Promotion Strategies and Performance of Commercial Banks: Evidence from CRDB Bank Plc in Tanzania

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Abstract

This article is informed by the planned behaviour and hierarchy of effect theories to examine the influence of five traditional promotion strategies on the performance of commercial banks in Tanzania, taking evidence from one of the leading commercial banks in the country - CRDB Plc. This quantitative based study used a self-administered questionnaire to collect data from randomly selected 208 sampled employees. With the support of the Statistical Package for Social Sciences (SPSS) software, a hypothesised model that included promotion strategies as predictors of commercial banks' performance was evaluated using a multiple linear regression model. The results supported the hypothesised model, indicating that all the promotion strategies had positive; and only four (excluding publicity) had important influence on the performance of commercial banks. From the findings, the study recommends that commercial banks need to innovatively prioritise adoption of the complementary use of the four significant promotion strategies of sales promotion, advertising, personal selling, and direct marketing to manage the performance of commercial banks. Nevertheless, publicity should not be entirely ignored as it also has some positive effect.

Keywords: *commercial banks, planned behaviour theory, hierarchy of effects theory, promotion strategies.*

Introduction

As one of the key economic sectors, the service sector (including financial structures and banks) plays an important role in the economic growth and development of any country (Khatab et al., 2019). With the growing and importance of the financial sector, pressures are escalating for more effective marketing management of financial services (Meidan, 1996; Aliata et al., 2012). The role of commercial banks (CBs) transcends into their contribution to GDP; they are a source of finance to various economic sectors in emergent economies, and are investment outlets for small investors, as well as for employment creation (BoT, 2017). According to Mishkin (2007), worldwide businesses get more than 75% of their financing from CBs. Rajaraman & Vasishtha (2002) assert that the health of the CBs is very important for failure in financial intermediation can critically disrupt the economic development process.

Despite changes in the marketing of financial institutions, there are indications that banks have not yet successfully embraced marketing philosophy, or achieved levels of its implementation consistent with satisfied customers (Ting & Lean, 2009;

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Thekedam, 2010). Successful promotion is an essential ingredient in a marketing strategy (Kotler, 2019). The other ingredients are product, price, distribution, people, physical evidence, and process as propounded in the literature on marketing (ibid).

Marketing is in a stage on its evolutionary path where advertisers are not only worried about new customers, but also how to maintain existing ones; and establish permanent relationship with them (Khatab et al., 2019). Promotion is a direct way through which an organisation tries to reach publics via the five elements of the marketing/promotion mix, namely: advertising, sales promotion, personal selling, publicity, and direct marketing (Baines et al., 2017). The idea is to make people aware, attracted, and induced to buy a particular product, in preference over other products. It also caters for customer retention.

Financial institutions are realising that their established promotion practices are inadequate for new market conditions as levels of customer defection in the sector are growing, partly because of the emergence of new key players in the sector (Ting & Lean, 2009).Thus, the role of promotion has been redefined into managing long-term relationship with carefully selected customers, including establishing a learning relationship where a marketer maintains a dialogue with an individual customer (Dawes & Brown, 2000). The effort to promote a banking business is quite a distinguished undertaking. At present, it has become very tricky due to the changing trends of the industry, increasing competition, efficiency of the regulatory environment, and the financial system (Demirgüç-Kunt & Levine, 2009).

According to the Bank of Tanzania (BoT) (2017) report, there are a total of 39 fully-fledged commercial banks, 7 community banks, 2 financial institutions, 2 development finance institutions, and 5 microfinance banks in Tanzania. Moreover, the number of banks approved to engage in agent banking increased to 20 at the end of June 2019, from 17 a year earlier; and agents increased to 22,481 from 13,679. This has facilitated savings mobilization of a proportional of bankable population (BOT, 2018). It can therefore be said that there is an intense competition among these players in the market to attract and retain customers, with it being characterized by a few big players and several small banks. The Eastern Africa Banking Sector (2013) revealed that large banks continue to dominate the market, thereby attracting large chunks of deposits, and offering a considerable amount of loan pertaining to microfinance products. Furthermore, competition in the financial services sector in Tanzania has been intensified with the introduction and growing of other microfinance operators including Savings and Credit Cooperatives (SACCOs), and Village Community Banks (VICOBA), which are operating at the grassroots level. Mobile money (i.e. M-Pesa, Tigo Pesa, Airtel, Halotel etc) that allows individuals to make financial transactions using cell phone technology (Jack& Suri,2011) also adds up to competition.

The basic premise of this study was that the success of any business in a competitive environment depends, to a large degree, on the extent to which it can aggressively and competently promote its services to its customers. The rationale for the study arises out of the fact that commercial banks in the Tanzanian market, including CRDB, are now facing stiff competition from other institutions because of changing customer requirements, technological changes, and a changing banking environment following the deregulation as dictated in the Banking and Financial Institutions Act, (2006.)

Demirbag et al. (2006), Sharma and Gadenne (2002), and Madu et al. (1996) assert that the measurement of performance needed for process improvement must identify the level to which the use of organisational resources impact business performance, hence success. The performance of a firm, including a bank, is significantly impacted by resources management, including those for promotion, and if the functions are appropriately established for the resources management system, it helps in maximising the use of a company's funds. Consequently, increase in firm performance is realised. This calls for a need for proper promotion decisions geared towards economical use of promotional resources, which warrants a need to examine what it takes in promotion to realize rewarding performance for banks.

The CRDB Bank Plc is one of the largest commercial banks in Tanzania that was established in 1996. It has a network of over 118 branches, 335 ATMs, 13 mobile branches, 984 point of sales (PoS) terminals, 845 agents-service centres, and over 450 microfinance partner institutions (CRDB Annual report, 2017). According to the CRDB (2017), its success is partly attributed to its various marketing and promotional efforts.

Competition in a banking sector has been intensified with worldwide financial sector liberalisation. The spiralling of competition has been exacerbated by the introduction of other microfinance operators that operate from the grassroots level. These operators mobilise savings and extend loans facilities to their customers at competitive interest rates, thus aggressively competing with commercial banks. In this regard, CBs need to come up with strategies (promotion inclusive) to create awareness and persuade people to buy their products in preference over other rivals in the financial sector industry (Gaskin &Richard, 2012). These marketing efforts are necessarily being triggered by intense competition, technology advancement, increased regulations, changing consumer patterns and demographic profiles as well as the similarity of financial products and services in the eyes of customers.

Despite several studies on promotion strategies and performance, such as by Rutihinda (2008), Aliata et al. (2012), Kihanyav (2013), and Adefulu (2015), scant attention has been paid to CBs' performance through effective promotion. Moreover, a study by Aliata et al. (2012) suggested that spending on promotional mixes individually had little effect on bank performance; calling attention for a need to examine a promotion mix influence on banking performance rather than each attribute individually.

Literature suggests that advertising, personal selling, sales promotion, and publicity are promotion strategies that enhance profitability in the service sector, including banks (Aliata et al., 2012). According to Adefulu (2015), companies that want more than 'walk in' sales must develop an effective programme of communication and promotion. This view is anchored by Mashenene and Mkende (2019) who recommended that more promotional efforts are required to attract more customers to CBs. This article focuses on establishing the key promotion constructs, namely, advertising, personal selling, sales promotion, publicity and direct marketing and their impact on the performance of commercial banks in Tanzania, using evidence from CRDB bank.

Theoretical Perspectives

Theory of Planned Behaviour

As implied by the theory of planned behaviour (TPB) by Ajzen (1991), the conduct of customers might be adjusted by promotion stimuli that change convictions, dispositions, and in the long-run aims and behaviour. For an organisation to attract and retain more customers (hence enhance its performance), it should plan to have more promotion incentives through sales promotion, advertising, publicity, personal selling, and direct marketing's has been one of the most influential theories in explaining and predicting a wide range of behaviours (Sheppard et al., 1988). Being neither capricious nor frivolous, human social behaviour can best be described as following lines of more or less well-formulated plans. So, planned marketing communications/promotion capturing promotion tools, media, and messages — and with varied degrees of sophistication — can significantly influence the ways in which audiences are encouraged to perceive an organisation and its offerings as an audience-centred activity (Baines et al., 2017). It should also be noted that there is also implicit and important communication through other elements of a marketing mix, as well as unplanned or unintended experiences. Nevertheless, Octavia (2017) noted that a marketing mix on location and promotion dimensions has a significant impact on customer satisfaction, while product dimensions and prices are not important to customer satisfaction. This suggests that different tools for promotion may have different potentials in enhancing customer attraction, retention, and subsequently, organizational performance.

Hierarchy of the Effects Theory

The hierarchy of the effect theory by Lavidge and Skinner, as cited in Osuagwu (2002), portrays how advertising or promotion influences a consumer's decision to purchase or not purchase a product or service. It essentially represents the progression of learning and decision-making a consumer experiences because of advertising. Invariably, advertisers should create an advertisements that will result in customers purchasing the advertised products or services. The hypothesis portrays the following six stages:

(a) A*wareness* - the individual knows about the presence of the item;
(b) *Learning*- the individual recognises what the item offers;
(c) *Enjoyment*- the individual has great demeanours towards the item;
(d) *Preference*-the person's ideal state of mind has been created to the point of inclination;

(e) *Conviction* - inclination is combined with a craving to purchase and certainty that the buy would be utilised; and
(f) *Buying* - a state of mind that is converted into genuine purchasing practices.

The theory was thought useful for this study since it explains the importance of promotion, in that people would like to get information at different stages of their readiness before they decide to purchase. The awareness, persuasive and reminder efforts could be through the promotools under study. The ultimate outcome is to have increased market share to a bank.

Empirical Studies

In a regression analysis-based study in Australia, Metwally (1997) revealed that development in advertising expenditure is strongly associated with development in sales, and that development in market share exerts a significant impact on the development in the use of promotion. Another study by Juwita and Bernardus (2016) aimed to evaluate, improve, and develop an effective promotion mix strategy best suited for catering business that would ultimately boost a company's sales turnover. It was found that in the comparison of various promotion forms implemented in a catering business, the evaluations of a promotion mix, as well as the development of a promotion mix strategy were issues of great concern. Bhatt and Gor (2012) found that social media (Twitter) has been used most effectively for customer service and for the promotion of broad-based public relations initiatives in the banking sector in India. Similarly, a descriptive study by Ahmed et al. (2003) on the marketing promotion strategies used by private and public sectors in India revealed that the opinions of customers are useful in designing effective promotional strategies for banks.

Adefulu (2015) concluded that although all elements of promotion mix were used by commercial banks to some extent, only direct marketing and publicity were found to have a significant impact on market share and profitability in Nigeria. In another Nigeria commercial banks-based study by Awara and Anyadighibe (2014), recommended that sensitisation on the features, benefits and use of e-banking to consumers created more awareness among consumers; and enhanced service quality to boost confidence and consumer perception of e-banking services. In Kenya, Aliata et al. (2012) found a positive relationship between promotional strategies expenditure and bank performance at the National Bank of Kenya. Nevertheless, spending on promotional mixes individually had little effect on bank performance. Kihanya (2013), in a quantitative approach-based study of the Kenya Orient Insurance Limited, found that advertising of services through key media channels above the line (e.g., TV, radio, newspapers and billboards), below the line (wall branding, newsletters, leaflets), social media (Facebook, YouTube), and billboards influenced the company's performance to a great extent.

Regarding CRDB, a study by Sakaya and Lyimo (2019) showed that despite the high promotional efforts by the bank in promoting savings, depositors' response was lower amongst customers as many opened accounts for a short period, and then closed them.

They suggested that the bank's staff needed to be assisted in realising their role of mobilising individual savings. They also recommended that the bank should also create awareness to the public on saving plans. A related study by Mashenene and Mkende (2019) in another bank- the National Microfinance Bank — recommended that more promotional effort is required to attract new customers to the bank.

It is clear from these studies that varied strategies have been used to promote bank products in varied parts of the world, at different times, and for different sectors. The studies produced mixed results with different methodologies. Despite of importance of promotion and all these efforts, the adoption of the promotion mix elements model as propounded by Kotler (2019) has not been given due attention, especially on the key roles that each of the four constructs — i.e., advertising, personal selling, publicity, and sales promotion can play in this regard. This is the gap this study aims to fill.

Conceptual Framework

Small and large organizations need to adopt a promotional mix of strategies to attract and retain customers, hence long-term relationships and growth in terms of productivity and ultimate survival. Mbogo (2013) identifies a *promotion mix* of strategies influencing the growth of customers in organizations to include advertising, sales promotion, public relations, personal selling, and direct marketing. Therefore, the Figure 1 proposes a conceptual framework of the study thus:

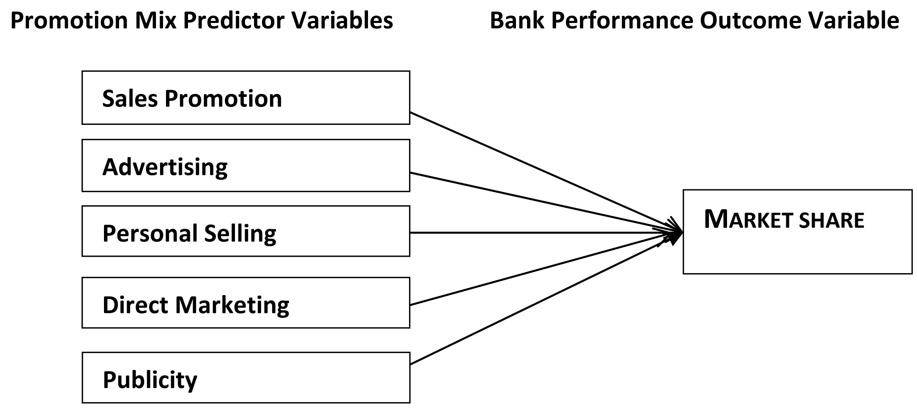

Figure 1: ***Conceptual Framework of the Study***
Source: Developed from Literature Review (2020)

The study was guided by five constructs as depicted in Figure 1: sales promotion, advertising, personal selling, direct marketing, and publicity. These are discussed below.

Sales promotion comprises impetuses to energise, buy or offer an item or administration (Kotler & Armstrong, 2005). It includes freebies, contests, discounts, free services, passes, tickets, etc. This tool has a short-term influence on sales; hence, it is mainly offered for a short-term effect (Anderson & Simester, 2004). Offering an incentive to a buyer, gives a motivating force to purchase (Armstrong et al., 2018). In case a certain brand launches a new product, and consumers do not have information or experience regarding this new product, then sales promotion is recommended to encourage consumers to try and purchase the product. Numerous banks presently offer sales promotions to intermediaries as well as to ultimate consumers in terms of coupons, rebates, samples and sweepstakes for meeting deals destinations. Give away or branded gifts such as pens, calendars and diaries are mostly offered to corporate customers and private customers in the new generation bank upper segment (Thekedam, 2010). Informed, persuaded, attracted, and satisfied customers enhance bank performance through increased market share. Thus, the following hypothesis was proposed:

H1: Sales promotion has a positive influence on the performance of a bank.

Advertising is any paid type of non-individual correspondence around an association, decent administration or thought, by distinguished support (Wren et al., 2000). It influences people through education, persuasion, and reassurance. Informative advertising plays a key role in educating people about different functions and features of brands (Adefulu, 2015). It is an exceptionally open method of correspondence that conveys a monolog message to the gathering of people from a distinguished source (Owaga, 2002). Using creative techniques like direct brand comparisons, advertising can persuade people that one product will be better than another in improving their lives or delivering any benefits they seek. A study by Lovel et al. (2019) found that banks with the most corporate image, advertising had one of the highest increases in revenue; while banks with the second- and third-most image ads experienced decreases in revenue. Honka et al. (2017) posits that advertising makes consumers aware of more options, search more, and find better alternatives. This increases the market share of banks and makes the industry more competitive. Thus, the following hypothesis was proposed:

H2: Advertising has a positive influence on the performance of a bank.

Publicity/public relations are deliberate, planned, and sustained efforts to establish and maintain mutual understanding between a company and the public. Public relations cover the creation and maintenance of corporate identity and image; charitable involvement, such as sponsorship and community initiatives; media relation for the spreading of good news as well as for crisis management (Brassington & Pettift,2000). It is done through establishing and maintaining communication with the public such as announcing an appointment, arranging a speech or talk, arranging for a testimonial, event sponsorship or staging a debate (Thuo, 2008). The key target of attention is to get an article included in a paid space in media, which is seen by a bank's coveted client base. Subsequently, it has been espoused that attention has an effect on bank execution, hence increases market share. Thus, the following hypothesis was proposed:

H3: Publicity has a positive influence on the performance of a bank.

Personal selling represents a strategy that sales people use to persuade customers to buy their products by providing them with all information relating to a product, and eliminating consumer fears about such a good (Grankvist et al., 2004). Tinson et al., (2008) indicate that workers in personal selling work to convince consumers to make a purchase decision; and that personal features that are characterised by showing great personal strength, and confidence, and the ability to persuade and negotiate, are instrumental to winning consumers, influencing buying, guiding decision about replacement of items, and even trying to help customers get unavailable commodities they are seeking to buy. In the view of Ubed (2020), gone is marketing that tries to trick a customer into buying.

There is a replacement paradigm for marketing, a model that depends on a marketer's knowledge, experience, and skill to integrate the customer and therefore the company needs to adopt new means and techniques along with various approaches to stay in the market and sustain its competitive edge. A study by Jaramillo and Marshall (2004) revealed that differences in performance between top and bottom sales performers in the banking industry relate to the use of varied selling techniques that seek to achieve customer satisfaction and loyalty by offering value-added customer service, and sales support activities. Anderson et al. (2020) opine that the importance of personal selling emerged as managers recognized that costs of attracting new customers were significantly higher than costs of reselling to current customers. Loyal customers frequently become a company’s best unpaid salespeople by referring other prospects and spreading positive ‘word-of-mouth’ promotion. These efforts may lead to increased bank market share. Thus, the following hypothesis was proposed:

H4: Personal selling has a positive influence on the performance of a bank.

Direct marketing is a promotion tool that deals directly with a consumer without including a middle man or dealers in the promotion process (Kihanya, 2013). Direct marketing emphasises traceable and measurable responses from customers through data bases (Wunderman, 1967). Channels for direct marketing include direct mail, telemarketing, direct selling, text messages, e-mails, interactive consumer websites, fliers, promotional letters, and outdoor advertising. Databases of banks contain very large amounts of data on customer profiles, transactions, and responses to previous product campaigns. In the view of Mitik et al. (2017), various methods for automating this task may be used to find meaningful and useful patterns on large amounts of customer data. These are translated into developing pertinent products that compete for customer satisfaction. This subsequently enhances competitive advantages by a bank, and ultimately enhanced market share. Thus, the following hypothesis was proposed:

H5: Direct marketing has a positive influence on the performance of a bank.

Business Performance

Performance is the achievement of a company that may not only depend on the efficiency of a company itself, but also on the market where it operates. Some of the common financial measures include revenue, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, stock prices, market share and customer retention (Herri, 2011; Gaskin & Richard, 2012) .A study by Grankvist et al. (2004) observed that promotional strategies for banking services in Estonia used all parts of the promotion mix to some extent. This study uses market growth as an indicator of performance (Odyomo & Werema, 2018).

Methodology

The study adopted a positivist paradigm, embracing the fact that positivism depends on cautious watching and estimating target reality on the planet using organised instruments such as surveys, talk with aides and others being guided by theory and research (Tashakkori &Teddlie, 1998; Blackburn, 2008). Orodho and Kombo (2002) and Sekaran (2009) suggest that a satisfactory sample size ought to be bigger than 30, and fewer than 500. This study utilised a convenient sampling method to pick 208 business development managers, supervisors, credit managers, customer service managers, retail account managers, and SME managers of CRDB bank from a population of 3,500 employees all over the country. They were all considered to be the unit of analysis in this study given their exposure of the bank operations that endow them with adequate competence to share their perceptions. They were served with a structured questionnaire organised in a 5-point Likert scale. The software — Statistical Package for Social Sciences (SPSS) Edition 20 — was used in the conduct of quantitative data analysis where multiple regression analysis was used for the purpose. The multiple regression model utilised in the study is as indicated below:

$$\text{Bank performance} = \beta_0 + \beta_1\text{Sales promotion} + \beta_2\ \text{Advertising} + \beta_3\text{Publicity} + \beta_4\text{Personal selling} + \beta_5\ \text{Direct Marketing} + \varepsilon.$$

Before conducting multiple regressions, Exploratory Factor Analysis (EFA) was run. This is a statistical approach for determining and grouping of variables based on strong correlations in a dataset (See Table A1). The overarching goal of factor analysis is to identify the underlying relationships between measured variables (Artazar et al., 2009). In this study, EFA was used to discover the underlying variables of promotion strategies, where all necessary assumptions were applied to justify its applications.

Before data collection began, the instrument was tested for validity and reliability. Validity demonstrates the degree to which an apparatus estimates what it should gauge (Kothari, 2009). With the end goal to think of legitimate findings, a pilot study was conducted from eight knowledgeable staff to check for the clarity of the tool. Improvements in the questionnaire were made before they were siphoned by an expert in the study area. The unwavering quality of this study was tried by the Cronbach's alpha. Field (2013) recommended that the estimation of unwavering quality is dependable and satisfactory when it is over 0.70. All the five constructs (sales promotion (0.702), advertising (0.788), publicity (0.764), personal selling (0.874), direct marketing (0.826) and the outcomes construct of bank performance (market share 0.705) had a Cronbach's alpha that met the acceptance minimum criterion of 0.70.

Findings, Analysis and Discussion

Characteristics of the Respondents

Respondents were asked to indicate their gender, education, and work experience. In terms of gender, 125(60%) respondents were females, while 83(40%) were males. This shows that both male and female respondents were adequately available and represented in the study. In a study by Odyomo and Werema (2018), males and females were equally represented even though the CRDB bank is largely dominated by female workers. Nevertheless, this study had more or less a balanced representation of respondents in terms of gender.

As can be seen in Table 1, below 26(12.5%) of the respondents had a diploma certificate, while 85(40.8%) had a first degree. The rest of the respondents [97 (46%)] had postgraduate level education. The level of education is an important consideration that allows individuals to make informed decisions on promotion strategies that can be used to enhance the performance of a bank.

Table 1: Characteristics of the Respondents

Gender	No of Respondents	Percentage
Male	83	40
Female	125	60
Total	**208**	**100**
Education		
Diploma/Certificate	26	12.50
Bachelor Degree	85	40.80
Post graduate	97	46.70
Other	-	-
Total	**208**	**100**
Work Experience		
Less than 1 year	-	-
1-10 years	22	10.8
11-20 years	107	51.6
21 -30 years	49	23.3
Over 30 years	30	14.2
Total	**208**	**100**

Finally, the table indicates the respondents' work experience in terms of the number of years they have spent working in a bank. About 22(10.8%) of the respondents had worked for 1 to 10 years, while 107(51.6%) had worked for 11 to 20 years. Moreover, 79(37.5%) had worked with the bank for over 21 years. The findings imply that more than 89% of the management team had worked with the bank for over 20 years. Pierce and Sweeney (2010) established that the longer the work experience, the higher the performance and adherence to ethics. Therefore, the management team can decide on appropriate promotion strategies that can be used by the bank for its performance since they have adequate experience in their jobs.

Promotion Strategies and Performance of Commercial Banks

The study examined promotion strategies that influence the performance of commercial banks. These were analysed through exploratory factor analysis, and multiple linear regression. The following sub-sections provide the details.

Exploratory Factor Analysis (EFA)

EFA was performed on the independent variable items, particularly personal selling, advertising, publicity, and direct marketing; and on the dependent variable (bank performance) (See Appendix 1). During EFA, items that had cross-loadings and an Eigen value of lower than .40 were dropped. Cronbach's values were all above 0.7, indicating the reliability of data as recommended by Field (2013). The items under each dimension were summated and subsequently used for inferential tests.

Inferential Statistics

Multiple regression analysis was computed to predict the value of a criterion variable, namely, 'bank performance' based on the value of the five constructs of the promotion mix variables. In this section, inferential statistics was conducted through the model fitness test, correlation, ANOVA, and multiple linear regression analysis.

Model Summary

The model summary table reports the strength of the relationship between the model and the dependent variable.

Table 2: Model Summary

R	R Square	Adjusted R Square	Change Statistics		
			R Square Change	*F Change*	*Sign. F Change*
.724	.610	.601	.715	41.662	.000

Source: Field Data (2018)

Table 2 shows the model of wellness. The computed Bank Performance R square coefficient was 0.610, demonstrating that 61% of changes in the bank execution level are clarified by promotion mix constructs (sales promotion, advertising, publicity, personal selling, and direct marketing), $p<0.000$. The F-test uncovered that the model is significant, as the F value seems to be (41.662) and sig = 0.000. It is featured that if the bank industry builds promotion advancement, it will prompt industry performance. The presumption of the Durbin-Watson measurement, which estimates relationships between mistakes, is met (2.001).

Correlation Analysis

The relationship amongst sales promotion, advertising, publicity, personal selling, and direct marketing was examined by Pearson correlation coefficient. Correlation is used to interpret whether the relationship of two variables is strong or weak, in terms of power of relationship and direction (Pallant& Manual, 2010).

From Table 3, it is apparent that the findings affirm the presence of a correlation between business advancement, publicising, attention, individual offering, and direct advertising. Coordinate showcasing and deals advancement had 0.455 Pearson correlation, which is critical at 0.000 showing positive correlation between factors. Moreover, personal selling and sales promotion had 0.324 Pearson correlation and significant at 0.000. Further, sales promotion and publicity had 0.212 Pearson correlation, which is significant at 0.001.

Table 3: Correlation

		S/promo	Advert	Publicity	P/selling	D/market
Sales Promotion	Pearson correlation	1	0.186	0.212	0.324	0.455
	Sig. (1-tailed)		0.0164	0.001	0.000	0.000
	N	208	208	208	208	208
Advert	Pearson correlation	0.164	1	1.000	0.000	1.000
	Sig. (1-tailed)	0.186		0.000	0.000	0.000
	N	208	208	208	208	208
Publicity	Pearson correlation	0.000	1.000	1	0.000	0.001
	Sig. (1-tailed)	0.212	0.000		1.000	0.000
	N	208	208	208	208	208
P/selling	Pearson correlation	0.000	0.000	0.000	1	0.000
	Sig. (1-tailed)	0.324	0.000	1.000		
	N	208	208	208	208	208
D/market	Pearson correlation	0.000	1.000	0.001	0.000	1
	Sig. (1-tailed)	0.455	0.000	0.000		
	N	208	208	208	208	208

Source: Field Data, (2018).

Advertising and sales promotion had 0.186 Pearson correlation, which is significant at 0.0164. The findings infer that there is a constructive relationship among autonomous factors. In this manner, autonomous factors rely upon one another to impact bank execution, suggesting the existence of a multicollinearity problem. All independent variables have positive values that show correlation. Multicollinearity can be tested by using Variance Inflation Factor (VIF). The VIF measures how much multicollinearity exists in regression analysis (Field, 2013). If VIF is 1<VIF<10, then multicollinearity is moderate (Mbura, 2007; Field, 2013) and therefore tolerable, as it may not cause redundancy of findings. In this study, there was no multicollinearity threat that was found, since the VIF met the criteria as shown in Table 5.

Analysis of Variance (ANOVA)

The Analysis of Variance (ANOVA) test is utilised to test the general wellness of a model. This test shows the centrality of the model (sales promotion, advertising, publicity, personal selling, and direct marketing) in predicting bank performance. The F-ratio is 41.662, which is highly significant ($p < 0.001$) as indicated in Table 4.

Table 4: Analysis of Variance (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	45.212	5		41.662	0.000b
Residual	24.154	245	10.334		
Total	41.223	230	0.212		

Note: Dependent Variable - Bank performance
Predictors: (Constant):S/promotion, advertising, publicity, P/selling, D/marketing

Source: Field Data, (2018).

Multiple Regression Analysis

The results in Table 5 demonstrate multiple regression results as computed through SPSS.

Table 5: Multiple Regression Analysis

Model	Unstandardised coefficients		Standardised coefficients	T	Sig.	VIF
	B	Std. error	Beta			
(Constant)	1.850	376		4.915	.000	
S/promotion	.098	.011	.428	12.887	.000	1.316
Advertising	3.662	.376	.639	12.107	.001	1.394
Publicity	.882	.072	.098	1.548	.172	1.330
P/selling	3.634	.282	.511	12.389	.000	1.285
D/marketing	.156	.072	.854	2.178	.032	1.225

Source: Field Data (2018)

Analysis, Implication and Discussion

Results in Table 5demonstrate that four out of five hypothesised variables (i.e., sales promotion, advertising, direct marketing, and personal selling), were strong and positively significant ($p<0.000$). Conversely, publicity had a positive but insignificant effect on bank performance ($p>0.05$).

The first objective of the study intended to establish the influence of *advertising on the performance of commercial banks*. Results show that advertising as an autonomous variable and indicator is a valid and reliable measure utilised by banks in evaluating performance during its execution of activities, with the *t* value of 12.107, which is significant at p=0.001. This implies that the use of advertising by the bank may have strong influence in its performance. Herri (2011) argues that having a gainful and sufficient publicising framework is a critical and solid cure in advancing bank independence. Banks utilise both institutional and mark publicising, in which case the former is done for brand building, while the latter is for a particular product. Institutional publicising is directed through TV, newspapers, and open-air media, with the end goal of consolidating a methodology that reaches a wide group, and that is fairly cost-productive.

As for the second target, which was to examine the role of *personal selling on the performance of commercial banks*, Table 5 demonstrates that personal selling as an indicator and free factor is a certain and noteworthy measure of increased bank performance, with a t value of 12.389; which is significant at p = 0.000. Personal selling is considered to be an important promotional tool as it aims to build a relationship between a customer and a bank. Thuo (2008) contends that personal selling has generally been the essential transferable divert in the banking industry. Relationships are crucial, since they make customers loyal to the brand, and enable the bank to reach its long-term goals. It is also of great importance to ensure a thorough segmentation of customers to make personal selling as cost-efficient as possible. Radical changes have resulted in heightened consumer mobility and intense competition in the financial services industry. Crittenden et al. (2014) argue that to create and maintain a competitive edge, today's financial service firms must establish and maintain a highly integrative and customer-oriented sales culture based on building trust and relationship enhancement. Personal selling such as direct interaction with customers, reliability of services/products, positive word-of-mouth views of a bank and staff courtesy may all increase the performance of a bank.

Regarding the relationship between *sales promotion and performance of commercial banks,* the findings reveal that the coefficient of sales promotion is positive and significant with aβ value 0.098 and t value of 12.887, with significance level at 0.000. This infers that sales promotion is a method and factor sufficient and reliable for the advancement of the bank industry. The finding is firmly bolstered by Wren et al. (2000) who contend that offering an incentive to a purchaser as a penny-off coupon or refund, gives impetus to purchase. Promotion materials such as coupons, samples, event sponsorship and student promotions are useful means of increasing bank performance since they have a tendency of clicking in the ears and hearts of people who are supported, and therefore opt for, or remain with a bank (Herri, 2011).

The fourth objective was to ascertain the effectiveness of *publicity on the performance of commercial banks*. The results show that publicity had a positive but insignificant influence on the performance of a bank, with a t value 1.548, which was significant at p=0.172. This means that the banking industry is not significantly influenced by publicity tools such as editorial announcements and product announcements and sponsorships, especially in the Tanzania context. Luna and Yamin (2018) contend that publicity helps to boost trust among potential and existing customers, which is vital for financial service providers. Nevertheless, effective publicity requires proper planning and directed to a targeted audience. However, in support to this finding, Adetayo (2006) found out that although there are many promotion strategies that are used in business firms, not all are applicable in the same context.

The fifth objective was to delineate the influence *of direct marketing on the performance of commercial banks*. Results indicate that there is a positive and statistically significant relationship between direct marketing and bank performance, with a t value of 2.178 with significant value at p=0.001. This proves that running the money industry can be effectively upgraded and affected by utilising direct marketing as a promotion strategy through peer group-based communication, direct business to business (to agents and brokers), direct response from business to consumer, availability of call centres, and online websites/blogs that increase the performance of CBs. This corroborates Herri's (2011) findings that direct marketing emphasises traceable and measurable responses from customers regardless of medium. Nevertheless, a study by Page and Luding (2003) found that customers generally evince a negative attitude toward banks using direct marketing strategies. They have mixed feelings about response channels and low intention to purchase as an outcome of direct marketing.

Conclusions

The performance of commercial banks is vital in Tanzania since the area comprises extraordinary commitment to the economy through its immense contribution to business creation and total national output (GDP), among others. Business banks should utilise different promotional measures to upgrade business though proven strategies such as sales promotion, advertising, personal selling, and direct marketing. This is on the grounds that these measures altogether were observed to be statistically significant in increasing performance of commercial banks.

From a managerial point of view, the study has shown that strategies are critical in the execution of services by banks. Consequently, managers/supervisors in the banking industry need to activate, arrange, and control advancement assets (including effective promotion) needed to improve a heathy climate of a bank. Bank supervisors must know that for execution of business, and advancement techniques add to the degree of performance. In this way, they should think of ways to allocate resources for promotion campaigns by concentrating on the four variables that predict improvements in the performance of commercial banks.

From the findings, the study recommends the following:

(a) Advertising should be emphasised due to its potential to reach a broader public and create awareness and interest among potential customers.
(b) Managers in promotion efforts should centre on promotion deals and individual offering. This is achievable though providing specific education to sales personnel that is needed to interact with deals-prone customers, and thereby lead to positive customer perception of a bank.
(c) Banks should exploit advantages emanating from the use of direct marketing, where studies have indicated that contacting customers by direct marketing tools contribute to increased repeat business and enhanced customer satisfaction (Gengler & Leszczyc, 1997). The use of tools such as direct mail, telemarketing, direct selling, text massages, emails, intelligent shopper sites, fliers, limited time letters, and outside publicising could be enhanced for bank advancement.
(d) Lastly, bank managers should be aware of personal selling as an important promotion strategy as face-to-face interaction with clients has proven to be one of the best ways to promote performance in commercial banks.

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Appendix

Table A1: Exploratory Factor Analysis

Scale Items	S/Promotion	Advertising	Publicity	Personal Selling	Direct Marketing	Customer Retention
Coupons given to clients increase bank performance	.701					
Samples given to clients increase bank performance	.713					
Event sponsorship by CRDB increases bank performance	.696					
Students promotion by CRDB increases bank performance	.706					
Social media increases bank performance		.838				
Wall branding/Billboards increase bank performance		.766				
Road shows on CRDB increase performance		.776				
Radio adverts on CRDB increase bank performance		.772				
Editorial announcements increase bank performance			.770			
Product announcements increase bank performance			.766			
CRDB sponsorship increases bank performance			.756			
Direct interactions with customers increase bank performance				.890		
Reliability of services/products increase bank performance				.886		
Positive WOM about CRDB increases bank performance				.868		
CRDB staff courtesy increases bank performance				.852		
Peer group-based communication increases bank performance					.852	
Direct responses from Business and end consumer increase bank performance					.898	
Availability of call centres through CRDB staff increases bank performance					.784	
Bank performance has increased as a result of sales promotion					.771	
Bank performance has increased as a result of sales promotion						.804
Bank performance has increased as a result of advertising						.779
Bank performance has increased as a result of publicity						.758
Bank performance has increased as a result of personal selling						.707
Bank performance has increased as a result of direct marketing						.852

Source: Field Data, (2018).