

CRDB BANK AND THE POWER OF PROMOTION: INVESTIGATING ADVERTISING AS A TOOL FOR COMPETITIVE ADVANTAGE

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Abstract

This research aimed at determining how effective advertising is at increasing business growth in the banking industry. The study's target population was 38 employees of CRDB Bank in Ilala District, out of these thirty-five (35) respondents were selected using a purposive sample technique. Likert scale was used, whereby 1 indicating Strongly Agree, 2 indicating Agree, 3 indicating Undecided, 4 indicating Disagree, and 5 indicating Strongly Disagree. Data were entered and analysed by SPSS software. The study's findings revealed that, nearly 65 per cent of the respondents strongly agreed that advertising as an integrated marketing communication medium assists the banks in improving and enhancing client loyalty. Furthermore, 74.3 percent strongly agreed that advertising assists the banks in increasing sales volume and 25.7 percent agreed that advertising assists the bank in increasing sales volume. As a result, the vast majority of the respondents stated that advertising helped the bank to increase sales volume. According to the study, CRDB bank's management should invest heavily in all Integrated Marketing Communication (ICM), including advertising, because it has a direct impact on the bank's success.

Keywords: Advertising Effectiveness, Business Growth, Banking Industry, Integrated Marketing Communication (IMC), Customer Loyalty

1.0 INTRODUCTION

Integrated communication is a critical factor in the success and failure of today's increasingly competitive corporate world on a global scale (Pelsmacker, Geuens et al 2013). In order to keep up with the competition and changing consumer needs and wants in a competitive business environment, commercial banks are forced to adopt effective Integrated Marketing Communication strategies, including advertisement, to promote their products/services beyond borders, thus creating awareness and growing their marketing share (Muhanji & Ngari 2015).

Advertising tactics can be used by commercial banks to recruit and retain customers, resulting in a higher return on investment. Marketers have shifted away from traditional mass media-based communication strategies to a more personalized, customer-focused, and technologically driven, resulting in the evolution of advertising (Kemal 2011). Advertising has been used in much larger markets. Multinational corporations such as McDonald's and Cadbury's, dominate certain industries such as highly visible markets in various countries. For example, European countries such as New Zealand, Germany, the United Kingdom, and Scandinavian countries have used advertising as an Integrated Marketing Communication tool to assist their businesses in adapting to technological advances (Van de Merwe 2009).

In African countries such as Kenya, enterprises such as Kenya Airways and Safaricom use advertising as a key component of integrated marketing communications, whereas indigenous companies do not (Cheruiyot 2014). In the case of South Africa, it was discovered that only a few marketing communication methods are properly used to assist small and medium-sized enterprises (SMEs) expand (Lekhanya 2015).

Marketing communications have an undeniable impact on business growth and organizational effectiveness in Tanzania. Marketers use their extensive communication knowledge to assist organizations in developing a strong corporate identity, which creates the company brand or image. Advertising, sales promotion, personal selling, public relations and direct marketing are all components of integrated marketing communication that provide management with market insights and potential business orientations (Kayega 2013).

In today's competitive marketing environment, both small and large businesses must embrace advertising techniques to attract and retain customers, resulting in long-term relationships, sales performance, and overall productivity (Cheruiyot 2014). Tanzanian banks have implemented the advertising system to make service provision easier and more accessible to customers. The majority of banking institutions have currently linked their commercial offerings. Thus, the current aim to assess whether Tanzania's bank advertising strategy has effectively met the demands and services of its customers.

2.0 METHODOLOGY

In this study, a case study approach was used, focusing on a single unit of analysis. The choice of using a case study design in this field was justified because data from case studies are complete and reliable due to their ability to analyse situations in depth, allowing the researcher to obtain information that is both purposeful and extensive (Kothari 2014).

This research was conducted at the CRDB Bank. The researcher chose CRDB Bank Plc because it is one of Tanzania's major commercial banks. Established in 1996, the bank operates a network of more than 118 branches, 335 ATMs, 13 mobile branches, 984 point of sale (PoS) terminals, 845 agent-service centres and more than 450 microfinance partner institutions (CRDB Annual report, 2017).

A finite Population Correction has been applied to the sample size formula. The formula = $N * X / (X + N - 1)$, whereby N = Population and $X = Z_{\alpha/2} * p * (1-p) / MOE^2$, and $Z_{\alpha/2}$ is the critical value of the Normal distribution at $\alpha/2$ (e.g. for a confidence level of 95%, α is 0.05 and the critical value is 1.96), MOE is the margin of error, p is the sample proportion and N is the population size.

The study's target population was 38 employees of CRDB Bank in Ilala District, whereby the sample size was 35 respondents, including 5 department heads, 10 respondents from Marketing Department, 10 from Operational Department and 10 respondents from other departments. In the investigation, the researcher used a purposive sampling strategy. The researcher used primary data in this study to obtain extensive information about the topic. In this regard, questionnaires, interviews, and a documentary were used for data collection.

The data and information were gathered from primary and secondary sources, a descriptive and frequency analysis were conducted. Statistical Package for Social Science (SPSS) was used to analyse quantitative data, where percentages and frequencies of the responses were computed. Descriptions, interpretations, and implications of the findings were presented to elaborate the information descriptively.

3.0 RESULTS AND DISCUSSION

3.1 The Influence of Advertising on CRDB Bank's Growth

The study investigates the impact of advertising in promoting the expansion of CRDB Bank. A total of 35 respondents responded to the questionnaire. A Likert scale was used, with 1 indicating Strongly Agree, 2 Agree, 3 Undecided, 4 Disagree, and 5 indicating Strongly Disagree.

S/N	Advertising	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Advertising helps bank to improve and enhances customer loyalty	65.7%	25.7%	0	8.6%	0
2	Advertising helps bank to increase sales volume	74.3%	25.7%	0	0	0
3	Advertising helps bank to increase number of customers	60%	40%	0	0	0
4	Advertising helps bank to increase awareness of customers to the bank services	65.7%	28.6%	0	5.7%	0
5	Advertising helps to increase bank reputation	57.1%	22.9%	8.6%	11.4%	0

Source: Research survey (2021)

3.2 Advertising helps banks to improve and enhance customer loyalty

At CRDB Bank, the researcher wanted to know whether the respondents thought the bank's advertising strategy helped increase and enhance customer loyalty. As previously stated, approximately 65 per cent of the respondents strongly agreed that advertising assists the banks in improving and enhancing client loyalty, while 25.7 percent disagreed. Only a few people (8.6 percent) indicated that advertising, as an advertising technique, aided the banks in developing and improving customer loyalty. Similar findings are reported in a study by Borden (2013) who revealed that advertising introduces the firm's brand to the existing and new clients, thereby improving customer loyalty and appeal.

3.3 Advertising helps bank to increase sales volume

In this statement, the findings reveal that 74.3 per cent of the respondents strongly agreed that advertising helps the bank increase sales volume and 25.7 percent agreed that advertising helps the bank to increase sales volume. The finding implies that the majority of the respondents thought advertising assisted the bank in increasing sales volume. Advertising, as an integrated communication strategy, appears to have a significant impact on increasing sales volume at the CRBD bank. According to Cheruiyot (2014), advertising, direct marketing, personal selling, sales promotion, and public relations increase a company's success by increasing customer attractiveness, loyalty, sales volume, branch expansion, and reminding clients of the bank's offerings.

3.4 Advertising aids in the growth of the bank's customer base.

The findings reveal that sixty percent (60%) of the respondents strongly agreed with the statement that advertising helps the bank increase the number of clients, while the remaining forty percent (40%) agreed. The findings imply that the majority of the respondents agreed that advertising helps the bank attract new customers. The findings imply further, the CRBD Bank's advertising strategy has a significant impact on increasing the number of customers. The study's findings are consistent with the findings of a study by Kayega (2013), who revealed that advertising is extremely important in the banking industry because it helps the bank increase the number of clients.

3.5 Advertising helps the bank raise customer awareness of its services

The advertising channel was reported to have an effect on the bank because it raises consumer awareness of the bank's offerings. About 65.7 percent of the respondents strongly agreed that advertising helps the bank increase customer knowledge of the bank services, while 28.6 percent agreed. The percentage of respondents who agreed that advertising as an integrated marketing communication medium aids the bank in increasing consumer awareness of bank services was low (5.7 percent).

According to the study findings, the majority of respondents strongly agreed that advertising helps the bank increase customer awareness of bank services. The findings reveal further that advertising, as part of the advertising strategy, plays an important role in increasing customer awareness of the bank services. This finding is consistent with the findings in a study by Perreault's (2013) who reveal that advertising's goal is to publicize a brand. Similar findings are also reported in a study by Kottler's (2010) who reveal that the primary goal of advertising is to inform, persuade, and remind people about the brand's products and services.

3.6 Advertising contributes to the enhancement of the bank's reputation

The study aimed to determine whether an advertising strategy can help the bank improve its reputation. As previously stated, approximately 57.1 per cent of the respondents strongly agreed that advertising channels assist the banks in building their reputation, with 22.9 percent agreeing and 8.6 percent undecided. On the other hand, 11.4 per cent of the respondents disagreed with the statement that advertising channels aid the banks in improving their reputation.

These findings indicate that the majority of the respondents strongly agreed that advertising helps to improve the bank's reputation. The findings imply that advertising has a significant impact on the enhancement and development of the bank's reputation. In an interview with the head of departments, one of the respondents stated the following about the importance of advertising in boosting the bank sector's growth: -

Advertising is one of the IMC instruments that is critical to the success of the financial sector, particularly in our bank. It helps the bank, for example, improve and enhance customer loyalty while also increasing sales volume. As a result, I believe it serves an important role in the banking industry.

Based on the foregoing discussion it can be concluded that advertising has a significant impact on improving the growth of CRDB Bank.

4.0 CONCLUSIONS AND RECOMMENDATIONS.

The Integrated Marketing Communication (IMC) strategy has proven that advertising assists the banks in improving their growth in terms of enhancing customer loyalty, increasing sales volume, customer base and increasing awareness. Therefore, advertising is critical to the growth of CRDB Bank.

The CRDB Bank's management should invest heavily in all Integrated Marketing Communication (IMC) instruments, not just advertising, because all Integrated Marketing Communication ICM tools contribute directly to the company's performance. The bank's management should demonstrate its commitment to the improvement of performance by investing significantly in the effectiveness of integrated marketing communication (IMC) tools.

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