INFLUENCE OF PROMOTIONAL MIX ELEMENTS ON BRAND LOYALTY IN THE KENYAN BANKING SECTOR; THE CASE STUDY OF NIC BANK LTD, HARAMBEE AVENUE BRANCH, NAIROBI

BY

IVY WAMBUI MACHARIA

UNITED STATES INTERNATIONAL UNIVERSITY AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirements for the Degree of Masters in Business Administration (MBA)

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STUDENT’S DECLARATION
I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________ Date: __________________________
Ivy Macharia (ID 641587)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: __________________________ Date: __________________________
Dr. Peter Kiriri

Signed: __________________________ Date: __________________________
Dean, Chandaria School of Business
ABSTRACT

The purpose of this study was to examine the effects of promotional mix elements on brand loyalty in the Kenyan banking sector. The study was guided by the research questions that were aimed at answering how personal selling affected brand loyalty in the Kenyan banking sector; how advertising affected brand loyalty in the Kenyan banking sector; and how direct marketing affected brand loyalty in the Kenyan banking sector.

The study used descriptive research design with the promotional mix elements as the independent variables, and brand loyalty as the dependent variable. The target population was all the accounts domiciled at Harambee Avenue branch which totaled 12400 in number. The total number was distributed into four categories of accounts: business accounts, personal accounts, fixed/call deposit accounts and loan accounts. Stratified sampling technique was used to select the respondents from among the list of active accounts. Thereafter Cochran’s sample size formula was applied to derive the final number of respondents to participate in the study, which came to a final 222 respondents.

The primary data collection was conducted using a four-part questionnaire. In this method, each person was able to respond to the same questions in a pre-determined way. This study employed standard deviations and correlation analysis as quantitative methods of data analysis. To guarantee ease in the analysis of the questionnaires, each questionnaire was coded in accordance with each of the research questions to ensure precision during the study process. The data collected was classified into meaningful categories and tabulations made from the same. The MS Excel was used to analyze the collected data.

The study revealed that most banks consider personal selling as more persuasive among the marketing communication mix elements in NIC Bank since it consolidates customers and maintains the buyer-seller exchange relationship. The reason behind the bank adopting personal selling approach is to cope with stiff competition, expand its portfolio in the growing market, adapt to changes in customer tastes and preferences, changes in technology, enhancing customer relationships as well as increasing sales volume of the firm.

The study revealed that the bank pays special attention to the aspects related to the design of their advertising campaigns in the media through developing original and creative strategies, and in turn advertisements have enhanced consumer knowledge and perception which has ultimately strengthened the brand loyalty. Through advertising by NIC Bank, users gain motives to purchase the advertised product and this has had positive effects on brand image and perceived quality which thus contributes toward enhanced brand loyalty.

The study revealed that NIC Bank has developed marketing programs to establish knowledge structures for the brand so that consumers respond favorably to marketing activities. The bank uses direct marketing to obtain an immediate response and cultivate lasting customer relationships. In addition, NIC Bank finds it convenient and quick to convey any information through mobile devices via text messages, push messages and email to cultivate positive effects on consumers’ brand relationships and long-term purchase behavior.

The study concludes that customers buy into the presentation and knowledge skills personal sellers possess as regards bank products and services, and the manner in which they are convinced into buying the brand and becoming loyal. The study also concludes that advertisements placed in the media and press regularly are equally appealing to different sections of the bank’s target market. The study also concludes that the approach of direct marketing used by banks plays an appropriate role in delivering what the brand stands for, its abilities and promises in order to reach towards customer trust.
The study recommended that adequate and timely personal selling should be encouraged for brands of products that are performing dismally in the market as well as products in the product life cycle that are in decline stage in an organization. With the improvement in the technology, different firms should consider use of different ways to attract new customers and to increase awareness among them. Likewise, the study recommended that banks should adopt advertising since it gives information, persuades, reminds, corrects false impressions, convinces as well as creates a brand image for buyers of a product or service. The study also recommended that banks need to build relationships with their customers through dedicated relationship managers because it is much more personal than other forms of marketing and selling.
ACKNOWLEDGEMENT
I wish to acknowledge my supervisor Dr. Peter Kiriri for his guidance and encouragement throughout this project. I also wish to extend my gratitude to my family and colleagues for their assistance and support.
DEDICATION
This project is dedicated to my loving mother for her dedication and support.
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CHAPTER ONE

1.0 INTRODUCTION
1.1 Background of the Problem

Ehmke et al (2015) advice that marketing your business is about how you position it to satisfy your market’s needs. There are four critical elements in marketing your products and business and they are known as the four P’s of marketing, inculcating product, price, place and promotion. Product refers to the offering provided to satisfy the needs of your target customer. Price refers to the right product offered at the right cost. Place means the right product at the right price available at the convenience of the customers. As for promotion, it refers to communicating to both current and potential customers of the availability of the product, its price and its place (Ehmke et. al, 2015). Promotion is described by Czinkota and Ronkainen (2004) as the direct way an organization attempts to reach its publics and is performed through the five elements of promotion mix including advertising, sales promotion, personal selling, public relations, and direct marketing. Marketing mix decisions must be made with the intention to influence the trade channels as well as the final consumer and in return the sales. Promotion arouses dialogue between an organization and its customers and it takes place during the pre-selling, selling, consuming and post-consuming stage. These promotional elements include: sales promotion, advertising, sales force, public relation and direct selling (Karunanithy and Sivesan, 2013). The promotional elements have throughout the years been regarded as separate functions handled by experts in separate departments. Over time, the sales force designed and managed its activities independently of the advertising departments and sales promotion and public relations were often the responsibility of outside agencies or specialists. Today the concept of designing market communications programs co-ordinates all promotional activities to provide consistent messages across all audiences (Afande and Maina, 2015).

The promotion mix is a blend of communications tools (advertising, the internet, and commerce, sales promotion, event sponsorship, direct marketing, and personal selling) used by a firm to carry out the promotion process and to communicate direct by with target markets (Karunanithy and Sivesan, 2013). Promotion is the direct way an organization attempts to reach its publics and is performed through the promotional mix elements (Czinkota and Ronkainen, 2004). Promotion in the marketing mix refers to establishing relationships with customers in order to inform people of products, encourage the buyers in target market to buy particular brands, stimulate attention and sometimes arouse interest. Promotion techniques have great impact on encouraging the customers to test and consume a brand (Pourdehghan, 2015). Promotion is based on communication and includes all the communicative tools that pass on a particular message (Khazaei and Baloee, 2011). Promotion is one of the elements of marketing mix among other elements like Product, Price, and Place, which comprise the 4P’s of marketing. According to Brassington and Pettitt (2000), promotion strategy is the direct way in which an organization communicates the product or service to its target audiences.

Gustafsson et al., (2005) state that increasing customer and brand loyalty requires a series of customized marketing strategies adapted to various loyalty types, such as communication, sourced from promotion as a concept of the marketing mix. Integrated marketing communication is the strategic coordination of all marketing messages and the alignment of communication methods to customers either as consumers or other targeted, relevant audiences (Cheruiyot, 2014). This concept can be narrowed down to refer to the communication mix.
In order to keep up with the competition and changing consumer needs and wants in the competitive business environment, commercial banks are forced to adopt effective Integrated Marketing Communication strategies to promote their products/services beyond boarders thus creating awareness hence growth of their marketing share. IMC strategies enable Commercial Banks to attract and retain customers and thus maximize on their investment (Ngari and Muhanjji, 2015). IMC is practiced on a large scale and is a consumer-oriented approach rather than organization-oriented that focuses on organizational needs. IMC is performed in a manner of synergy rather than in isolation (Kitchen et al., 2003). IMC is associated with brand awareness, customer satisfaction, brand loyalty, positive brand image, unique brand association, greater profitability, increased sales and cost savings as positive results. The communication mix is considered as a strategic business process which is used to plan, develop, execute and evaluate the coordinated and assessable influential marketing communication programs relevant to external and internal audiences over time (Proctor et al., 2002). In selecting an appropriate promotional mix, the financial institutions must consider the target audience, the stage of the products, life cycle, characteristics of the products, and decision stages of the products and the channel of distribution (Kotler, 2000).

In order to keep up with the competition and changing consumer needs and wants, firms are forced to adopt effective promotional strategies to promote growth across realms and as a result this creates awareness and increases usage rates of their products and services. Promotional strategies enable firms to attract and retain customers thus increased growth in terms of return on investments due to expanded client base (Kotler, 2007). The focus on promotional efforts and development of marketing strategies has remained a challenge to many firms in Kenya (Equity Bank, 2010). However, due to the growth of the service sector, it is necessary for any organization to focus on promoting their services for them to survive in the dynamic business environment (Kotler, 2007). Kristina (2006) recommends that promotional strategies should be designed as per the nature of the services to be promoted. The business should seek a narrative approach to communicate the service experience rather than a logical, argumentative approach. Location convenience, speed of service, competence and friendliness of bank personnel are also the most important points with maximum value in banking services (Aliata et al., 2012). Their study further suggests that about 90.00% of the respondents banked at the branch nearest to their home place and place of work. Convenience in terms of location was also found to be the single most important factor for selecting a branch. It has been generalized in studies that services’ marketing is more challenging than the advertising of tangible products (Ray and Suchetana, 2006). While formulating marketing strategy, a bank should focus attention on; consumer sovereignty, attitude, responsiveness and personal skills of bank staff, revitalizing the marketing department, top management support to the marketing department and participation of marketing personnel in key bank decisions (Aliata et al., 2012).

Nowadays, a brand is considered as a strategic requirement of organizations which stabilizes them in placing more value on customers and developing competitive advantages (Gilani and Mousavian, 2010). The concept of brand is defined as a name, term, sign, symbol, or design or a combination of them which is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors (Eckert et al., 2012). For consumers, brands are used to determine producers, products, product value, and the image of the company and are converted into a device for purchasing decisions (Sheng and Teo, 2012; Wang and Tzeng, 2012). Brand loyalty is one of the authentic and famous concepts in marketing and it refers to maintaining customer’s deep commitment to re-buy and select a product or service from a particular brand and repeats it continually in the future (Afande and Maina, 2015).
A crucial and important factor to continue success of an organization is its ability and capacity to maintain current customers and make them loyal (Aydin and Ozer, 2005). Many authors have emphasized the relationship between customer loyalty and business performance. Loyal customers not only promote the value of business, but aid in lowering incurred business costs in comparison with attracting new customers (Beerli et al., 2004). Maintaining customers has a significant and considerable impact on a bank’s profitability. Brand loyalty is defined as the positive feelings towards the brand and intense dedication to purchase the same brand repeatedly now and in the future, regardless of competitors’ actions or changes in the environment (Liu, 2007; Wood, 2004). Brand loyalty is experienced when customers remain committed to your brand and make repeated purchases regardless of the price offering or convenience on the product or service. According to Kotler (2003), developing a strong and stable brand requires a long term investment as this will be accomplished through regular advertising, promotion and re-launching the product or services. Brand loyalty is a measure of the attachment that a customer has to a brand. It reflects the likelihood of a customer switching to another brand, especially due to that brand’s change in price and/or other product features (Aaker, 2004). He also points out that loyalty is manifested through commitment. He argues that a strong brand has high equity as a result of the commitment, which manifests itself through a high level of interaction and communication that is involved with the product or service. Assael (2008) defines brand loyalty as representing a favorable attitude towards a brand as a result of consistent purchase of the brand over time. According to him therefore, loyalty is the result of consumers learning that one brand can satisfy their needs. Oliver (2009) defined brand loyalty as a deeply held commitment to re-buy or patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause one to switch.

With the current economic recovery taking root in Kenya, business owners have little reason to smile. Rising from the effects of the global economic meltdown, company profits are slowly but surely increasing. Due to this, competition among brands is set to increase significantly. In spite of the cut-throat competition, companies need to continually boost their bottom line. Customers appreciate efforts made by banks to offer them the best service under strained circumstances and remain loyal to them (Karuku, 2010). Building customer loyalty is critical for two main reasons; it results in customers staying with a service provider for longer, as well as encouraging repeat purchases by the customer from that service provider. As a result, the profitability of the organization is maintained by keeping the advertising and other marketing costs low. In addition, word of mouth referrals are increased. This customer loyalty is viewed as a strategy that creates mutual rewards to benefit firms and customers (Murugan, 2013). Marketers should therefore focus their marketing efforts on retaining existing customers rather than attracting new ones (Reichheld and Schefter, 2000).

Brand loyalty is desired by firms because retaining existing customers is less costly than obtaining new ones, and firms profit from having loyal customers (Aaker, 2004). For any organization to be successful in the future, it is important that it maintains a high rate of customer loyalty because it costs more to acquire a new customer as compared to the cost of maintaining an already existing customer (Aaker, 2004). Profit over time is increased because firms do not have to spend as much per customer for maintaining the relationship or marketing to them, and loyal long-term customers spend more money on their brands (Rundle-Thiele and Bennett, 2001). Another benefit of brand loyalty involves significant reduction in marketing and customer support costs, as some existing
customers provide brand exposure and reassurance to new customers (Pratminingsih et al., 2013). This reduces a company’s vulnerability to competitive action as competitors get discouraged to spend their resources on satisfied customers. Further, loyalty creates a suitable platform for new products and line extensions for the company (Berry, 2000). Higher loyalty also means great trade leverage since customers expect the brand to be available at all times (Murugan, 2013).

According to Obulutsa and Merriman (2014), commercial banks’ performance in Kenya over the last decade has not been impressive. Several reforms have been implemented in the financial sector since the 1990s aiming at increasing performance, stability, productivity, financial access and efficiency. In the banking sector today, customers have become more knowledgeable and demanding of their consumer rights, wants and satisfaction levels. In turn, commercial banks in Kenya have become market driven by forming strong brands, aimed at maintaining long-term relationships with their customers. The essence and nature of strong relationships and their business values are encapsulated in the concept of brand loyalty. Surveys show that recruiting new customers is up to six times more expensive while compared to retaining the existing customers (Mbugua, 2014). Banks in the industry are using different promotional strategies in order to remain competitive in the industry which has been very competitive. Equity bank uses regular press advertisements in print and electronic media, telemarketing and to promote its products (Equity Bank, 2010).

1.2 Problem Statement

Under fierce competition conditions of present day, the integrated marketing communication plays an important role in strategic harmonization of brand and company messages intended for the apprehension of value expectations of consumers (Reid, 2002). Financial institutions are realizing that their established promotion practices are inadequate for new market conditions as levels of customer defection in the sector grow. Traditionally, banks have tried to reach out to everyone in the community, but recent research proposes that banks should aim to identify and serve micro segments. The role of promotion has been redefined into managing long-term relationship with carefully selected customers, including construction of learning relationship where the marketer maintains a dialogue with an individual customer (Dawes & Brown, 2000). For organizations this implies placing more emphasis on the individual consumer needs and expectations as well as heavily investing in advertising (Lloyd, 2004). From the early 1990s, customers’ loyalty has come to be a key concept again associated with many others including satisfaction, commitment, trust, identification and the relationship with or the attitude towards the brand (Binninger, 2008). During the same period, the concept of integrated marketing communications has made its way into the marketing and branding literature (Reid et al., 2005). Central to this concept is the notion that consistency among all communication messages is essential to assemble the right brand-knowledge structure (Reid et al., 2005).

There has been tremendous growth in the Kenyan banking industry. Changes in the Kenyan economy and Commercial Banks have not been spared from the impact of these changes. There are various banking laws in Kenya that govern and regulate the way banks are formed, operate and are managed in the country. Some of these laws include but not limited to the appropriation act, banking act, bankruptcy act, Barclays Bank of Kenya limited act, capital markets, Central Bank of Kenya act, central depositories act, cheques act, general loans and stock act among other laws (Ngari and Muhanji, 2015). The laws are divided and partitioned to cover the different aspects in the banking industry. It also enables the government to keep an eye in the way the banks are operated and managed. According to customer surveys that have been carried out on customer satisfaction, quality service delivery to customers by Commercial Banks in Kenya still has remained a challenge due to inappropriate strategies adopted. Adoption of effective strategies by
Commercial Banks in Kenya in managing service quality will enhance organizational performance and market competitiveness (Ngari and Muhanji, 2015).

1.3 Purpose of the Study
The purpose of this study was to establish the influence of promotional mix elements on brand loyalty in the Kenyan banking sector.

1.4 Research Questions
This study sought to answer the following questions:
1.4.1 How does personal selling influence brand loyalty in the Kenyan banking sector?
1.4.2 What is the effect of advertising on brand loyalty in the Kenyan banking sector?
1.4.3 How does direct marketing affect brand loyalty in the Kenyan banking sector?

1.5 Importance of the Study
1.5.1 Top-level management of NIC Bank Ltd
The study of the influence of product promotion on brand loyalty of banking products will assist top-level management with the knowledge on what strategies of product promotion will be best suited for their communication projects and campaigns in an effort to create and maintain brand loyalty. Businesses not included in the banking and financial services industry will be able to benefit from this research by applying the correct promotional strategies to the specific businesses that they operate, as not all promotional strategies have the same effect on different business types. One strategy may be useful in technology-based business ventures that may be completely ineffective in a service-based business.

1.5.2 Commercial Banks
NIC Bank Ltd, other commercial banks and other financial institutions in the industry would benefit from this research by being able to understand different techniques used by their counterparts and other key players in the industry to maintain their customer bases and enhance customer loyalty through improved communication with their clients.

1.5.3 Industry Regulators
The findings would be used by the Central Bank of Kenya and the Kenya Bankers’ Association in policy formulation to control and regulate banking operations in Kenya, by developing insight into customer loyalty programs and enabling banks with more leeway in creation of communication and customer retention programs.

1.5.4 Scholars
This study will be a source of reference to other future researchers who may have an interest in researching a similar topic in other industries or to further establish more findings in this area. The study will also benefit researchers who wish to critique this research in comparison with other research done with reference to other banks, markets, or countries.

1.6 Scope of the Study
The study was carried out at NIC Bank Ltd at Harambee Avenue branch located on Harambee Avenue in Nairobi’s CBD, and was conducted among its 12400 active accounts. Data collection period was conducted between February 2017 and March 2017. The study covered three variables namely: personal selling, advertising and direct marketing.

The study was faced by non-cooperation by respondents or a tendency to not take the research seriously. But this was curbed by first disclosing to the respondents the purpose of the research and the importance of their input into the research study being carried out, and anonymity was assured. Information was collected from the respondents through the use of a questionnaire.

1.7 Definition of Terms
1.7.1 Personal selling
Personal selling is a two way communication tool between a representative of an organization and an individual or group, with the intention to form, persuade or remind them, or sometimes serve them to take appropriate actions (Ngari and Muhanji, 2015).

1.7.2 Advertising
Advertising is impersonal communication of information about products, services or ideas through the various media, and it is usually persuasive by nature and paid by identified sponsors (Florova, 2014).

1.7.3 Direct Marketing
Direct Marketing is the use of consumer-direct channels to deliver goods and services to consumers without marketing intermediaries (Retail Banking Academy, 2014).

1.7.4 Promotion Mix
Promotion refers to raising customer awareness of a product or brand, generating sales, and creating brand loyalty. It is one of the four basic elements of the market mix, which includes the four P’s: price, product, promotion, and place (Thuo, 2008). Promotion mix is a blend of communications tools used by a firm to carry out the promotion process and to communicate directly with target markets. These promotional mix tools include advertising, the internet, and commerce, sales promotion, event sponsorship, direct marketing, and personal selling (Karunanithy and Sivesan, 2013).

1.7.5 Brand loyalty
It is a behavioral and attitudinal tendency to favor one brand over all others, whether due to contentment with the service or product, its performance or simply comfort and familiarity with the brand (Dick and Basu, 2004).

1.8 Chapter Summary
Chapter one covers the background of the study whereby the promotion mix and brand loyalty are defined. Banks have recognized the significance of communicating their offerings to their customers through the right channels. This will help them deliver the message in the intended way to further enhance customer retention. Communication of brands has become one of the most effective ways to build and retain customer relationships. A good and effective brand normally has attributes which endure them to their loyal customers.

Chapter two looks at literature review on the three main variables forming the research objectives. The research objectives address personal selling, advertising and direct marketing variables that affect brand loyalty among customers of commercial banks in Kenya. Chapter three looks at the research methodology used. Chapter four has focused on the results and findings of the study and chapter five gives the discussion, conclusions and offers the study recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
Literature review presents literature related to promotion mix and brand loyalty. It presents literature as presented by other scholars and researchers. The literature review has discussed the effects of personal selling and its effect on brand loyalty in the Kenyan banking sector; it has also discussed advertising on the brand loyalty and customer retention in Kenyan banking sector; and how direct marketing affects brand loyalty in Kenyan banking sector.

2.2 The Effects of Personal selling on Brand Loyalty
Brassington and Pettit (2000) argue that, personal selling is a two way communication tools between a representative of an organization and an individual or group, with the intention to form, persuade or remind them, or sometimes serve them to take appropriate actions. Achumba (2000) describes personal selling as an oral presentation in a conversation with one or more buyers for the purpose of making sales. Furthermore, personal selling is a crucial element in ensuring customers’ post-purchase satisfaction, and in building profitable long-term buyer-seller relationship built on trust and understanding. Kotler and Armstrong (2008) posits that personal selling is the personal communication between a firm’s sales force and customers for the purpose of making sales and building customer relationship. Kotler and Armstrong (2008) and Kotler and Keller (2009) submitted that personal selling is one of the oldest profession in the world.

2.2.1 Seller Skills and Brand Loyalty
Personal selling in essence involves the building of relationships through communication for the purpose of creating a sales transaction. Personal selling is defined by Weitz and Castleberry (2004) as an interpersonal process whereby a seller tries to uncover and satisfy buyer’s needs in a mutually long term beneficial manner suitable for both parties. Thus personal selling is interpersonal communication regarding goods and services. Communication is the most basic activity for the sales representative during personal selling exchanges (Engel & Kollat, (2011). It is a social situation involving two persons in a communication exchange. Success depends on how well both parties achieve a common understanding enabling mutual goal fulfillment through social interaction (Kotler, 2003). Weitz et al (2004) state that the role of a sales representative is to engage and collect information about a prospective customer, develop a sales strategy based on that information, transmit a message that implements organizational strategy, evaluate the impact of these messages and make adjustments upon this evaluation. Kotler (2003) noted that personal selling is a useful vehicle for communicating with present and potential buyers. Personal selling involves the two way flow of communication between a buyer and seller often in face to face encounters designed to influence a person’s or group’s purchase decision. However, with advances in technology, personal selling also takes place over the telephone, through video conferencing and interactive computer links between buyer and seller though personal selling remains a highly human intensive activity despite the use of technology.

The importance of personal selling arises as salespersons act like a connection ring between the organization and consumers. Personal salespersons contribute to creating an excellent mental impression and a good image for the organization among its customers. However, it appears to be one of the most expensive and labor intensive forms of promotion and it should only be used when such high costs can be justified. In order to be successful in sales process, having information on marketing, financial issues and activities are essential (Storbacka, 2009).

2.2.1.1 Technical and Marketing Skills
Technical knowledge refers to salespersons’ skills in providing information about design and specification of products and the applications and functions of both products and services. Salespersons also possess knowledge about the industry and trends in general such as customers, markets and products; competitors’ products, services, sales policies; knowledge of competitors’ product lines, and knowledge of customer operations (Baldauf and Cravens, 2002; Futrell, 2006). These constitute the marketing skills of a salesperson. Thus, both knowledge assets refer to the level of understanding a salesperson has about the business in which he or she operates. An extensive knowledge base is important for a salesperson since it allows them to cope with the complex market environment. A positive relationship empirically supports that the use of technical knowledge results in higher salesperson performance (Baldauf and Cravens, 2002).

2.2.1.2 Interpersonal Skills
Interpersonal skills refer to mental and communication algorithms applied during social communication and interaction to achieve certain effects and results. According to Rentz et al., (2002), the dimensions of interpersonal skills are listening, empathy, optimism and perceived observation skills. These dimensions were operationalized and empirically tested independently to represent interpersonal skills measures in predicting salesperson performance. Thus, these dimensions are likely to collectively realize effective interpersonal skills, and, in turn, salesperson performance for achieving high sales performance leading to the requirement that salespeople have or develop strong interpersonal skills.

2.2.2 Problem Solving in Personal Selling and Brand Loyalty
Salespeople are the critical link between the firm and its customers; salespeople are the company in a customer’s eyes. They represent what a company is or attempts to be and are often the only personal contact a customer has with the company; and lastly, personal selling may play a dominant role in a firm’s marketing program. Salespeople can create customer value in many ways. For instance, by being close to the customer, salespeople can identify creative solutions to customer problems. Personal selling assumes many forms based on the amount of selling done and the amount of creativity required in performing the sales task (Adebisi, 2006). The selling must be managed if it is to contribute to a firm’s overall objectives. Personal selling creates a greater level of participation in the decision process by the vendor especially when combined with tailored messages in response to the feedback provided by the buyer (Fill, 2009). Peoples’ knowledge of the product is raised further, and the product awareness will increase sales. After peoples’ awareness they expect an increase in sales (Murianki, 2015).

However, he also argues that since personal selling messages are not controlled, they may lead to inconsistency which in turn leads to confusion of the client. Therefore the messages presented by the sales personnel should be regulated and the time they spend with the prospects limited to avoid jeopardizing the communication process, (Pieircy, Low & Cravens, 2004).

2.2.3 Company Objectives in Personal Selling and Brand Loyalty
According to De Pelsmacker et al (2001) this communication tool can be defined as two-way, face-to-face communications used to inform, give demonstrations to, maintain or establish a long-term relationship with members of particular audiences (De Pelsmacker et al. 2001). It is the most important tool of the marketing communications mix and representing the company is largely the role of personal selling and the salesperson is an important factor in image-building. There is a possibility of feedback and evaluation of messages that have been transmitted so that these personal messages can be modified and made more personal than any of the other communication tools. In business-to-business markets, sales personnel operate at the border of the organization and provide the link between the organizational needs and the needs of their customers. Without personal selling, communication with other organizations would occur through electronic or print...
media (Fill, 2006). The major advantage of personal selling is the impact it has, meaning that a salesperson is more likely to break through, get people’s attention and even be remembered afterwards. The salesperson has the possibility of adapting the message to the type of customer he or she is dealing with. Since the communication is two-way there is less risk of misunderstandings and as stated earlier the salesperson gets immediate feedback (Fill, 2006). There is however also disadvantages with personal selling, such as high costs. As a consequence of this, the company cannot afford to send a salesperson to customers too often, therefore reach and frequency will remain limited. Also, the company does not have full control over its sales force, as it has over the other communications tools. There may be differences in how salespersons represent the company. Sometimes the salesperson is the only contact a customer has with the company and therefore it is important that the salesperson act in a proper manner since inconsistent behavior or messages might create confusion as to what the company stands for. (De Pelsmacker, 2001).

2.2.4 Target Audience in Personal Selling and Brand Loyalty
Weitz et al (2004) noted that personal selling programs are directed to the ultimate consumer, to an intermediary (retailer, wholesaler or industrial distributor) or to both. Kotler and Armstrong (2010) stated that industrial buyers have specialized needs or technical questions and so personal selling is particularly important as the sales person can provide information and the necessary support after sales. He further states that the role of sales representative is to engage and collect information about a prospective customer, develop a sales strategy based on that information, transmit a message that implements organizational strategy and evaluate the impact of these messages and make adjustments upon this evaluation.

2.2.5 Product Life Cycle in Personal Selling and Brand Loyalty
All products have a product life cycle and the composition of personal selling changes over the four life cycle stages. The personal selling objective at the introductory stage is to inform consumers in an effort to increase their level of awareness. At this stage, personal selling is particularly important as a means of reaching as many people as possible to build up awareness and interest (Peter & Donney, 2011). At the growth stage, Kotler and Armstrong (2010) noted that primary objective of personal selling is to persuade the consumers to buy the product. Personal selling is primarily used to stress brand differences and to solidify the channel of distribution. At maturity, the need for personal selling at this stage is to maintain existing buyers and remind buyers of the product’s existence. The company also uses premiums to maintain loyal buyers (Sunday, 2011). This enables organizations to maintain their customers because if that is not done the consumers can switch to other companies’ products. The final stage in a product’s life cycle is the decline stage. At this stage little money is spent in personal selling as the product is phased out (Kotler and Armstrong, 2010).

2.3 The Effects of Advertising on Brand Loyalty
Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services and it is required price (Kotler, 2003). The paid aspect of this definition is important because the space for the advertising message normally must be bought. Advertising is a highly public mode of communication. It is a persuasive medium that permits the seller to repeat a message many times. It provides opportunities for dramatizing the company and its products through artful use of print, sound and color. Advertising, unlike personal selling is impersonal. It carries a monologue message to the audience from an identified source (Hart, 2008). Considerable research focuses on advertising as an antecedent of brand loyalty (Yoo et al., 2000). In recent years the role of advertising in the banking industry in both personal and corporate markets has expanded dramatically and the financial services industry is now one of advertising revenue. In developing an advertising strategy the bank must first ensure that it conforms to overall marketing strategy.
Hong et al. (2011) suggest that advertising can be seen as a “defensive” strategy used to build brand loyalty, which helps in retaining the loyal consumers.

2.3.1 Platform Use and Brand Loyalty
Advertising is the most important and traditional way of making the customer aware and informing them. Radio, television and newspapers are the most traditional ways of creating image of brands and help in generating more sales and revenues (Hameed, 2013). With the passage of time, there have been several technological advancements which have become a part of the marketing environment and facilitated the marketing practitioners in achieving their objectives (Howard, 2010).

With respect to the variety of advertising media, three public ones are studied which are most applied: television, radio and magazine. With the emergence and relatively fast pace of internet penetration, some advertising activities, such as search engine results, social network ads, blogs, e-mail messages are becoming more widely used by companies of any type and size. It is notable to mention that online advertisement is the fastest-growing type nowadays (Wright et al., 2010).

Advertising on social media networks is one of the newest forms of internet advertising and has gained attention from the popular press (Hart, 2008). The large number of unique visitors attracts advertisers to social networking sites. Social networks also offer a variety of services for many different kinds of people and almost all of the social media platforms allow advertisers to use the space on their websites for advertising purposes (Hadija, Barnes and Hair, 2012). This has facilitated the easy access to consumers for advertisers, thus widening and personalizing their advantage scope. Instead of spending millions of dollars on mass marketing that consumers continue to block out, modern marketers are now focusing on tailored messages and relationship-building with customers. A key component of this type of marketing is targeting the right people with the right message through social media (Wright et al., 2010).

On a related theme, Brennan and Croft (2012) examined whether social media could be used to facilitate the development of trusting relationships between buyers and sellers. They claim that “in business-to-business sectors the audience for social media conversations is invariably small, with many of the parties involved known personally to each other. Such social media conversations reduce perceived risk when buyers and sellers are at an early stage of their business relationship”.

2.3.2 Advertising Spending and Brand Loyalty
Advertising spending is studied as consumer perception of advertising frequency and expenditure (Hameed, 2013). Advertising spending is found to have direct and positive impact on brand loyalty. Moreover, the primary effect of advertising is to increase brand name recognition (Kandampully and Suhartano, 2000). Millions of dollars are spent every year on advertising that leads towards brand loyalty; creating loyal customers attached to a particular brand or firm (Chioveanu, 2008). Advertising can be said to be an important tool in creating awareness among customers and intense advertising spending is the indicator of high quality and shows that the company is investing in the brand/product (Hameed, 2013). The stronger brand invests less in advertising than the weaker brand because it faces little threat from the weaker brand (Hong et al., 2011).

Since advertising spending affects expectations of product or service quality (Moorthy and Zhao, 2000; Yoo et al., 2000), its role should be indirectly linked to brand loyalty suggesting that rather than the advertisement itself, it is how advertising affects customer perception of the firm that is more critical in shaping brand loyalty. A study by Aliata et al. (2012) established that the amount spent on advertising had a statistically significant relationship with the performance of National Bank of Kenya measured by profits. With a limited advertising budget, marketing professionals always seek for effective advertising strategies and channels. Online advertising has thus been one
of the most attractive channels due to its advantages of rich content provision, strong interactivity, precise targeting, and low operating cost (Peng et al., 2014).

Considerable research focuses on advertising as an antecedent of brand loyalty (Yoo et al., 2000). Advertising spending is not only a signaling device but also an informational device (Moorthy and Zhao, 2000). Advertising has an important effect in reinforcing perceived performance and usage experience of a particular brand (Moorthy and Hawkins, 2005).

2.3.3 Advertising Objectives of the Organization and Brand Loyalty

Perreault (2000) states that advertising seeks to promote the seller’s products by means of publicizing them through different kinds of media like print and electronic. This is justified on the grounds that messages can reach large numbers of people and make them aware and persuade and remind them about the firm’s offerings. From a marketing management perspective, advertising is an important strategic device for maintaining a competitive advantage in the marketplace. Advertising budgets represent a large and growing element in the cost of goods and service (Kotler and Armstrong, 2005). Advertising plays an important role in marketing communications since it can reach large audiences with simple messages that present opportunities for the receivers and allowing them to understand what a product is and what primary function it has, and how it relates to other similar products. Therefore, the main function of advertising is to communicate with specific audiences, which may be consumer or business audiences. The prime objective is however to build or maintain awareness of a product or organization. It is important to know that advertising does not have a single role since it can be used to get several outcomes. Apart from its ability to reach large audiences, the key strengths of advertising have been to develop brand awareness, values and associations (Fill, 2006). The use of interactive media in the market place is experiencing explosive growth. Unfortunately, high expectations have been replaced by disappointment with many companies becoming increasingly skeptical as to when, if ever, their interactive media efforts will turn profitable (Perreault, 2000).

He further suggests that setting advertising objectives should be based on the past decision about the target market, positioning and marketing mix which defines the job that advertising must do in the total marketing program. An advertising objective is a specific communication task to be accomplished with a specific target audience during a specific period of time. Advertising objectives can be classified by primary purpose whether the aim is to inform, persuade, or remind.

Informative advertising is used heavily when introducing a new product category by building primary demand. Some persuasive has become comparative advertising, in which a company directly or indirectly compares its brand with one or more brands. Reminder advertising is important for mature products—it keeps consumers thinking about the product (Kotler, 2011). It is very relevant to any organization. Advertising on mass media has made advertising to be more precise, has played a major role in business to consumer marketing and enabled companies to meet communication and other marketing objectives. Advertising has contributed to enhancing customer loyalty, attraction of new customers, increasing sales volumes, enhancing branch expansion, creating awareness about the bank and its products and reminding customers to purchase the bank’s products (Cheruiyot, 2014).

Advertising offers great level of control for those who are responsible for designing and delivering advertising messages (Fill 2006). The message can be transmitted in a particular manner and style that have been agreed upon at times that matches the management’s requirements. The regular use of advertising can be important for creating and maintaining brand personality when it is in cooperation with other elements of the marketing communications mix.
Advertising plays a significant role in the development of competitive advantage. In consumer markets advertising is the dominant form of communication for many organizations (Moorthy and Hawkins, 2005). It is a good marketing communication tool to inform and persuade people whatever product, service or idea is being promoted. It can be used to strengthen the corporate image and its products and so reinforce buyer loyalty. Advertising in the business-to-business market is more about to inform and remind and to provide relevant facts upon which decisions can be made. Regardless of the target audience, all advertising requires a message and a carrier to deliver the message to the receiver (De Pelsmacker, 2001).

In a research on consumer packaged goods, it was found that in the long run price promotions (temporary price reduction, feature, or coupon) make consumers more price sensitive in both loyal and non-loyal segments. In contrast, non-price-oriented advertising such as brand building makes consumers less price sensitive in both segments, the impact being stronger on the non-loyal consumers. Hence, advertising increases the relative strength of brand preference, making consumers more loyal (Merisavo, 2006). Similarly, it was also established that in the long term, advertising has a positive effect on brand equity while promotions have a negative effect. Furthermore, their results suggest that frequent promotions of brands may also make it unnecessary for consumers to switch brands because it becomes increasingly likely that a deal on the favored brand will be forthcoming. However, frequent promotions are often unprofitable for a company and may not enhance attitudinal customer loyalty, making customers more likely to switch brands if they get better price deals elsewhere.

2.3.4 Environmental Demographics and Brand Loyalty
Advertising is a paid, non-personal form of marketing communication that encourages audience through various channels to act in a specific manner beneficial to advertiser, i.e. to buy a product or service. Advertising has been designed to direct views also make change in behavior easy and may present the most convincing sales messages with most accurate perspective of products or services without much cost. Advertising is one of the primary communication links with consumers; hence consumers’ desired image and language along with culture, economy and commercial changes should be kept in mind (De Pelsmacker, 2001). Advertising helps to build brand awareness and image by repetitive exposure to intended message.

2.4 Effects of Direct Marketing on Brand Loyalty
Direct marketing consists of direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships (Kotler and Armstrong, 2005). It is the use of consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen. These channels include direct mail, catalogs, telemarketing, interactive TV, kiosks, websites, and mobile devices. It is one of the fastest growing avenues for serving customers (Kotler, 2003). Direct marketers communicate directly with
customers, often on one-to-one, interactive basis. Using detailed database, they tailor their marketing offers and communications to the needs of narrowly defined segments or even individuals buyers (Kotler and Armstrong, 2005).

2.4.1 Customer Retention in Direct Marketing and Brand Loyalty
The relationship marketing concept emerged within the fields of service marketing and industrial marketing (Lindgreen et al., 2004). The marketing literature has theorized key virtues that underpin relationship marketing, such as trust (Veloutsou et al., 2002), commitment, conflict handling and communication or sharing of secrets (Ndubisi and Chan, 2005). These have been linked in this study to customer loyalty. Ndubisi (2004) has suggested that companies should make sacrifices and worthwhile investments in building relationships with loyal, or at least potentially loyal, customers.

Direct marketing has matured into an increasingly exact and complex science requiring knowledgeable and experienced practitioners. More and more marketers are convinced that they need to develop closer relationships with their customers in order to achieve behavioral loyalty. Today’s marketing trend is for firms to focus on a narrowly targeted customer segment. To reach these customers one-on-one, direct marketing is used. The primary purpose of direct marketing is to obtain an immediate response and cultivate lasting customer relationships (Mallin and Finkle, 2007). They further add that direct marketing has often been seen as a tool which enhances relationship building because it enables organizations to “get a response” from those targeted, thus establishing an exchange of views if not a full blown communication exchange. Some organizations have upgraded their databases to include customer relationship management (CRM) programs that enable them to combine data from different sources to reduce duplication and have a more holistic view of the customer from different perspectives. For example, a bank customer may provide data from account transactions, enquiries about different products, online banking information, payments or transfers between accounts and visits to branches. Direct marketing has also contributed to the customer loyalty, attraction of new customers, increasing of sales, expansion of bank’s branches, enhancing awareness on the banks’ products/services, and reminding customers of the need to purchase the bank’s products that they’re yet to enjoy (Cheruiyot, 2014).

2.4.2 Increased Use of Technology in Direct Marketing and Brand Loyalty
According to Ndubisi (2004), direct marketing has enhanced consumers’ increased use of the internet for purchasing many products. Direct marketing activities are often very effective in generating sales leads when a customer asks for more information about a product or service. Beyond brand and image building, direct marketers usually seek a direct, immediate, and measurable consumer response. For example, Dell computer interacts directly with customers, by telephone or through its web site, to design built-to-order systems that meet customers’ individual needs.

2.4.3 Communication Strategy in Direct Marketing and Brand Loyalty
Direct marketers communicate directly with customers, often on one-to-one, interactive basis. Using detailed database, they tailor their marketing offers and communications to the needs of narrowly defined segments or even individuals buyers (Van der Merwe, 2003). Direct marketing if well planned and executed effectively it has the potential to be more cost effective than other promotional tools because of the precise targets that the technique allows. Existing customers can be contacted to introduce them to new products and special offers, hence, affecting their loyalty while the new customers can be identified and encouraged to purchase products are services of a firm through direct channels (Van der Merwe, 2003).
In the banking/financial services sector, direct marketing takes the dominant form of relationship marketing. There is undoubtedly a growing interest in the subject of relationship marketing. The strong rivalry characterizing today’s business environment has resulted in the building of stronger firm-customer relationships (Ndubisi, 2007). He further reports that more and more firms are capitalizing on strong firm-customer relationship to gain invaluable information on how best to serve customers and keep them from defecting to competing brands. Banks that embrace the marketing concept see relationship banking as the way to build loyal and profitable long-term relationships with each customer. Relationship based marketing can result in long-term retention, which leads to improved financial and market performance, and an increased competitive edge. It is further concerned with the building of bonds with customers to ensure long-term relationships with mutual advantage (Bennett and Durkin, 2002).

The financial sector has extended its face to face selling towards direct marketing of products and services in the form of phone, mail or computer transactions. Through the internet, financial service organizations can identify their customer interests. Furthermore, the internet technology also makes it possible to follow individual customer usage. With the information gathered in an integrated database it is possible to read the customers’ needs and satisfy them. This knowledge can be used for different kinds of direct marketing (Lee, 2000). According to Brassington and Pettit (2000) direct marketing is an interactive system of marketing, using one or more advertising media to achieve measurable response anywhere, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers, to be able to create and sustain quality relationship with sometimes hundreds or even thousands of individual customers, an organization needs to have as much information as possible about each one, and needs to be able to access, manipulate and analyze that information, thus, the database is crucial to the process of building the relationship. Lee (2000) states that the fast advances in technology over the past 30 years have reshaped how consumers today interact with their financial institutions.

2.4.4 Frequency of Direct Marketing and Brand Loyalty

The frequency of marketing communications and its effect on brand loyalty has gained interest in recent studies. Reinartz and Kumar (2003) found that the number of mailing efforts of a company is positively related to profitable customer lifestyle duration. Indeed being regularly in touch with customers has positive effects on their loyalty. For example, regular e-mailings have positive effects on brand attitudes, purchases and loyalty (DuFrone, 2005). Similarly, the use of mobile devices and receiving of mobile advertising messages are found to have positive effects on consumers’ brand relationships and long-term purchase behavior (Merisavo, 2006). These results imply that the strategic efforts of ongoing brand communication via digital channels should be in creating meaningful brand encounters and deepening consumer-brand relationships, not just in seeking additional sales.

The rationale behind frequently communicating with customers has been addressed in numerous advertising studies. Regular communication is important, as it has been found that 90% of cumulative effects of advertising on sales occur within 3 to 9 months of the advertisement. A central finding is that repeating messages or objects to consumers will translate to awareness and learning, possibly more positive attitudes towards the object and eventually result in action (Broussard, 2000).

2.4.5 Information Processing in Direct Marketing and Brand Loyalty

Consumers engage in brand relationships to simplify buying and consuming tasks, to process information, and to maintain cognitive consistency and a state of psychological comfort and gratification. It has been found that previously presented stimuli are easier to encode and process
than are novel or unfamiliar stimuli, which is interpreted by the individual as liking (Merisavo, 2006). This means that increased frequency helps consumers to process brand communication. Repeated exposure to brand communication also enhances brand attitudes by allowing the customer to process more information. In addition, messages that become familiar through repetition have a tendency to be perceived as more valid. Reinartz and Kumar (2003). Repetition also has effects on customer loyalty. It has been found that learning and increased positive experiences with a certain brand decrease the search for information about alternative brands. Similarly, the more attributes associated with a brand the more loyal the customer (Romaniuk and Sharp 2003). Furthermore, when a consumer spends time with a brand and processes information, positive affective responses (emotions, feelings, moods, primary affect, satisfaction) about the brand are evoked in the consumer’s mind. In the literature, this information processing is also described as cognitive loyalty, a phase where information on the brand at attribute performance level is the dominant driver of loyalty (Oliver, 2009). Later, if the consumer is satisfied, affective effects start to build.

2.4.6 Perceived Brand Value in Direct Marketing and Brand Loyalty
When consumers engage in brand relationships and process brand communication, they begin to perceive the value (also often referred as benefits) related to the brand. Customers who have greater expected benefits and utility from an ongoing relationship are more likely to commit to it. Perceived value can be divided into functional, economical, emotional, social/self-expressive, and epistemic (Aaker, 2004). Functional value describes overall satisfaction with the functional quality of a product or service (e.g. a car is reliable). Economic value may be constant (e.g. regular customer’s low price), immediate (e.g. sales offers) or possible (collecting points, competitions). Emotional value includes feelings like enjoyment and entertainment. Social and self-expressive value relates to our relationships with others (e.g. brand as a status symbol, belonging to a community). Epistemic value relates to experienced curiosity, novelty or knowledge gained and learning. In a more holistic view, customer-perceived value can be regarded as a ratio between perceived benefits and perceived sacrifice (Kotler, 2003).

In addition to traditional products, brands, and services, researchers have also successfully used the previously discussed dimensions of perceived value to assess consumers’ perceptions of technology-based self-services, like mobile services (Pura 2005). Hence, we believe that these value categories should also be effective in capturing the effects of direct marketing.
communication on customer loyalty.

2.4.7 Information Content in Direct Marketing and Brand Loyalty
The content of communication has an effect on how customers perceive and value the information they receive, or retrieve, and how this affects their relationship with the brand and the marketer. It has been argued that communication rather than persuasion is the foundation of customer-focused marketing efforts (Merisavo, 2006). A basic way to classify the content of brand communication would be to divide it into promotional and relational communication. While promotional communication like price promotions and persuasive letters are intended to quickly generate sales and other responses, relational communication focuses on enhancing customer’s attitudes and loyalty in the long term by providing content such as information about new products, usage tips, or invitations to events. Relational brand communication can be perceived by the recipient as a service rather than as advertisement or offer, which might allow increased frequency before the messages start to wear-out.

Parallel implications on the relation of the content of brand communication and customer loyalty can be drawn from more recent studies concerning digital channels. Extensive survey data from more than 2,000 e-tail sites shows that price-sensitive customers may be the least loyal, whereas customer service support is the main factor that attracts repeat buying (Reibstein 2002). Moreover, studies of email marketing have found that non-loyal customers mainly want promotional offers, but loyal customers also appreciate other content, like news, invitations to events, and usage tips (Martin et al. 2003; Merisavo and Raulas 2004). Newsletters with mainly non-price promotion content had better impact on the brand loyalty of the loyal customers than on the non-loyal. Overall, these results imply that the content of brand communication should be tailored to different customer segments in order to further enhance customer loyalty.

2.5 Chapter Summary
This chapter reviews literature on the main variables forming the research objectives. The first research objective addressed personal selling. Personal selling involves the building of relationships through communication for the purpose of creating a sales transaction, and has a detailed process in which to articulately close the sale and have the customer locked in. The second objective addressed advertising. The literature review revealed that advertising was considered as an originator of service quality and spending affects expectations of product or service quality. The third addressed research objective was direct marketing and its influence on customer loyalty in the Kenyan banking sector. Firms are capitalizing on strong firm-customer relationship to gain invaluable information on how best to serve customers and keep them from defecting to competing brands. The next chapter discusses the research methodology that will be adopted during the study.
3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter shows the research design methodology that was adopted for the study. Section 3.2 discusses the research design, 3.3 describes the population and sampling procedures incorporated for the study, section 3.4 discusses the data collection methods adopted in the research, 3.5 discusses the research procedures and section 3.6 discusses the data analysis methods employed in the study.

3.2 Research Design
Saunders, Lewis and Thornhill (2009) define a research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. The descriptive research process helps in collecting data in order to answer questions concerning the current status of the subjects that are under investigation. The study used a descriptive design which involves collecting data that test the validity of the hypotheses regarding the present status of the subjects of the study. In this study, descriptive research design was used to determine the effects of promotion mix as the independent variables (personal selling, advertising and direct marketing), on brand loyalty which is the dependent variable in this study in the Kenyan banking sector. Descriptive research design was adopted for this study as the purpose of the research was to study the variables in their state without making any changes to them.

3.3 Population and Sampling Design

3.3.1 Population
The target population for a survey is the entire set of units for which the survey data are to be used to make inferences (Cooper and Schindler, 2001). Establishing a target population is the second step in designing a survey. Target populations must be specifically defined, as the definition determines whether sampled cases are eligible or ineligible for the survey. Cox (2008) describes a population as a well-defined group of people or objects that share common characteristics. In most research, the entire population cannot be included in the study, and researchers must resort to limiting the number of subjects to only a sample from the population.

The target population for this study was customers of NIC Bank, Kenya in Harambee Avenue Branch. The target population in this study was 12,400 in number. This target population was chosen from a list generated by the system to reveal all active accounts held at the branch. The total number was distributed into four categories of accounts; business accounts, personal accounts, fixed/call deposit accounts and loan accounts.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Distribution</th>
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<tbody>
<tr>
<td></td>
<td>Population Number</td>
</tr>
<tr>
<td>Business Accounts</td>
<td>5,213</td>
</tr>
<tr>
<td>Personal Accounts</td>
<td>3,497</td>
</tr>
<tr>
<td>Fixed/Call Deposit Accounts</td>
<td>1,003</td>
</tr>
<tr>
<td>Loan Account</td>
<td>2,687</td>
</tr>
<tr>
<td>Total</td>
<td>12,400</td>
</tr>
</tbody>
</table>

Source: NIC Bank Ltd (2016)

3.3.2 Sampling Design
3.3.2.1 Sampling Frame
Cooper and Schindler (2006) define a sampling frame as a list of elements from which the sample is actually drawn and closely related to the population. According to Currivan (2004), an ideal situation occurs where the sampling frame coincides with the population of interest. In this study, the sampling frame composed of all the active (business, personal, fixed/call and loan) accounts held at NIC Bank Harambee Avenue branch.

3.3.2.2 Sampling Technique
The study adopted a probability sampling technique since each sampling unit has a known non-zero chance of getting selected in the final sample and results generalized to the target population with a specified margin of error through statistical methods. According to Cooper and Schindler (2006), random sampling frequently minimized the sample error in the population. Collis and Hussey (2003) describe stratified random sampling as a modification of random sampling in which one divides the population into two or more relevant and significant groups based on one or more attributes. This sampling technique was used because it eliminates bias in the selection. The technique was also employed because it enables the generalization of a larger population with a margin of error that is statistically determinable (Kothari, 2004). Stratified random sampling technique was used to divide the customers into different groups based on the type of account they held at NIC Bank.

3.3.2.3 Sample Size
A sample size allows the researcher to make generalizations about the population (Mbugua, 2014). For this study, the Cochran’s sample size formula was adopted for the study. Cochran’s sample size formula for categorical data for an alpha of 384 level a priori at 0.05 (error of 5%) = n0=(t)2*(p)(q)/(d)2=384, where: n0 is the sample size, t is the value for the selected alpha level, e.g. 1.96 for (0.25 in each tail) a 95 percent confidence level. p is the estimated proportion of an attribute that is present in the population. q is 1-p. (p)(q) are the estimate of variance. d is the acceptable margin of error for proportion being estimated, so the confidence interval, in decimals. However, because our population was less than 50000 (population was 12400), the study further employed the Cochran’s correlation formula to determine the exact sample size for the study: n1 = 384 + (1 + 384/528) = 222
The study thus used a sample size of 222 respondents.

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<tr>
<td></td>
<td>Population Number</td>
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<tr>
<td>Business Accounts</td>
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</tr>
<tr>
<td>Personal Accounts</td>
<td>62</td>
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<tr>
<td>Fixed/Call Deposit Accounts</td>
<td>18</td>
</tr>
<tr>
<td>Loan Account</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>222</strong></td>
</tr>
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3.4 Data Collection Methods
Primary data was used in this study. The primary data collection was conducted using questionnaires with closed-ended questions of five-part likert-scale type to increase standardization of feedback and enhance analysis of the data. In this method, each person was able to respond to the same questions in a pre-determined way.
The questionnaire was divided into four sections. The first section of the questionnaire sought general biographical data of the respondents. The second section collected data on the first objective of the study; the effect of personal selling on brand loyalty, with likert-scale type closed-ended questions. The third section of the questionnaire sought to answer the second objective; the effect of advertising on brand loyalty, with likert-scale type closed-ended questions. The fourth and last section of the questionnaire focused on the third objective of the study; effect of direct marketing on brand loyalty, with likert-scale type closed-ended questions.

3.5 Research Procedures
Creswell (2003) defines research procedure as the process of collecting and analyzing data for a particular purpose. The researcher developed a questionnaire based on the research objectives, which pilot was tested by being administered randomly to a selected sample of ten respondents from the target population to refine it and test the reliability of the instrument. Questionnaires were administered on a “drop and pick” method to the selected respondents. At the point of dropping of the questionnaires, the researcher ensured that the document is intact and explained to the respondent what was expected of them. The respondents were given thirty minutes to fill in the questionnaires after which the researcher proceeded to collect them from the respondent. The researcher also ensured that contacts for the participants were received from the respondents. Follow-up phone calls were made to the respondents so as to ensure that a high response rate was achieved for the study.

3.6 Data Analysis Methods
Data analysis entails editing, coding and tabulation of data collected into manageable summaries that is easy to interpret (Cox, 2008). This study used a quantitative method of data analysis. Once the questionnaires were filled, the data was coded, collated and edited for ease of credibility and analysis (Kothari, 2004). To guarantee ease in the analysis of the questionnaires, each questionnaire was coded in accordance with each of the research questions to ensure precision during the study process. The data collected was classified into meaningful categories and tabulations made from the same. The MS Excel spreadsheets were used for the tabulation, analysis and drawing of charts based on the respondents responses. The data was further summarized and categorized in a frequency distribution table out of which graphical presentations such as figures and tables were generated to give visual image of respondent responses. Results were presented using figures and tables. Regression and correlation analyses were also done to determine how the independent variables influenced the dependent variable.

3.7. Chapter Summary
This chapter has introduced the research methodology that was used for this particular study. In this study, descriptive research design was employed. Since the target population in this study is significant, it was not used in its entirety, and the researcher selected a sample representative of the target population to use to conduct the study. Data collection was carried out through the use of questionnaires administered through a “drop and pick” method to the selected respondents. For data analysis, frequency tables and charts was used to present results for easier understanding and interpretation. The next chapter discusses and demonstrates the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter focused on the data analysis, interpretation and presentation of the findings. The main purpose of this research was to establish the influence of various promotional mix elements on brand loyalty in the Kenyan banking sector. The study sought to establish how personal selling, advertising and direct marketing influence brand loyalty in the Kenyan banking sector. The researcher made use of frequency tables, percentages, mean and standard deviation to present data.

4.2 Response Rate
The study targeted a sample of 202 respondents on collecting data on influence of promotional mix elements on brand loyalty in the Kenyan banking sector. The questionnaire return rate results are shown in Table 4.1. From the study, out of 222 questionnaires distributed 157 respondents completely filled in and returned the questionnaires, this represented a 71% response rate. This is a reliable response rate for data analysis. Mugenda and Mugenda (2003) pointed that for generalization a response rate of 50% is adequate for analysis and reporting, 60% is good and a response rate of 70% and over is excellent. However, 29% of the respondents were reluctant to fill in the questionnaire, and this was due to some respondents not being available to fill them in at the required time. Despite persistent follow-ups there were nil responses from them.

<table>
<thead>
<tr>
<th>Table 4.3 Response Rate</th>
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<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Responded</td>
</tr>
<tr>
<td>Non-response</td>
</tr>
<tr>
<td>Total</td>
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4.3 General Information
As part of the general information, the research requested the respondents to indicate their gender, age, duration of banking with the organization, type of account held by respondent and number of accounts held in other banks. The analysis relied on this information of the respondents so as to categorize the different results according to their acquaintance and responses.

4.3.1 Gender of the Respondents
Figure 4.2 indicates the gender of the respondents. From the findings, 54% of the respondents were male while 46% were female. This implies that most of the customers who had banks account with NIC Bank were male while their female counter parts were the minority.

Figure 4.1 Gender of the Respondents

4.3.2 Age of the Respondents
The study also delved into the age categories of the respondents who had bank accounts with NIC Bank. Table 4.2 shows the findings of the results. From the finding, 43% of the respondents were between 31–40 years, 31% were between the ages of 41–50 years, 22% were aged between 21–30 years while 5% were aged below 20 years. This implies that majority of the respondents who had an account within NIC Bank were over 21 years.
### Table 4.4 Age of the Respondents

<table>
<thead>
<tr>
<th>Level</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20 years</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>21 – 30 years</td>
<td>34</td>
<td>22</td>
</tr>
<tr>
<td>31 – 40 years</td>
<td>67</td>
<td>43</td>
</tr>
<tr>
<td>41 – 50 years</td>
<td>48</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.3.3 Respondents Banking Duration in Years

Figure 4.2 illustrates banking period in years of the respondents in the bank. From the findings majority (53%) of the respondents had banked with the organization for a period of 6-10 years, 36% had banked for a period of 1-5 years, 7% had banked for more than 16 years while the rest (5%) had been banking with NIC Bank for a period of 10-15 years. This implies that most of the respondents of this study had been banking for a longer period within the organization thus well conversant with the information that the study sought pertaining to the bank’s services over a period of time.

Figure 4.2 Respondents Duration with banking in Years

4.3.4 Type of Account held by Respondent

The study aimed to investigate type of account held by the respondent within the bank. From the findings, 32% of the respondents had personal accounts, 28% were fixed/call deposit accounts, and 21% were holders of business accounts while 18% were holders of loan accounts.

Figure 4.3 Type of Account held by Respondent

4.3.5 Numbers of Accounts Held by Respondent in Other Banks

The study also aimed to investigate the number of accounts held by the respondents in other banks. From the findings, 53% of the respondents had 3-4 accounts in other banks, 36% had more than 4 accounts in other banks, 7% had 1-2 accounts in others banks while 5% held no other banks account. This implies that most of the banked population had more than one account with other banks apart from NIC Bank.

Figure 4.4 Numbers of Accounts Held by Respondents in Other Banks

4.4 Effect of Personal Selling on Brand Loyalty

4.4.1 Seller Skills and Brand Loyalty

4.4.1.1 Technical and Marketing Skills

The researcher requested respondents to indicate their level of agreement on whether the banks had employed interactive and skilled sales personnel with technical and marketing skills. From the findings, majority (54%) of the respondents agreed; 23% strongly agreed; 10% were moderate;
7% disagreed while 6% strongly disagreed. This means that 77% of the respondent agreed that NIC Bank has employed sales personnel with know-how on products and services of the bank who provide an important aspect in forming positive brand associations, increasing the customers’ perception of quality, and thus increasing their loyalty to the brand.

4.4.1.2 Interpersonal Skills
The respondents were asked whether they were confident in the interpersonal skills of the personal sellers of the bank that they interacted with during their banking experiences. The results in table 4.4 show that 25.7% strongly agreed; 26.3% agreed; 10% were moderate; 22.5% disagreed while 15.5% strongly disagreed. The results show that majority of the respondents (52%) agreed that the sellers did possess interpersonal skills.

Table 4.5 Technical and Marketing Skills

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>85</td>
<td>54</td>
</tr>
<tr>
<td>Agree</td>
<td>36</td>
<td>23</td>
</tr>
<tr>
<td>Moderate</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.4.2 Developing Customer Loyalty
The study also requested the respondent on whether positive bond between the client and sales person(s) created positive perceptions on the bank’s product and services. The findings indicated that 52% agreed, 25% strongly agreed, 12% were neutral while 11% disagreed. This implies that 77% of the clients have become loyal to the banks products and services due to the greater sense of connection/bonding with the sales person.

**Table 4.7 Developing Customer Loyalty**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>83</td>
<td>52</td>
</tr>
<tr>
<td>Agree</td>
<td>39</td>
<td>25</td>
</tr>
<tr>
<td>Moderate</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Disagreed</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**4.4.3 Differentiation of Corporate Brands**

The researcher also aimed to investigate how personal selling has helped to differentiate corporate products and services. From the study, 41% of the respondents strongly agreed, 22% agreed, 37% were moderate. This illustrates that 63% of the respondents agreed that personal selling has helped in differentiating corporate products and services.

**Table 4.8 Differentiation of Corporate Brands**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>65</td>
<td>41</td>
</tr>
<tr>
<td>Agree</td>
<td>34</td>
<td>22</td>
</tr>
<tr>
<td>Moderate</td>
<td>58</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**4.4.4 Interaction between Sales Personnel and Buyer**

The researcher also requested respondents to indicate the association of NIC Bank brands and how it is strengthened by the interaction with the personal sellers. From the study, 55% of the respondents strongly agreed with the statement, 18% agreed while 27% were neutral. From this, 73% of respondents confirmed that they are aware of NIC Bank brands and the positive associations that they have are strengthened by the interaction with the personal sellers.

**Table 4.9 Interaction between Sales Personnel and Buyer**
4.4.5 Purchasing Decision
The study aimed to investigate how sales personnel influence decision making on purchasing a product. From the study it was revealed that 32% of the respondent strongly agreed, 26% agreed, 27% were neutral while 15% disagreed that they felt persuaded by the NIC Bank sales purchase bank products.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>51</td>
<td>32</td>
</tr>
<tr>
<td>Agree</td>
<td>41</td>
<td>26</td>
</tr>
<tr>
<td>Moderate</td>
<td>42</td>
<td>27</td>
</tr>
<tr>
<td>Disagree</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.4.6 Effective Communication
The researchers requested the respondents to indicate whether recruitment of skilled sales personnel with effective communication helped to cope with competition in the market. The findings of the study show that 47% of the respondents agreed, 26% were moderate, 15% strongly agreed while 11% disagreed.

4.4.7 Good Quality Products
The respondents were requested to indicate whether sales personnel visits to their workplace on a regular basis enabled them to consider the bank’s brands as of good quality. Majority (69%) of the respondent agree, 23% were neutral while 8% strongly agreed that visit by the personal sellers to their workplace influence their decision to purchase the brands and they perceive that the brand is of good quality hence they tend to buy again once they prove that bank’s brand are okay.

4.4.8 Convenient Personal Selling Approach
The researcher also requested the respondent to indicate their level of agreement on personal selling approaches employed by the bank. 40% strongly agreed, 37% agreed while 23% were
moderate that they value the importance of the personal selling approach used by NIC Bank primarily because it is convenient.

**Table 4.11 Convenient Personal Selling Approach**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>63</td>
</tr>
<tr>
<td>Agree</td>
<td>58</td>
</tr>
<tr>
<td>Moderate</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
</tr>
</tbody>
</table>

**4.4.9 Persuasive**

The researcher also asked the respondents to advise whether personal selling was persuasive to them. Majority (54%) strongly agreed, 35% agreed while 11% were neutral that personal selling is considered as more persuasive among the marketing communication mix element in NIC Bank since it consolidates customers and maintains the buyer-seller exchange relationship.

**Figure 4.7 Persuasive**

**4.4.10 Correlations for the Personal Selling**

Table 4.10 presents the results of correlation analysis of the relationship between the various personal selling aspects on brand loyalty. Correlation results show that seller skills had 0.5210 correlation at a significance level of 0.01 with problem solving. The results indicate a 52.1% correlation with each other. Component wise, the results indicate that components which include company objectives, target audience and product life cycle had a positive significant relationship with correlations of .6180, .5870 and .5530 respectively at a significant level of 0.01.

**Table 4.12 Coefficient of Correlation**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Seller Skills</th>
<th>Problem Solving</th>
<th>Company Objectives</th>
<th>Target Audience</th>
<th>Product Life Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller Skills</td>
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<td>.6180</td>
<td>.5870</td>
<td>.5530</td>
</tr>
<tr>
<td>Problem Solving</td>
<td>.5210</td>
<td>1</td>
<td>3421</td>
<td>.1240</td>
<td>.3420</td>
</tr>
<tr>
<td>Company Objectives</td>
<td>.6180</td>
<td>.3421</td>
<td>1</td>
<td>.0621</td>
<td>.0154</td>
</tr>
<tr>
<td>Target Audience</td>
<td>.5870</td>
<td>.1240</td>
<td>.0621</td>
<td>1</td>
<td>.1660</td>
</tr>
<tr>
<td>Product Life Cycle</td>
<td>.5530</td>
<td>.3420</td>
<td>.0154</td>
<td>.1660</td>
<td>1</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed)  
**Correlation is significant at the 0.01 level (2-tailed)  

**4.5 Influence of Advertising on Brand Loyalty in Banking Sector**

**4.5.1 Build Brand Loyalty**

Figure 4.8 illustrates the findings of the study on the respondent level of agreement on whether a bank has adopted advertising to build brand loyalty. From the findings, 69% agreed, 25% strongly
agreed while 6% were neutral that NIC Bank has adopted advertising to build brand loyalty, which helps in retaining the loyal consumers, and price promotions as well as to attract the loyal consumers away from the rival brand. This implies that majority (94%) of the customers believes that advertising adopted by the banks helps in building brand loyalty.

**Figure 4.8 Build Brand Loyalty**

### 4.5.2 Consumer knowledge

The respondents were requested to indicate their level of agreement on statement regarding on how advertising helps in dissemination of knowledge to consumers. From the findings, 38% agreed, 33% strongly agreed while 29% were moderate that advertisements have enhanced consumer knowledge and perception pertaining to NIC Bank brand and ultimately strengthen the brand loyalty. This illustrates that majority (71%) of the consumers believes that advertising approaches and model adopted enhanced consumer knowledge and perception pertaining to NIC Bank brand and ultimately strengthen the brand loyalty.

<table>
<thead>
<tr>
<th>Table 4.13 Consumer knowledge</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>52</td>
<td>33</td>
</tr>
<tr>
<td>Agree</td>
<td>59</td>
<td>38</td>
</tr>
<tr>
<td>Moderate</td>
<td>46</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>100</td>
</tr>
</tbody>
</table>

### 4.5.3 Create Brand Image

The respondents were requested to indicate their level of agreement on statement relating on how uses of radio, television and newspapers help in creating brand image. Majority (64%) agreed, 27% were moderate while 8% disagreed that NIC Bank uses radio, television and newspapers to create image of brands and help in generating more sales and revenues.

**Figure 4.9 Create Brand Image**

### 4.5.4 Promote Brand Awareness

The researcher requested respondents to indicate their level of agreement on statement relating on brand awareness. From the findings, 49% agreed, 36% strongly agreed while 15% were neutral that NIC bank has employed advertising approach in promotion of its brand which improves brand loyalty.

<table>
<thead>
<tr>
<th>Table 4.14 Promote Brand Awareness</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>57</td>
<td>49</td>
</tr>
<tr>
<td>Agree</td>
<td>77</td>
<td>36</td>
</tr>
<tr>
<td>Moderate</td>
<td>23</td>
<td>15</td>
</tr>
</tbody>
</table>
4.5.5 Creating Awareness on New Brands
The respondents were requested to indicate their level of agreement relating on how advertising help in creating awareness on a brand. Majority (75%) strongly agreed whole 25% agreed that advertising is an important tool in creating awareness among new and existing customers of a given brand and creating loyal customers attached to particular brand or product.

4.5.6 Perceived Quality
The study also requested respondent to indicate the level of their agreement on how advertising play a critical role on brand image and perceived quality. Most (48%) strongly agreed, 26% agreed while an equal number (26%) were neutral that advertising has had positive effects on branch image and perceived quality which thus contribute toward enhanced brand loyalty.

<table>
<thead>
<tr>
<th>Table 4.15 Perceived Quality</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>75</td>
<td>48</td>
</tr>
<tr>
<td>Agree</td>
<td>41</td>
<td>26</td>
</tr>
<tr>
<td>Moderate</td>
<td>41</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>100</td>
</tr>
</tbody>
</table>

4.5.7 Consumers’ Knowledge Structures
Further, the study aimed to investigate the level of agreement among the respondents on customer knowledge structures. Majority (64%) agreed, 23% strongly agreed while 13% were moderate that NIC Bank has adopted advertisements focused on enhancing consumers’ knowledge structures pertaining to the brand to build loyalty among existing customers.

4.5.8 Brand Equity Dimensions
The researcher also requested the respondents to indicate the level of agreement on how advertising helps in brand equity dimensions. 74% agreed, 15% strongly agreed while 11% were moderate. 89% agreed that the content of advertising used by NIC Bank in its products and services plays an important role in brand equity dimensions and customer loyalty to the brands.

<table>
<thead>
<tr>
<th>Table 4.16 Brand Equity Dimensions</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Agree</td>
<td>116</td>
<td>74</td>
</tr>
<tr>
<td>Moderate</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.5.9 Positive Attitudes
The study also requested respondents to indicate their level of agreement on how advertising helped in creating positive attitudes towards a brand. Majority (50%) of the respondents agreed, 27% strongly agreed while 23% were moderate that through advertising NIC Bank has increased their customer bases who become loyal customers to the services and products they offer hence developing positive attitudes that culminate in purchase much later.

Figure 4.12 Positive Attitudes

4.5.10 Correlations for the Advertising
Table 4.15 shows the findings of the study on correlation analysis of the relationship between the various advertising aspects on brand loyalty. The finding shows that there is correlation between platform uses with correlation value of 0.539 at a significance level of 0.01 with advertising spending. The results indicate a 53.9% correlation with each other. The study further indicates that the other indicators have positive correlations with advertising objectives and environmental demographics having a positive correlation value of 0.582 and 0.613 respectively at a significance level of 0.01.

Table 4.17 Coefficient of Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Platform Use</th>
<th>Advertising Spending</th>
<th>Advertising Objectives</th>
<th>Environmental Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform Use</td>
<td>1</td>
<td>.539</td>
<td>.582</td>
<td>.613</td>
</tr>
<tr>
<td>Advertising Spending</td>
<td>.539</td>
<td>1</td>
<td>.219</td>
<td>.168</td>
</tr>
<tr>
<td>Advertising Objectives</td>
<td>.582</td>
<td>.219</td>
<td>1</td>
<td>.0432</td>
</tr>
<tr>
<td>Environmental Demographics</td>
<td>.613</td>
<td>.168</td>
<td>.0432</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)
*Correlation is significant at the 0.05 level (2-tailed)

4.6 Influence of Direct Marketing on Brand Loyalty in Banking Sector

4.6.1 Brand Knowledge Structure
Table 4.16 illustrates the findings of the study on the respondents’ level of agreement on whether direct marketing influences brand knowledge structure. From the findings, 58% agreed, 27% strongly agreed while 15% were neutral that NIC Bank has developed marketing programs to establish knowledge structures for the brand so that consumers respond favorably to marketing activities for the brand.

Table 4.18 Brand Knowledge Structure

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>43</td>
<td>27</td>
</tr>
<tr>
<td>Agree</td>
<td>91</td>
<td>58</td>
</tr>
<tr>
<td>Moderate</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>100</td>
</tr>
</tbody>
</table>
4.6.2 Enhance Perception of Brand
The respondents were requested to indicate their level of agreement with a statement regarding how direct marketing helps in enhancing perception of brands. Majority (52%) agreed, 27% strongly agreed while 22% were moderate that NIC Bank has engaged in direct marketing to enhance perception of brand image to customers and influence consumers’ buying decision. This illustrates that majority (79%) of the consumers NIC Bank has engaged in direct marketing to enhance perception of brand image to customers and influence consumers’ buying decision.

Figure 4.13 Enhance Perception of Brand

4.6.3 Benefit of new products
The researchers requested the respondents to indicate whether direct marketing helps in persuading buyers on a product. The findings of the study show that 58% of the respondents strongly agreed, 31% agreed while 11% were moderate that direct marketing plays an important role in showing buyers the benefits of the existing brand and how they would benefit from a new brand introduced in the market.

Table 4.19 Benefit of new products

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>91</td>
<td>58</td>
</tr>
<tr>
<td>Agree</td>
<td>48</td>
<td>31</td>
</tr>
<tr>
<td>Moderate</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.6.4 Marketing Communication Tools
The respondents were requested to indicate whether marketing approaches employed by NIC Bank represent the most important marketing communication tools. The study revealed that 38% of the respondents strongly agreed, 36% agreed while 26% were moderate that direct marketing approaches employed by NIC Bank represent the most important marketing communication tools that help to build bank brand equity.

Figure 4.14 Marketing Communication Tools

4.6.5 Face-to-Face Interactions
The researcher also requested the respondents to indicate their level of agreement on influence of direct marketing in shaping customers’ perceptions towards brands. From the study, 52% strongly agreed while 48% agreed that direct marketing is an influential factor in shaping customers’ perceptions towards brands particularly in financial services where bank customers prefer face-to-face interactions especially when the perceived risks are high.

Table 4.20 Face-to-Face Interactions

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

41
### 4.6.6 Customer Perception towards Services

The researcher requested respondents to indicate their level of agreement on whether direct marketing contributes to the development of customers’ perceptions. From the findings, 68% of the respondents agreed while 32% strongly agreed that direct marketing as an approach for marketing contributes to the development of customers’ perceptions of service quality through their attitude, behavior and knowledge towards the NIC brand.

#### Figure 4.15 Customer Perception towards Services

### 4.6.7 Developing Trust to Customers

The study also requested the respondents to advice on whether direct marketing plays an appropriate role in delivering what the brand stands for. The findings indicate that 48% strongly agreed, 27% were moderate while 25% agreed that the approach of direct marketing used by NIC Bank plays an appropriate role in delivering what the brand stands for, its abilities and promises to reach towards customer trust.

#### Table 4.21 Developing Trust with Customers

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>43</td>
<td>27</td>
</tr>
<tr>
<td>Agree</td>
<td>39</td>
<td>25</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>75</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### 4.6.8 Customer Relationships

The researcher also aimed to investigate if direct marketing led to immediate response by customers and in cultivating lasting customer relationships. Majority (66%) of the respondents strongly agreed, 27% were neutral while 7% agreed. This illustrates that 73% of the respondents agreed that NIC Bank uses direct marketing to obtain an immediate response and cultivate lasting customer relationships.

#### Figure 4.16 Customer Relationships

### 4.6.9 Development of Long-Term Purchasing Behavior

The researcher also requested respondents to indicate how NIC Bank cultivates positive effects on consumers’ brand relationships and long-term purchase behavior. 89% of the respondents strongly agreed with the statement while 11% agreed that NIC Bank sends communication through mobile
devices to cultivate positive effects on consumers’ brand relationships and long-term purchase behavior.

**Figure 4.17 Development of Long-Term Purchasing Behavior**

**4.7.10 Correlations for Direct Marketing**

Table 4.20 illustrates the findings of the study on correlation analysis of the relationship between the various direct marketing aspects on brand loyalty. Correlation results show that customer retention had 0.549 correlation at a significance level of 0.01 with technology use. The results indicate a 54.9% correlation with each other. On the other indicators, the study depicts a positive correlation coefficient; communication strategy, frequency of direct marketing, information processing, perceived brand value and information content with correlations of 0.541, 0.582, 0.521, 0.532 and 0.517 respectively at a significance level of 0.01.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Customer Retention</th>
<th>Technology Use</th>
<th>Communication Strategy</th>
<th>Frequency of Direct Marketing</th>
<th>Information Processing</th>
<th>Perceived Brand Value</th>
<th>Information Content</th>
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</thead>
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<td>.541</td>
<td>.582</td>
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<td>.532</td>
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<td><strong>Customer Retention</strong></td>
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<tr>
<td><strong>Communication Strategy</strong></td>
<td>.541</td>
<td>.208</td>
<td>1</td>
<td>.0332</td>
<td>.0216</td>
<td>.0119</td>
<td>.0252</td>
</tr>
<tr>
<td><strong>Frequency of Direct Marketing</strong></td>
<td>.582</td>
<td>.117</td>
<td>.0332</td>
<td>1</td>
<td>.1621</td>
<td>.1378</td>
<td>.1532</td>
</tr>
<tr>
<td><strong>Information Processing</strong></td>
<td>.521</td>
<td>.222</td>
<td>.0216</td>
<td>.1621</td>
<td>1</td>
<td>.0431</td>
<td>.0339</td>
</tr>
<tr>
<td><strong>Perceived Brand Value</strong></td>
<td>.532</td>
<td>.241</td>
<td>.0119</td>
<td>.1378</td>
<td>.0431</td>
<td>1</td>
<td>.221</td>
</tr>
<tr>
<td><strong>Information Content</strong></td>
<td>.517</td>
<td>.257</td>
<td>.0252</td>
<td>.1532</td>
<td>.0339</td>
<td>.221</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**
*Correlation is significant at the 0.05 level (2-tailed)

### 4.7 Chapter Summary

In this chapter, the findings with regards to the information given by the respondents have been presented in form of figures and tables. The results have been presented with brief explanations for easy understanding by scholars and researchers using this information. Correlational analysis has also been conducted to determine relations between the various variables under study. The next chapter gives the study summary, conclusions and offers recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The study set out to determine the effects of promotional mix elements on brand loyalty in the Kenyan banking sector with a key focus on NIC Bank. The study has analyzed data collected and given meanings of the interpretation of the findings. This chapter deals with the study summary and gives discussions of the study. The chapter also offers the study conclusion and offers recommendations for improvement and further studies.

5.2 Summary
The purpose of this study was to examine the effects of promotion mix elements on brand loyalty in the Kenyan banking sector. The study was guided by the research questions that were aimed at answering how personal selling as a promotional mix strategy influenced brand loyalty in the Kenyan banking sector; how advertising as a promotional mix strategy influenced brand loyalty in the Kenyan banking sector; and how direct marketing as a promotional mix strategy influenced brand loyalty in the Kenyan banking sector.

The study used descriptive research design with the promotional mix as the independent variable and brand loyalty as the dependent variable. The target population in this study was 12400 in number, selected from the database of accounts domiciled at Harambee Avenue branch. The sample frame was calculated using the Cochran’s sample formula which produced a sample size of 222 respondents.

Data was collected from the study population through the use of questionnaires which were administered through a “drop and pick” method to the selected respondents. The respondents were given a week to fill in the questionnaires. The study used quantitative methods of data analysis, specifically correlation analysis and standard deviation. Data was collected, classified and coded into meaningful categories with tabulation of the same. Microsoft Excel was used as the statistical analysis software to tabulate, analyze and draw figurative conclusions for the data.

The study revealed that customers were assured that NIC engaged qualified and well-versed sales personnel with interactive skills who aided in forming positive brand associations, increasing the customers’ perception of quality, and thus increasing their loyalty to the brand. Customers also felt a sense of bonding with the sales representatives. The study also revealed that the respondents had been influenced by a salesperson to purchase a bank product, and that the promotional strategies employed stood out as a differentiation strategy between the different banks they also operated accounts in. The study also revealed that respondents were confident that NIC Bank considered personal selling as the most effective tool at certain stages of the buying process, particularly in building up buyers’ preference, convictions and actions, and the promotional strategy encouraged timely selling as they were able to make decisions quicker because of the extensive information availed to the respondents by the sales persons.

As regards advertising and its influence on brand loyalty, the study revealed that customers acknowledged the bank’s adoption of advertising to build customers’ loyalty, which has enhanced the consumers’ knowledge and perception pertaining to the NIC Bank brand. Respondents also felt that advertising is an important tool in creating awareness among new and existing customers of a given brand and creating loyal customers attached to particular brand or product. Frequent advertising, advertising approaches as well as the content heightened the customers’ perceived quality and loyalty towards the brand. The respondents also agreed that the bank has adopted original, creative and different advertising strategies which have helped to create higher brand awareness and positive perceptions of their brands to customers.
The study revealed that NIC Bank has developed marketing programs to establish knowledge structures for the brand so that consumers respond favorably to marketing activities for the brand. Respondents also agreed that the bank has engaged in direct marketing to enhance perception of brand image to customers and influence consumers’ buying decisions, and that it also plays an important role in demonstrating to consumers the benefits of the existing brand and potential new brands. Direct marketing was viewed by respondents as an influential factor in shaping customers’ perceptions towards brands particularly in financial services where bank customers prefer face-to-face interactions especially when the perceived risks are high, and as a tool in delivering its brand message and delivering an immediate response from the consumers to the bank as regards its brand.

5.3 Discussions

5.3.1 Influence of Personal Selling Influence Brand Loyalty in Banking Sector

According to De Pelsmacker et al (2001), personal selling is defined as two-way, face-to-face communications used to inform, give demonstrations to, maintain or establish a long-term relationships with members of particular audiences. The study established that it is evident that many businesses at some point engage in personal selling. Personal selling is considered as more persuasive among the marketing communication mix elements in NIC Bank since it consolidates customers and maintains the buyer-seller exchange relationship. The reason behind the bank adopting personal selling approach is to cope with stiff competition, widening of market, adapt to changes in tastes of customers and technology, enhancing customer relationship as well as increasing sales volume of the firm. The above argument is based on respondents’ level of agreement where they strongly agreed with the statements as shown by mean score of 4.25 and 4.21 respectively.

Personal selling assumes many forms based on the amount of selling done and the amount of creativity required in performing the sales task (Adebisi, 2006). The selling must be managed if it is to contribute to a firm’s overall objectives. Personal selling creates a greater level of participation in the decision process by the vendor especially when combined with tailored messages in response to the feedback provided by the buyer (Fill, 2009). Peoples’ knowledge of the product is raised further, and the product awareness will increase sales. After peoples’ awareness they expect an increase in sales (Murianki, 2015). According to the study, representatives of the NIC bank who conduct personal selling approach have adequate time to explain to the clients/customers how well the products/services can satisfy their needs. This direct engagement of the seller and buyer persuade their decision to purchase the brands and clients perceive that the brand is of good quality hence they tend to buy again once they prove the products or services are okay. Personal selling is a crucial element in ensuring customers’ post-purchase satisfaction, and in building profitable long-term buyer-seller relationship built on trust and understanding (Achumba, 2000). The study showed that as a result of personal selling, the organization gained loyalty from the customers due to positive perceptions built on the banks’ products and services.

The major advantage of personal selling is the impact it has, meaning that a salesperson is more likely to break through, get people’s attention and even be remembered afterwards. The salesperson has the possibility of adapting the message to the type of customer he or she is dealing with. Since the communication is two-way there is less risk of misunderstandings and as stated earlier the salesperson gets immediate feedback (Fill, 2006). The study revealed that NIC Bank had recruited sales personnel with effective communication skills to entice the customers to purchase the products, remember the brand and stay ahead of the competition in the market. Weitz et al (2004) noted that personal selling programs are directed to the ultimate consumer, to an intermediary (retailer, wholesaler or industrial distributor) or to both. All products have a product life cycle and the composition of personal selling changes over the four life cycle stages.
The personal selling objective at the introductory stage is to inform consumers in an effort to increase their level of awareness. At this stage, personal selling is particularly important as a means of reaching as many people as possible to build up awareness and interest (Peter & Donney, 2011). At the growth stage, Kotler and Armstrong (2010) noted that primary objective of personal selling is to persuade the consumers to buy the product. Personal selling is primarily used to stress brand differences and to solidify the channel of distribution. At maturity, the need for personal selling at this stage is to maintain existing buyers and remind buyers of the product’s existence. The company also uses premiums to maintain loyal buyers (Sunday, 2011). This enable organizations to maintain their customers because if that is not done the consumers can switch to other companies’ products. The final stage in a product’s life cycle is the decline stage. At this stage little money is spent in personal selling as the product is phased out (Kotler and Armstrong, 2010).

From the study, it was determined that the NIC Bank brand is strengthened through the interactions that the personal seller has with the ultimate consumer, thus resulting in positive associations with the brand. In addition, the study results also revealed that this interaction is more effective when maintained throughout the selling stages and life cycle of the product at hand.

5.3.2 Influence of Advertising on Brand Loyalty in Banking Sector
Advertising plays an important role in marketing communication since it can reach large audiences with simple messages that present opportunities for the receivers and allowing them to understand what a product is and what primary function it has, and how it relates to other similar products. Therefore, the main function of advertising is to communicate with specific audiences, which may be consumer or business audiences. The prime objective is however to build or maintain awareness of a product or organization. It is important to know that advertising does not have a single role since it can be used to get several outcomes. Apart from its ability to reach large audiences, the key strengths of advertising have been to develop brand awareness, values and associations (Fill, 2006). The study established that the bank pays special attention to the aspects related to the design of their advertising campaigns in the media through developing original and creative strategies and thus these advertisements have enhanced consumer knowledge and perception which has ultimately strengthened loyalty towards the brand.

In consumer markets advertising is the dominant form of communication for many organizations (Moorthy and Hawkins, 2005). It is a good marketing communication tool to inform and persuade people for whatever product, service or idea is being promoted. It can be used to strengthen the corporate image and its products and in doing so, reinforce buyer loyalty. Advertising has contributed to enhancing customer loyalty, attraction of new customers, increasing sales volumes, enhancing branch expansion, creating awareness on the bank and its products and reminding customers to purchase the bank’s products (Cheruiyot, 2014). The study results showed that advertising approaches and models adopted by NIC Bank enhanced consumer knowledge and perception pertaining to the bank’s brands and ultimately strengthened the loyalty of the customers. Advertising is one of the primary communication links with consumers; hence consumers’ desired image and language along with culture, economy and commercial changes should be kept in mind (De Pelsmacker, 2001). He further adds that advertising has been designed to direct views and also make change in behavior easy and may present the most convincing sales messages with most accurate perspective of products or services without much cost. The prime objective is to build or maintain awareness of a product or organization. Apart from its ability to reach large audiences, the key strengths of advertising have been to develop brand awareness, values and associations (Fill, 2006). Yoo et al. (2000) stated that the role of advertising should be indirectly linked to brand loyalty suggesting that rather than the advertisement itself, it is how advertising affects customer perception of the firm that is more critical in shaping brand loyalty. The study revealed that through
advertising, consumer and users gain motives to purchase the advertised product this has had positive effects on brand image and perceived quality which in turn contributes toward enhanced brand loyalty.

Perreault (2000) states that advertising seeks to promote the seller’s products by means of publicizing them through different kinds of media like print and electronic. This is justified on the grounds that messages can reach a large number of people and make them aware and persuade and remind them about the firm’s offerings. From a marketing management perspective, advertising is an important strategic device for maintaining a competitive advantage in the marketplace. The study showed that the organization employed advertising as a promotion strategy to reach a wide audience in order to promote brand awareness and thus enhance brand loyalty.

Advertising is a highly public mode of communication. It is a persuasive medium that permits the seller to repeat a message many times. It provides opportunities for dramatizing the company and its products through artful use of print, sound and color. Advertising, unlike personal selling is impersonal. It carries a monologue message to the audience from an identified source (Hart, 2008). Advertising on mass media has made advertising to be more precise, has played a major role in business to consumer marketing and enabled companies to meet communication and other marketing objectives (Cheruiyot, 2014). The study revealed that advertising is normally done through use of radio, television and newspapers which has reached a large audience at once and created good image of brands hence generating more sales and revenues.

5.3.3 Influence of Direct Marketing on Brand Loyalty in Banking Sector

The content of communication has an effect on how customers perceive and value the information they receive, or retrieve, and how this affects their relationship with the brand and the marketer. It has been argued that communication rather than persuasion is the foundation of customer-focused marketing efforts (Merisavo, 2006). The study revealed that NIC bank has developed marketing programs to establish knowledge structures for the brand so that consumers respond favorably to marketing activities for the brand.

According to Brassington and Pettit (2000), direct marketing is an interactive system of marketing, using one or more advertising media to achieve measurable response anywhere, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers, to be able to create and sustain quality relationship with sometimes hundreds or even thousands of individual customers, an organization needs to have as much information as possible about each one, and needs to be able to access, manipulate and analyze that information, thus, the database is crucial to the process of building the relationship. The primary purpose of direct marketing is to obtain an immediate response and cultivate lasting customer relationships (Mallin and Finkle, 2007). They further add that direct marketing has often been seen as a tool which enhances relationship building because it enables organizations to “get a response” from those targeted, thus establishing an exchange of views if not a full blown communication exchange. The study revealed that NIC Bank uses direct marketing to obtain an immediate response and cultivate lasting customer relationships and that NIC Bank sends communication through mobile devices to cultivate positive effects on consumers’ brand relationships and long-term purchase behavior. NIC Bank has extended its face to face selling towards direct marketing of products and services in the form of phone, mail and computer transactions.

A central finding is that repeating messages or objects to consumers will translate to awareness and learning, possibly more positive attitudes towards the object and eventually result in action (Broussard, 2000). The study revealed that direct marketing approach employed by NIC Bank represents the most important marketing communication tools that help to build bank brand equity.
Direct marketers communicate directly with customers, often on one-to-one, interactive basis. Using detailed database, they tailor their marketing offers and communications to the needs of narrowly defined segments or even individuals buyers (Van der Merwe, 2003). Direct marketing has the potential to be more cost effective than other promotional tools because of the precise targets that the technique allows. The study showed that NIC Bank used direct marketing as one of its most important promotional tools to enhance brand image to customers and influence their buying decision.

Existing customers can be contacted to introduce them to new products and special offers, hence, affecting their loyalty while the new customers can be identified and encouraged to purchase products are services of a firm through direct channels (Van der Merwe, 2003). The study showed that the organization used direct marketing as a tool to demonstrate benefits gained to the customers on existing brands, and to further illustrate potential benefits gained to new brands introduced to the market.

It has been found that previously presented stimuli are easier to encode and process than are novel or unfamiliar stimuli, which is interpreted by the individual as liking (Merisavo, 2006). Repeated exposure to brand communication also enhances brand attitudes by allowing the customer to process more information. In addition, messages that become familiar through repetition have a tendency to be perceived as more valid (Reinartz and Kumar, 2003). The study showed that through communication, the bank was able to cultivate positive effects on consumers’ brand relationships and enhance long-term purchase behavior.

Repetition also has effects on customer loyalty. It has been found that learning and increased positive experiences with a certain brand decrease the search for information about alternative brands. Similarly, the more attributes associated with a brand the more loyal the customer (Romaniuk and Sharp 2003). Furthermore, when a consumer spends time with a brand and processes information, positive affective responses (emotions, feelings, moods, primary affect, satisfaction) about the brand are evoked in the consumer’s mind. In the literature, this information processing is also described as cognitive loyalty, a phase where information on the brand at attribute performance level is the dominant driver of loyalty (Oliver, 2009). The study showed that the organization used direct marketing to obtain immediate responses from its customer base and cultivate long lasting customer relationships.

5.4 Conclusions
5.4.1 Influence of Personal Selling on Brand Loyalty in Banking Sector
The study concluded that most banks consider personal selling as more persuasive among the marketing communication mix elements in NIC Bank since it consolidates customers and maintains the buyer-seller exchange relationship. The reason behind the bank adopting personal selling approach is to cope with stiff competition, expand its portfolio to the growing market, adapt to changes in customer tastes and preferences, changes in technology, enhancing customer relationships as well as increasing sales volume of the firm.
5.4.2 Influence of Advertising on Brand Loyalty in Banking Sector
The study also concluded that the bank pays special attention to the aspects related to the design of their advertising campaigns in the media through developing original and creative strategies. Advertisements have also enhanced consumer knowledge and perception which has ultimately strengthened the brand loyalty. Through advertising strategies to communicate, consumers and users gain motive to purchase the advertised product. This has positive effects on brand image and perceived quality which thus contributes toward enhanced brand loyalty.

5.4.3 Influence of Direct Marketing on Brand Loyalty in Banking Sector
Further the study concluded that banks have developed marketing programs to establish knowledge structures for the brand so that consumers respond favorably to marketing activities. Banks use direct marketing to obtain an immediate response and cultivate lasting customer relationships. In addition, banks now find it convenient and quick to convey any information through mobile devices via text messages, push messages and email to cultivate positive effects on consumers’ brand relationships and long-term purchase behavior.

5.5 Recommendations
5.5.1 Recommendations for Improvement

5.5.1.1 Influence of Personal Selling on Brand Loyalty in Banking Sector
The study recommended that adequate and timely personal selling should be encouraged for brands of products that are performing dismally in the market as well as products in the product life cycle that are in decline stage in organization. It was recommended that organizations should have adequate and competent marketing management and sales teams with equipped skills in knowledge of brands, communication skills, interaction and relationship building to all potential and existing customers in the organization. The study recommended that there should be reward systems for sales teams or individuals that perform exceptionally well in the organization by attracting and convincing customers to become loyal. It was recommended that further study should be conducted in relation to the influence of personal selling on brand performance in franchised and non-franchise products.

5.5.1.2 Influence of Advertising on Brand Loyalty in Banking Sector
On advertising, the study recommended that with the improvement in the technology, different firms should consider the use of different ways to attract new customers and to increase awareness among them. Firms and brands use the goodwill and image to gain the trust and commitment of their customers and to make them loyal, thus banks should adopt advertising as a defensive strategy which will help in building brand loyalty and help to retain the loyal customers. Likewise, the study recommended that banks should adopt advertising since it gives information, persuades, reminds, corrects false impressions, convinces as well as creates a brand image for buyers of a product or service.

5.5.1.3 Influence of Direct Marketing on Brand Loyalty in Banking Sector
The study suggested that since direct marketing is the practice of delivering promotional messages directly to potential and existing customers on an individual basis as opposed to through a mass medium, it is this individual basis that helps to build brand loyalty from the very beginning. Thus to build brand loyalty, banks need to build relationships with their customers. This relationship is built through frequent and direct marketing channels of communications through dedicated relationship managers because it is much more personal than other forms of marketing and selling.

5.5.2 Recommendations for Further Studies
The study has explored the influence of promotional mix elements on brand loyalty in the Kenyan banking sector. The banking sector in Kenya however is comprised of various other financial
institutions which differ in their way of enhancing brand loyalty and have different settings all together. This warrants the need for other studies which would ensure generalization of the study findings for all the banking institutions in Kenya and hence pave way for new policies. The study recommends other studies be done with an aim to investigate influence of promotional mix elements on brand loyalty in the Kenyan banking sector in other banking institution other than NIC Bank in order to give a general result that may depict a real market situation in the banking sector.
REFERENCES


APPENDIX I: COVER LETTER

Dear Participant,

You have been selected to participate in this study. The main purpose of the study is to examine the effects of promotion mix elements on brand loyalty in the Kenyan banking sector. The findings of the study will be used to help all the parties concerned to address the issue of brand loyalty so as to make it more appealing to the customers. To accomplish this objective, you are kindly requested to complete the questionnaire provided so as to provide the necessary data. If you are interested in the results and recommendations of this study, please advise the researcher to avail them as soon as the study is completed.

Your contribution is highly appreciated.

Ivy Macharia
APPENDIX II: QUESTIONNAIRE

This is a research in partial fulfillment of the requirement for the award of Masters of Business Administration at USIU. This questionnaire is made up of four sections. Please place a tick on the appropriate box or fill in the blanks as completely and accurately as possible.

SECTION ONE: GENERAL INFORMATION

Kindly answer the following by ticking in the appropriate box as provided below:

1. Please indicate your gender:
   - Male [ ]
   - Female [ ]
   - Other [ ]

2. Kindly provide your age:
   - Below 20 years [ ]
   - 21 – 30 years [ ]
   - 31 – 40 years [ ]
   - 41 – 50 years [ ]
   - Above 50 years [ ]

3. Kindly indicate for how long you have been banking with NIC Bank:
   - Less than 5 years [ ]
   - 5 – 10 years [ ]
   - 10 – 15 years [ ]
   - Above 15 years [ ]

4. Kindly indicate the type of account you hold with NIC Bank:
   - Business Account [ ]
   - Personal Account [ ]
   - Fixed/ Call Deposit Account [ ]
   - Loan Account [ ]

5. How many other accounts do you hold with other banks, if any?
   - 0 [ ]
   - 1-2 [ ]
   - 3-4 [ ]
   - More than 4 [ ]

Using the following statements, kindly indicate your level of agreement with the following statement relating to aspects of personal selling on brand loyalty in banking sector. Use a scale of 1-5 where 1=strongly Disagree, 2=Disagree, 3, Moderate, 4= Agree and 5=Strongly Agree.

<table>
<thead>
<tr>
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<th>2</th>
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<th>4</th>
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<tbody>
<tr>
<td>NIC Bank has employed sales personnel with interactive skills who provide an important aspect in forming positive brand associations, increasing the customers’ perception of quality, and thus increasing their loyalty to the brand.</td>
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<tr>
<td>Through personal selling I have become a loyal customers due to greater sense of connection/bonding with the sales person</td>
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<td>Personal selling approach used by NIC Bank has helped to differentiate the company from other corporate brands, as the company is directly interacting with customers on a personal level</td>
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<td>I am aware of NIC Bank brands, and have positive associations with the brands, which are strengthened by the interaction with the personal sellers</td>
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<td>I was persuaded by the NIC Bank sales person to buy the bank products and I noticed that they are very influential in my purchasing decision(s)</td>
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<td>NIC Bank has strengthened its personal selling approaches by recruiting qualified sales persons with effective communication especially with the growing competition in the banking industry.</td>
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</table>
Personal sellers who visit our workplace influence our decision to purchase the brands and we perceive the brand is of good quality hence we tend to buy again once we prove they are okay

I value the importance of the personal selling approach used by NIC Bank primarily because it is convenient, they exude excellent customer service and because of the ease of the purchasing process of a product

Personal selling is considered as more persuasive among the marketing communication mix element in NIC Bank since it consolidates customers and maintains the buyer-seller exchange relationship

Adoption of Personal selling in NIC Bank helps representatives of the bank to explain to their clients/customers how well the products/services can satisfy their needs

SECTION THREE: ADVERTISING
Using the following statements, kindly indicate your level of agreement with the following statement relating to aspects of advertising on brand loyalty in banking sector. Use a scale of 1-5 where 1=strongly Disagree, 2=Disagree, 3, Moderate, 4= Agree and 5=Strongly Agree.

<table>
<thead>
<tr>
<th>Statement</th>
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<th>2</th>
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<th>5</th>
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<tr>
<td>NIC Bank has adopted advertising to build brand loyalty, which helps in retaining the loyal consumers, and price promotions as well as to attract the loyal consumers away from the rival brand</td>
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<tr>
<td>Advertisements have enhanced consumer knowledge and perception pertaining to NIC Bank brand and ultimately strengthen the brand loyalty</td>
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<tr>
<td>NIC Bank uses radio, television and newspapers to create image of brands and help in generating more sales and revenues</td>
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<tr>
<td>NIC bank has employed advertising approach in promoting its of brand and improves brand awareness</td>
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<tr>
<td>Advertising is an important tool in creating awareness among new and existing customers of a given brand and creating loyal customers attached to particular brand or product</td>
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<tr>
<td>The more NIC Bank advertises for the brand, the more consumers have high perceived quality and loyalty for the brand</td>
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<tr>
<td>The content of advertising used by NIC Bank in its products and services plays an important role in brand equity dimensions and customer loyalty to the brands</td>
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<tr>
<td>Through advertising NIC Bank has increased its customer base who become loyal customers to the services and products they offer hence developing positive attitudes that culminate in purchase much later</td>
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SECTION FOUR: DIRECT MARKETING
Kindly indicate your level of agreement with the following statement relating to aspects of direct marketing on brand loyalty in banking sector. Use a scale of 1-5 where 1=strongly Disagree, 2=Disagree, 3, Moderate, 4= Agree and 5=Strongly Agree.

| NIC Bank has developed marketing programs to establish knowledge structures for the brand so that consumers respond favorably to marketing activities for the brand | 1 | 2 | 3 | 4 | 5 |
| NIC Bank has engaged in direct marketing to enhance perception of brand image to customers and influence consumers’ buying decision | 1 | 2 | 3 | 4 | 5 |
| Through the direct marketing approach used by NIC Bank, customers have been able to understand what a brand stands for and what its value is | 1 | 2 | 3 | 4 | 5 |
| Direct marketing has plays an important role in showing buyers the benefits of the existing brand and how they would benefit more to a new brand introduced in the market | 1 | 2 | 3 | 4 | 5 |
| Direct marketing approach employed by NIC Bank represents the most important marketing communication tools that help to build bank brand equity | 1 | 2 | 3 | 4 | 5 |
| Direct marketing is an influential factor in shaping customers’ perceptions towards brands particularly in financial services where bank customers prefer face-to-face interactions especially when the perceived risks are high | 1 | 2 | 3 | 4 | 5 |
| Direct marketing as an approach for marketing contributes to the development of customers’ perceptions of service quality through their attitude, behavior and knowledge towards the NIC brand | 1 | 2 | 3 | 4 | 5 |
| The approach of direct marketing used by NIC Bank plays an appropriate role in delivering what the brand stands for, its abilities and promises to reach customer trust towards the brand | 1 | 2 | 3 | 4 | 5 |
| NIC Bank uses direct marketing to obtain an immediate response and cultivate lasting customer relationships | 1 | 2 | 3 | 4 | 5 |
| NIC Bank sends communication through mobile devices to cultivate positive effects on consumers’ brand relationships and long-term purchase behavior | 1 | 2 | 3 | 4 | 5 |

THANK YOU