the advertising of the Bank's products and services. In this regard, 53.82% saw the advert on television, 15.90% heard on radio and 8.87% read it on newspaper or magazine. The remaining 21.41% saw/read/heard the Bank's advertising on two or more media.
- ❖ 4.28% of the respondents have seen/heard/read the advertising 1 to 5 times, 57.8% 6 to 10 times, 12.84% 11 to 15 times and 25.08% for more than 15 times. 27.52% of the respondents remember the advertising very well where as 54.74% remember somewhat well and there remaining 17.74% remember the advertising not very well.
- ❖ The investigation shows that the three variables have significant positive correlation in the case of Berhan Bank i.e. advertising effectiveness and customer perceived value $r = 0.715$; advertising effectiveness and customer loyalty $r = 0.752$; and advertising effectiveness and customer perceived value and customer loyalty $r = 0.781$.
- ❖ The simple regression analysis shows that 56.6% of the variation in the loyalty of the Bank's customer is explained by the variation in advertising effectiveness. Thus, it

can be said that there is a significant positive relationship between customer loyalty and advertising effectiveness in the case of Berhan Bank.

- ❖ Regression analysis was also conducted to see the relationship between advertising effectiveness and customer perceived value. The result shows that 51.2% of the variance in the perceived value of the Bank's customers is explained by advertising effectiveness.
- ❖ The analysis also shows that advertising effectiveness and customer perceived value explain customer loyalty by 68.7%, meaning, the three variables have a positive and significant relationship in the case of Berhan Bank. The Sobel test also showed that customer perceived value partially mediates the relationship between advertising effectiveness and customer loyalty.
- ❖ The independent sample test depicts that there is no statistically significant difference in the mean score of advertising effectiveness for male and female, thus advertising of the Bank's products and services have equal effect on the perception of both male and female respondents.
- ❖ According to the one-way ANOVA analysis, educational level of respondents makes difference on their perception of the advertising and also the age difference does make variation on the perception of respondents.

5.2. Conclusion

This study assessed the relationship among advertising effectiveness, customer perceived value and customer loyalty in Berhan International Bank S.C, Addis Ababa branches. Based on the data analysis and the findings of the study the following conclusions are drawn

The Bank has more male customers than female customers and the young and the youth age group dominates the other age groups. Furthermore, majority of the Bank's customers are educated. On the other hand, 75% of the Bank's customers have been using the Bank for more than a year; and majority of the customers are deposit products/services users and credit customers take the least share.

Moreover, the customers of the Bank are mostly exposed to electronic media specifically television and the customers tend to buy products/services that they have seen/heard/read on advertisement. In addition, at least more than half of the Bank's customers have seen the advertising of the Bank's products/services on television and they have seen/heard/read any of the advertisements for at least 6 to 10 times. More than half of the customers recall the advertising of the Bank very well which implicates that the advertising has been effective in reaching to the target audience. It has also contributed in changing the attitude of the customers and their purchase intention. In addition, the correlation between advertising effectiveness, customer perceived value and customer loyalty is high, thus high advertising effectiveness leads to higher perceived value and loyalty of the Bank's customers. Moreover, the advertising has influenced the loyalty of the Bank's customers.

The relationship between the perceived value of the Bank's customers and advertising effectiveness has also been significant. It is a fact that customers are affected by what they see, read or listen on advertising and it is important to maintain the quality of advertising that it does not create a wrong impression or damage the image of the Bank and drive away potential or existing customers. Firms must avoid advertising that have the capacity to deceive, even though no one actually may be deceived (Kotler & Armstrong, 2012). In the case of this Bank, more than half of the customers' perception has been positively affected by the advertising of the Bank.

Additionally, advertising effectiveness had significant impact on the loyalty of the Bank's customers. But customer perceived value did not partial contribute to the relationship between advertising effectiveness and customer loyalty. It can also be concluded that there are variables other than advertising effectiveness and customer perceived value that influence the customer loyalty of this Bank.

In general, it is concluded that the Bank's advertising have a positive and significant relationship on the perceived value and the loyalty of the Bank's customers and the relationship of advertising and the loyalty of the customers is not mediated by the perceived value of the customers.

5.3. Recommendations

Advertisement is one of the commonly used communication mechanism that have been highly effective in attracting potential customers in several business firms. Advertising is essential in building awareness and initiating customers to make a purchase decision. However, purchase intention does not insure the continuity of sustainable long-term relationship with customers. Most advertising target potential customers rather than retention of existing once but effective advertising can assist in developing and sustaining loyal customers; and it can be used as a competitive advantage. The present study contributes in identifying the relationship of advertising effectiveness, customer perceived value and customer loyalty in Berhan International Bank S.C. Based on the findings of this study the following recommendations are forwarded.

- The Bank should introduce products/services that attract female potential customers and those customers that are in the age group of greater than 55.
- The Bank should work on advertisements that can be understood and realized by any one from different educational background or age group.
- The Bank should continue to use all types of media to advertise its products/services to be more effective in attracting potential customers and most importantly retaining the existing customers.
- The Bank should use all kinds of media types to communicate in particular television since most of the Bank's customers are frequently exposed to television than radio.
- The Bank should provide more focus on retaining its customers through other strategies such as customer loyalty program in addition to advertising.
- The advertising of the Bank should be creative, quality and the contents of the messages should be understandable and realistic so that customers can easily recall the message and even the advertising itself.

- The advertising should also be unique so that it appears easily in the minds of customers and make an influence on customer loyalty. Advertising that could create wrong perception and image should be avoided.
- The Bank should implement several marketing strategies to maintain the perceived value of the customers and should be cautious of advertising that are falsified and send wrong message which will eventually lead to disloyalty of customers.
- The Bank should give due attention to promotional activities particularly advertising since the findings of this study implicate that advertising effectiveness has a significant role in the loyalty of the Bank's customers.

Therefore, to increase the number of loyal customers, the Bank should work on marketing strategies, predominantly effective advertising, so that in addition to attracting new customers, the Bank could gain the loyalty of its customers.

5.4. Limitation and Directions for Future Research

As can be said for all research, this study does not proceed without limitations. The major limitation of this study was finding customers who will take time and fill out the questionnaires properly. Misinterpretation of various items on the questionnaire and incomplete questionnaires were the other limitations that the study faced. Furthermore, time was another limitation since questionnaires were not returned in the time that was provided.

The present study is focused on evaluating the relationship of advertising effectiveness and customer loyalty with customer perceived value being the mediating factor. Future studies may test the relationship of customer loyalty with other variables such as customer satisfaction and service quality. Further investigation may also be undertaken to explore the relationships of the undertaken variables in comparison with the peer banks of Berhan International Bank S.C. In addition, researchers could consider studying the impact of advertising effectiveness on customer loyalty in other service providing firms.

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ANNEX

Annex A: Table for determining sample size for determined population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note: N is population size

S is sample size

Source: Krejcie and Morgan (1970)

Section B: Please indicate on a five point scale the extent to which you agree with statements provided in the following three sub-sections.

1. Advertising Effectiveness

Statement	Strongly Disagree	Disagree	No opinion	Agree	Strongly Agree
The messages of the advertising that I have seen/heard/read are understandable.					
The advertising that I have seen/heard/read are believable/realistic.					
I can relate to the advertising that I have seen/heard/read.					
The advertising's message is relevant to me.					
The benefit described in the advertising is believable to me.					
After viewing the advertising, I would consider purchasing the products and services of the Bank.					
The advertising that I have seen/heard/read are much better than advertising of other Banks.					

2. Customer Perceived Value

Statement	Strongly Disagree	Disagree	No opinion	Agree	Strongly Agree
The advertising that I have seen/heard/read has created a positive image of the Bank in my mind.					
The Bank is unique from competing Banks in its advertising.					
In comparison to other Banks I know, the Bank is growing in popularity through its advertising.					
The advertising that I have seen/heard/read have created a positive emotional relation to the Bank and I feel attached to it.					
If the Bank does not advertise its products/services, it makes a great difference to me.					

3. Customer Loyalty

Statement	Strongly Disagree	Disagree	No opinion	Agree	Strongly Agree
I use products/services of the Bank that I have seen/heard/read on its advertising because it is the best choice for me.					
When I see/hear/read a new product/service through advertising, somewhat different from those of the Bank, I will not try it.					
I intend to keep buying the products/services of the Bank that I have seen/heard/read on advertising.					
If I had it to do all over again, I'd buy products/services from this Bank that I have seen/heard/read on advertising.					
If the Bank's advertising is not available, it makes a great difference to me.					
I would not switch to a competitor, even if I had a problem with the advertising of products/services of the Bank.					
I say positive things about the Bank's advertising of products/services to other people.					
I recommend the Bank to others who seeks my advice.					
I plan to tell about the Bank's advertising of products/services in the future.					
The advertising has affected my loyalty to the Bank.					
I am committed to the Bank because of what I hear/read/seen through advertising.					
I consider myself to be a loyal patron of the Bank's advertising of products/services.					

በደንበኞች የሚሞላ መጠይቅ

በመጀመሪያ ፈቃደኛ ሆናችሁ ከጊዜያችሁ ጥቂት ደቂቃዎችን በመስጠት ይህንን መጠይቅ በመሙላት በመሳተፋችሁ እጅግ አመሰግናለሁ። ይህ መጠይቅ የተዘጋጀው በብርሃን ኢንተርናሽናል ባንክ አ.ማ. የማስታወቂያ አስፈላጊነት፣ የደንበኞች አቀባበል እና ደንበኝነት ላይ መረጃ ለመስጠት ነው። ለቀረቡት ጥያቄዎች የምትሠጡት መልስ ለጥናቱ ዓላማ ብቻ እንደሚወልድ እና በሚስጥር እንደሚያዝ ከወዲሁ ላረጋግጥ እወዳለሁ።

ክፍል አንድ፡ የግል ሁኔታን በተመለከተ

1. ጾታ ሀ) ወንድ ለ) ሴት
2. ዕድሜ ሀ) ከ 25 ዓመት በታች ለ) 26-35 ሐ) 36-45
መ) 46-55 ሠ) ከ 55 ዓመት በላይ
3. የትምህርት ደረጃ ሀ) ሁለተኛ ደረጃን ያላጠናቀቀ ለ) ሁለተኛ ደረጃን ያጠናቀቀ ሐ) ዲፕሎማ ያለው መ) የመጀመሪያ ዲግሪ ያለው ሠ) ሁለተኛ ዲግሪና ከዚያ በላይ ያለው
4. የባንኩን አገልግሎት ማግኘት ከጀመሩ ምን ያህል ጊዜ ይሆናል?
ሀ) ከአንድ ዓመት በታች ለ) 1-2 ዓመት ሐ) 2-3 ዓመት መ) 3 ዓመትና ከዚያ በላይ
5. ባንኩ ከሚሰጣቸው አገልግሎቶች እርስዎ የሚጠቀሙት የትኛውን ነው? (ከአንድ ምርጫ በላይ መምረጥ ይቻላል)
ሀ) የተቀማጭ ሂሳብ (ቁጠባ፣ ተንቀሳቃሽ ወይም የጊዜ ገደብ) ለ) የዓለም ዓቀፍ የባንክ አገልግሎት ሐ) የብድር አገልግሎት መ) ሌሎች (እባክዎን ያብራሩ) _____
6. አብዛኛው ጊዜ የሚጠቀሙት የትኛውን የመገናኛ ብዙሃን ዘዴ ነው?
ሀ) ቴሌቪዥን ለ) ሬዲዮ ሐ) ጋዜጣ መ) ሌሎች (ባንር፣ በራሪ ወረቀት፣ ብሮሽር ወዘተ)
7. አብዛኛውን ጊዜ በብዛት ማስታወቂያ ላይ ያዩትን/ያገኙትን/የሰሙትን አገልግሎቶች ተጠቃሚ ይሆናሉ?
ሀ) አዎ አሆናለሁ ለ) አልሆንም
8. ባንኩ ስለሚሰጣቸው አገልግሎቶች በማስታወቂያ አይተው/አንብበው/ሰምተው ያዉቃሉ?
ሀ) አዎ ለ) አላዉቅም
9. ለተራ ቁጥር 8 ጥያቄ መልስዎ አዎ ከሆነ ማስታወቂያው በየትኛው የመገናኛ ብዙሃን የተላለፈ ነው? (ከአንድ ምርጫ በላይ መምረጥ ይቻላል)
ሀ) በቴሌቪዥን ለ) በሬዲዮ ሐ) በጋዜጣ መ) በሌሎች (ባንር፣ በራሪ ወረቀት፣ ብሮሽር ወዘተ)
10. ባለፈው ዓመት ውስጥ የባንኩን አገልግሎቶች በማስታወቂያ ምን ያህል ጊዜ አይተው/አንብበው/ሰምተው ያዉቃሉ?
ሀ) ምንም ለ) 1-5 ጊዜ ሐ) 6-10 ጊዜ መ) ከ10 ጊዜ በላይ
11. ማስታወቂያውን ምን ያህል ያስታውሱታል?
ሀ) በጥሩ ሁኔታ ለ) በመጠኑ ሐ) ብዙ በማይባል ሁኔታ

ክፍል ሁለት፡ እባክዎትን ከዚህ በታች በሰጡት ክፍል የተቀረቡትን ሀሳቦች ላይ ምን ያህል ስምምነት እንዳልዎት በተሰጡት አምስት መመዘኛዎች ይመዝኑ።

1. የማስታወቂያ አስፈላጊነትና ውጤት

ዐ. ነገር	በጣም አልሰማምም	አልሰማምም	ከሁሉም ወጪ	አሰማማለሁ	በጣም አሰማማለሁ
በማስታወቂያ ያየሁት/የሰማሁት/ያነበብኩት የባንኩን መልእክት በቀላሉ ለመረዳት ይቻላል።					
በማስታወቂያ ያየሁት/የሰማሁት/ያነበብኩት የባንኩ መልእክት የሚታመንና ትክክለኛ ነው።					
ያየሁት/የሰማሁት/ያነበብኩትን የማስታወቂያ መልእክት ከራሴ ጋር ለማገኘት ችያለሁ።					
ያየሁት/የሰማሁት/ያነበብኩት የማስታወቂያ መልእክት ከሰጡት ተግባራዊ ጋር ግንኙነት አለው።					
በማስታወቂያው የተገለጹት ጥቅሞች ትክክለኛ መሆናቸውን አምንበታለሁ።					
የባንኩን የአገልግሎቶች ማስታወቂያ ከተመለከትኩ በኋላ ተጠቃሚ እንደምሆን አሰባለሁ።					
ያየሁት/የሰማሁት/ያነበብኩት የባንኩ ማስታወቂያ ከሌሎች ባንኮች ማስታወቂያዎች የተሸለ ነው።					

2. የደንበኞች የግንዛቤ ደረጃ

ዐ. ነገር	በጣም አልሰማምም	አልሰማምም	ከሁሉም ወጪ	አሰማማለሁ	በጣም አሰማማለሁ
ያየሁት/የሰማሁት/ያነበብኩት የባንኩ ማስታወቂያዎች ለባንኩ ያለኝን አዎንታዊ ግንዛቤ እየጨመረ ነው።					
ባንኩ ከሌሎች ተወዳዳሪ ባንኮች በማስታወቂያው ለየት ያለ ነው።					
ባንኩን ከሌሎች ከማወቃቸው ባንኮች ጋር ሲወዳደር በማስታወቂያው ምክንያት አወቅናል እየጨመረ ነው።					
በባንኩ ማስታወቂያዎች ያየሁት/የሰማሁት/ያነበብኩት ጉዳዮች ሁሉ ለባንኩ ያለኝን አሉታዊና የተሳሳሽነት ስሜት ከፍ እንዲል ረድቶኛል።					
የባንኩ አገልግሎቶች በማስታወቂያ ባይነገር በእኔ ላይ ትልቅ ልዩነት ያመጣል።					

3. የደንበኝነት ሁኔታ

ዐ. ነገር	በጣም አልሰማምም	አልሰማምም	ከሁሉም ወጪ	አሰማማለሁ	በጣም አሰማማለሁ
በማስታወቂያ ያየሁት/የሰማሁት/ያነበብኩት የባንኩ ምርት/አገልግሎት ለእኔ የተሸለ ምርጫ ስለሆነ ተጠቃሚ ነኝ።					
ከብርሃን ባንክ ማስታወቂያ ለየት ያሉ የሌሎች ባንኮችን ማስታወቂያ ብመለከት/ብሰማ/ባነብ ተጠቃሚ አልሆንም።					
በማስታወቂያ ያየሁት/የሰማሁት/ያነበብኩትን የባንኩን አገልግሎት ለመጠቀም የነበረኝ ዝንባሌ እንዲቀጥል ረድቶኛል።					
ነገሮችን በድጋሚ የማድረግ እድል ቢኖረኝ በማስታወቂያ የተመለከትኩትን/ያነበብኩትን/የሰማሁትን የባንኩን አገልግሎት አገዛለሁ።					
የባንኩ የአገልግሎቶች ማስታወቂያ ባይኖር ኖሮ በግሌ ትልቅ ልዩነት ይፈጥርብኝ ነበር።					
በባንኩ የአገልግሎቶች ማስታወቂያ ላይ ችግር ቢኖር ከባንኩ ጋር ያለኝን ደንበኝነት አላቋርጥም፤ ወደ ሌሎች ባንኮችም አልሄድም።					
የባንኩን የአገልግሎቶች ማስታወቂያ ለሌሎች በበጎ ጎኑ እናገራለሁ።					
የባንክ አገልግሎት ለሚፈልጉ ሰዎች ብርሃን ባንክን እንዲመርጡ እመክራለሁ።					
ስለ ብርሃን ባንክ የአገልግሎቶች ማስታወቂያ ለሌሎች ለመናገር በዕቅዴ ወስጥ ይገድለሁ።					
የባንኩ ማስታወቂያዎች ከባንኩ ጋር የነበረኝን ደንበኝነት እንዲገለብት አድርጓል።					
ከባንኩ ጋር ያለኝን ደንበኝነት በማስታወቂያው ምክንያት በፅናት እንድቀጥል አድርጎኛል።					
ራሴን የብርሃን ባንክ ማስታወቂያዎች አድናቂና ደጋፊ አድርጌ መወሰድ አችላለሁ።					

አመሰግናለሁ!

Annex C: SPSS Outputs

Correlations Output

		Ad effectiveness	Customer Perceived Value	Customer Loyalty
Ad effectiveness	Pearson Correlation	1	.715**	.752**
	Sig. (2-tailed)		.000	.000
	N	327	327	327
Customer Perceived Value	Pearson Correlation	.715**	1	.781**
	Sig. (2-tailed)	.000		.000
	N	327	327	327
Customer Loyalty	Pearson Correlation	.752**	.781**	1
	Sig. (2-tailed)	.000	.000	
	N	327	327	327

** . Correlation is significant at the 0.01 level (2-tailed).

Regression Outputs

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.752 ^a	.566	.564	.46037

a. Predictors: (Constant), Ad effectiveness

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	89.728	1	89.728	423.367	.000 ^b
1 Residual	68.880	325	.212		
Total	158.608	326			

a. Dependent Variable: Customer loyalty

b. Predictors: (Constant), Ad effectiveness

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.352	.092		3.839	.000
	Ad effectiveness	.905	.044	.752	20.576	.000

a. Dependent Variable: Customer loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.512	.510	.54115

a. Predictors: (Constant), Ad effectiveness

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.775	1	99.775	340.706	.000 ^b
	Residual	95.176	325	.293		
	Total	194.950	326			

a. Dependent Variable: Customer perceived value

b. Predictors: (Constant), Ad effectiveness

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.405	.108		3.760	.000
	Ad effectiveness	.954	.052	.715	18.458	.000

a. Dependent Variable: Customer perceived value

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 ^a	.687	.685	.39146

a. Predictors: (Constant), Customer perceived value, Ad effectiveness

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	108.958	2	54.479	355.508	.000 ^b
	Residual	49.650	324	.153		
	Total	158.608	326			

a. Dependent Variable: Customer loyalty

b. Predictors: (Constant), CPV, Ad effectiveness

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.170	.080		2.132	.034		
	Ad effectiveness	.476	.054	.396	8.893	.000	.488	2.048
	Customer perceived value	.449	.040	.498	11.202	.000	.488	2.048

a. Dependent Variable: Customer loyalty

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Ad effectiveness	Customer perceived value
1	1	2.922	1.000	.01	.00	.01
	2	.054	7.386	.87	.03	.29
	3	.024	11.018	.12	.96	.70

a. Dependent Variable: Customer loyalty

Independent T-Test Outputs

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Ad effectiveness	Male	172	1.9909	.60946	.04647
	Female	155	2.0157	.54692	.04393

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Ad effectiveness	Equal variances assumed	4.235	0.04	-0.386	325	0.7	-0.0248	0.06431	-0.15132	0.10171
	Equal variances not assumed			-0.388	325	0.698	-0.0248	0.06395	-0.15061	0.101

One-way ANOVA

ANOVA

Ad effectiveness

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.167	4	.792	2.395	.050
Within Groups	106.464	322	.331		
Total	109.630	326			

Descriptive

Ad effectiveness

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
< 25	53	2.2075	.51855	.07123	2.0646	2.3505	1.00	3.29
26-35	170	1.9899	.57513	.04411	1.9028	2.0770	1.00	3.43
36-45	63	1.8912	.59663	.07517	1.7409	2.0414	1.00	3.57
46-55	36	1.9762	.58404	.09734	1.7786	2.1738	1.00	2.86
>55	5	1.8571	.80178	.35857	.8616	2.8527	1.00	2.71
Total	327	2.0026	.57990	.03207	1.9395	2.0657	1.00	3.57

ANOVA

Ad effectiveness

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.708	4	1.427	4.422	.002
Within Groups	103.922	322	.323		
Total	109.630	326			

Descriptive

Ad effectiveness

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for		Minimum	Maximum
					Mean			
					Lower Bound	Upper Bound		
Some high school	3	2.0476	.95119	.54917	-.3153	4.4105	1.00	2.86
High school graduate	46	1.6770	.43481	.06411	1.5479	1.8061	1.00	2.86
Diploma	106	2.0593	.61243	.05948	1.9414	2.1772	1.00	3.43
Degree	136	2.0609	.53921	.04624	1.9695	2.1524	1.00	3.43
Post graduate degree or above	36	2.0278	.65405	.10901	1.8065	2.2491	1.00	3.57
Total	327	2.0026	.57990	.03207	1.9395	2.0657	1.00	3.57