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Research Article

Effect of Advertising on Attraction of Customer to use Digital Banking Service in Africa

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Abstract: Currently, relating to contesting environment in Africa that administer the banks regarding digital services, by means of billboard to bring in services has a considerable function in rousing and inspiring clients in using offerings and services and consequently attracting them to use their digital services. In other words, if the banks wish to evaluate the efficiency of their advertisement on the clients, they can perform better in future which is a distinctive competence for the banks. The present study was conducted on the clients of the Commercial Bank of Ethiopia Daye branch in Hawassa District which is found on Sidama region Daye town, aiming to answer whether advertisement has caused any improve in the clients' attraction to use the CBE Daye branches digital services.. The current investigate is an applied study which has gathered the structured questionnaires related to the reactions of the clients of Commercial Bank of Ethiopia Daye branch, Hawassa District. The sample size for this study is Eighty five determining by the rule of thumb technique and the sampling was purposive sampling. The Correlation and regression methods were employed to relationship and impact between explained and explored variables. Furthermore, the types of advertising were investigated. At the same time as the study hypotheses were investigated, all assumptions of alternative hypothesis were accepted with significant level, less than 0.05. Finally this learning concludes with suggestions including the way advertising transmitted the instance and the position of advertising.
Keywords: Advertising, Digital money lending, Electronic Service.

INTRODUCTION

Background of the study

Advertising is foundering modification in attitudes, values and beliefs of the viewers. Advertising and its relationship with attracting the clients can do changes in the advertising budget to content of communication channels (Parhizgar & Mehdipour, 2004). Although significant matter is that banks given the intense competition structure prevailing them in the supply of electronic services have turned to the media extensive advertising to introduce its services.

At the present time, concerning the competitive ambiance which directed the banks regarding Digital services, using advertisement to commence services features a momentous role in rousing and motivating clients in using offerings and services and consequently attracting them to employ their digital services. In other words, if the banks wish to guage the efficiency of their advertisement on the clients, they will perform better in future which may be a distinctive competence for the banks.

According to the European Economies Money lending Statistics (ECB) of 2020, the use of e-money dealings by rating, Luxemburg was the leading economy particularly internet money lending offerings in 2020 followed by Italy but African economies are marginalized in this survey (Poposkaand Neda, 2014). Numerous economies in Africa have not adopted the use of electronic money transactions in the majority of their population. A study by Gatembe (2002), in four African economies namely Mauritius, Ethiopia, Uganda and Kenya found that there was very little use of internet money lending by financial institutions by clients on the respective economies.

In developed economies, due to the increasing number of banks and offering similar services, banks have faced with a big problem to attract clients and as a result their deposits. Therefore banks in this competitive environment to maintain market share or increase its share of market should have a appropriate arrangement for delivering advertising (Rabiei & Mohammed, 2011). In least developed economies like Ethiopia paid less attention to evaluate the effectiveness of advertising (Rabiei & Mohammadian, 2011)

In Ethiopia Physical distance between bank branch and client, between distance of client and financial adviser are much wide and this leads to uncertainty on in general surroundings. Internet creates particular confront in electronic money lending because banks find ways which start and continue electronic exchange relationships effectively (Claudia, 2011).

Reliability and client satisfaction is an imperative challenge in digital money lending that bank official faced with (Ademola, 2009).

Some banks offer home money lending, whereby a person with a personal computer can make transactions, either via a direct connection or by accessing a Web site. Electronic money lending has vastly reduced the physical transfer of paper money and coinage from one place to another or even from one person to another (Electronic money lending, 2014).

One of the latest and widely accepted distribution channels to be used in the financial services organizations is electronic money lending; it was established in the mid-1990s, after that steadily becoming more imperative (Allen et al, 2001).Researchers have classified the electronic money lending into three sections, Internet Money lending, mobile Money lending and Automated Teller Machine (Joseph and Stone, 2003).

Therefore, this study focuses on the impact of advertising to attract client in digital money lendingby choosing CBE as a case to study since CBE has the largest number of client who uses largest number of digital service that need a continuous assessment than any of the other banks in Ethiopia. This study will go a long way in helping CBE understand the impact of advertising as well as help them to develop improved their advertising strategy on digital service in order to attract the client.

Statement of the problem

In Ethiopia, due to the increasing number of banks and offering similar services, banks have faced with a big problem to attract clients and as a result their deposits. Consequently banks in these competitive surroundings to uphold marketplace share should have a suitable plan for bring advertising. Unluckily, Ethiopian bank's has not paid much concentration to evaluate the efficiency of advertising. Internationally successful money lending experience has shown that bank to maintain and improve its position in existing markets by creating new markets required providing new services and at the same time improving its existing services. Banks can also employ communiqué techniques to bring in their offerings and services. communiqué objectives include raising consciousness, convince and be reminiscent to current clients and possible clients about the offering of the bank (Gilaninia, 2012). When a latest produce is bring in to the marketplace and the intent is to generate early demand, awareness advertising is used. When competition increases and the aim are creating selective demand, persuasive advertising is used. When the offering is in the curve of their life in their mature stage and the aim is that the consumer thinks about the offering constantly, reminder advertising is used (Rezaei & Mohammad, 2009).

Advertising is caused a change in attitudes, knowledge and behavior of the viewers. Awareness, persuasion, encouragement, reminders, strengthening relations and accelerating and promote exchanges including various tasks of advertising that by examining effects of advertising and its relationship with organizational goals (Parhizgar & Mehdipour, 2004).But important issue is that banks given the intense competition structure prevailing them in the supply of electronic services have turned to the media extensive advertising to introduce its services. Since effects of different advertising on different people is different and what effect have on their awareness, encourage to use the offerings and services and ultimately attract them to use digital money lending services, thus it is necessary for banks. In other words, if banks can evaluate the effectiveness of their advertising on clients, thus have a better performance in the future. This can be considered as a competitive advantage for banks. In present investigation, advertising is considered as explored variable and attracting clients to use electronic services of bank as explained variable. The dilemma occurs on that banks that are offering the identical manufactured goods and service so face problem of pull the client, competition is high amongst banks, and be deficient of adequate information and no awareness on evaluate the effectiveness of advertising are a quantity of of summarized gaps.

Objectives of the study

- To identify the types of advertisement used by CBE that attracting clients to use electronic service
- To assess how Television advertisement increase client attraction to use electronic services
- To examine that how Radio advertisement increase client attraction to use electronic services.
- To find out whether Press advertisement increase client attraction to use electronic services.
- To assess how Advertisement by catalogues and brochures increase client attraction to use electronic services.
- To determine Oral advertising by bank personal and increase client attraction to use electronic services.

LITERATURE REVIEW

There are a lot of definitions concerning the thought of service. Services are activities, processes, and performances (Parasuraman, 1985). Gronroos (1984) describe service as an activity of more or less intangibles nature. Similarly Kotler (2000) described service as any advantage that one party offers to an additional party. Nowadays offerings heavily rely on its quality of services (kotler & Armstrong, 2012)

Services Marketing Mix

According to Philip Kotler (2000), "Marketing Mix is the deposit of explained variables that the organization can employ to manipulate the customer opinion". The concept of services marketing mix is

proposed for measuring the superiority because of the intangible nature of service (Yelkur, 2000). Kotler (2000) described service as "An act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. "Due to intangibility, heterogeneity, inseparability, and perishable characteristics of services; service oranizations need to consider these extra 3Ps (people, process and physical evidence)".

Advertising

According to Katke (2007) advertisement is an effective way to influence the mind of viewers and gives exposure viewers 'towards a particular offering or service. Morden (1991) says that "advertising is used to establish a basic awareness of the offering or service in the mind of the potential client and to build up knowledge about it". According to Belch (2012) "advertising is the best-known and most widely discussed form of promotion, probably because of its pervasiveness. This is particularly true for companies whose offerings and services are targeted at mass consumer markets".

As Manisha (2012), advertising show business. On the other hand enhancing advertising porfolio for services is a tricky phase because of the intangible attribute of service.

Advertisement Practice in Ethiopia

According to the data obtained from the Ethiopian Broadcast Authority, currently there are 791 advertising agencies in Ethiopia. These companies are working based on the proclamation of advertisement. The Federal Democratic Republic of Ethiopia launched this proclamation on 2012. A proclamation on advertisement (Proclamation no. 759/2012) was approved on the federal Negarit newspaper.

Digital money lending

Monetary transactions of most developing economies are cash driven but information technology is changing these types of businesses. This change meets the growing demands of clients including in the money lending industries (Delvin, 1995). Electronic money lending has been rising due to the convenience that is offered though facilitating self-service in marketing to undertake money lending transaction outside of bank hours and from anywhere where internet access is available. It helps clients achieving speed, efficiency,

cost reduction and competitive advantage (Gonzalez, 2008; Maholtra & Singh, 2007).

The Ethiopian Money lending sector has functioned recently the Digital money lendinghowever, with the start of Digital money lending service; the sector was characterized by intensely aggressive competition to solicit the client more. This technological advancement has made the money lending processes faster and easier whilst satisfying the needs of the clients. This is therefore, the following popular services covered under Digital money lending includes:

- ATMs, Credit cards, Debit Cards, Smart Cards, Electronic Funds Transfer System (EFT) Check the truncation payment system, Mobile Money lending, Internet Money lending, Telephone Money lending, Agency Money lending etc. (Source: The Global Findex Database, 2019).

The popular and common types of electronic money lending services used in Ethiopia are:

- **ATM:** Automatic Teller Machine, an electronic terminal which gives the client an opportunity of money lending service at any time.
- **POS:** Point of Sell: The system allows the client to pay for retail purchase, to acquired service through debit card (Merchant POS), to receive cash in advance or to withdrawal at bank branch (Branch POS).
- **Internet Money lending:** Electronic Money lending system using web technology in which clients are able to conduct their business transactions through personal computer or self-phone.
- **Mobile Wallet:** known as Digital Wallet. It facilitates client to demeanor a quantity of money lending services thorough mobile. It refers to supplies of money lending and financial services by means of the help of mobile Tele communication devices (Henok Arega, 2015).
- **Agency Money lending:** New and not widely used. An Agent Money lending means conducting money lending business on behalf of a financial institution through an agent using various service delivery channels as permitted under National Bank of Ethiopia directives (NBE Directives No. FIS/01/2020).

Conceptual Framework

Thus, according to statement contained, proposed analytical model of study is as follows:
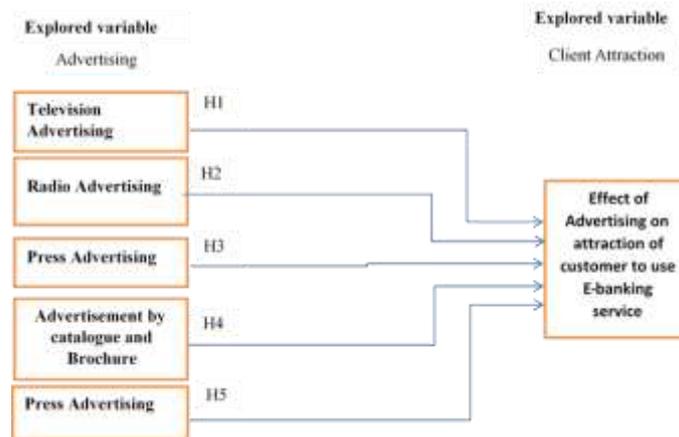
Source: Researchers own framework. 2021

RESEARCH DESIGN AND METHODOLOGY

This study primarily was adopted a quantitative approach. In order to accomplish the study objectives and to answer the stated questions, descriptive statistics such as frequency, percentage, mean and standard deviation was used to assess advertising impact and measure client attraction on digital money lending service. Correlation and regression analysis was used to identify the relationship between advertising and client attraction

Quantitative research approach was used for this study. The purpose of this study was being to evaluate and observe through a survey instrument if response variable, client attraction has a measurable relationship with the explored variable. To achieve this objective the study adopts a quantitative research approach. For this study a survey method was used to collected data in which people was asked to answer the questions (usually in the form of a questionnaire).

Questionnaire from the sample chosen respondents was used for primary data. Respondents' response through questionnaire was used as a primary source of data. The primary data for this study was collected in the form of self-administered questionnaires which comprised of close-ended questions that are clear and to the point and easy to understand for the respondents.

Target Population

Commercial bank of Ethiopia has more than 23 million clients. Among this more than 2,300 clients are under Hawassa district daye branches account holders that uses digital money lending (CBE Daye branch annual report, 2021). Therefore this study focuses on the client they are exposed to advertising who are using digital money lending service.

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Sampling Techniques

Since the respondents don't have an equal chance of being selected. In non-probability sampling, since elements are chosen arbitrarily, there is no way to estimate the probability of any one element being included in the sample. Also, no assurance is given that each item has a chance of being included; it is quick, inexpensive and convenient.

Sample Size

For determining sample size the researcher used rule of thumb method that using of crude formula. A crude formula:

N=1/ (MoE) 2n = 1/ (MoE) 2

Where n is the sample size and MoE is the margin of error you wish to keep for study. For example, if you wish to have a margin of error of only 1% then your required sample size would be 1(0.01)21(0.01)2 i.e. 10, 0000

Similarly, the researcher take a 10% margin of error, you need a sample size of only a 100. This rule of thumb would be applicable for a confidence interval of 95%.

The researcher have determined the small sample size due to cost, time, convenience , the current situation , even for the SPSS software it is better to take a sample of 80 to 135 because of time and small sample size is better for economic and logistic reason.

Reliability Test: The variance used at Cronbach's coefficients calculus is:

$$= \frac{K}{K-1} \ X \ 1-\frac{k=Si2}{St2}$$

Duffy (2001) stated that high Cronbach ἀ greater than 0.60 indicates that the items within the scale are measuring the same construct

Table 1. Reliability Analysis of the Items

Items	Alpha value
Television	0.323

Radio	0.723
Press	0.743
Catalogue and brochure	0.353
Oral	0.853
All variable	0.60

Source: Survey Result (2020)

ANALYSIS OF ALL THE ADVERTISING METHOD
Descriptive Statistics Analysis

The summary statistics of all the variables in this study was represented as in the following table showed that there are 85 observations for each variable, the mean and standard deviation values were calculated.

Table 2. Descriptive Statistics analysis of mean and standard deviation

Variables	N	Mean	Std. Deviation
Television advertising	85	4.3625	0.758125
Radio advertising	85	3.1917	1.217212
Catalogue and brochure ads	85	3.6411	0.910571
Oral advertising	85	3.8875	1.194521
Press advertising	85	3.0111	1.087414
Valid N (list wise)	85		

Source: Survey Result (2020)

Table 2 depicts that television advertising scored the highest from the five advertising type with a mean score of (4.36). This means that most of the respondents agreed with that CBE Tv ad attracts me, TV Ad is necessary for the client, The Advertisement message shown on the television is trustworthy, The advertisement message is memorable, The facts in the ad convince me to different features of the offerings and Television advertising is impressive The second place score is recorded by oral advertising with mean score of (3.88). This indicates most of the respondents have shown their agreement in the message by Branch staff is clear, I used another service by this ad and Oral ad has positive impact. The third and fourth scores came from the type of Catalogue and brochure ads and radio advertising with mean scores of (3.64) and (3.19). The lowest scores came from press with mean scores of (3.01). This indicates clients' moderate disagreement with the items inside the type relating to press such as I read newspaper about CBE service, Press advertising clearly shows the logo, motto and the message by itself and press advertising are available at any time.

In the press advertising respondents did not agree with items such as: I read newspaper about CBE service, Press advertising clearly shows the logo, motto and the message by itself and press advertising are available at any time the rest of the items as well.

Regression Analysis

					Model Summary[b]		
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**		
					R Square Change	**F Change**	**df1**
1	.822[a]	.676	.497	.714	.676	3.762	30

	Model Summary[b]		
Model	**Change Statistics**		**Durbin-Watson**
	df2	**Sig. F Change**	
1	54[a]	.000	1.487

Source: Survey Result2020
Predictors: (Constant), all explored variable of advertising
Explained Variable: overall client attraction

The correlation between the explored variables to explained variable is described with a strength and direction of 0.822. The proportion of variance in the explained variable (client attraction) which can be explained by the explored variables (Tv ads, Rdaio Ads, catalogue and brochure ads, oral ads ad press ads) is 0.676. The adjustment of the R-squared (0.497) is that penalizes the addition of extraneous predictors to the model. Std. Error of the Estimate (0.714) referred to as the root mean squared error. It is the standard deviation of the error term and the square root of the Mean Square for the Residuals in the ANOVA table.

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Table 3: ANOVA Table of Regression Analysis

ANOVAᵃ

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	57.485	30	1.916	3.762	.000ᵇ
	Residual	27.503	54	.509		
	Total	84.988	84			

a. Explained Variable: Overall, how clients are attracted
b. Predictors: (Constant), all explored variable

Based on the F value and the significance level the model is statistically significant at 99% confidence level. F value is 3.762 at the .000 level of significance and indicates that the regression model is significant at .000 levels.

Table 4 below showed the standardized beta coefficients. A unit change in the explored variables (Advertising) would produce an effect on the explained variable (client attraction). From this table, Television advertising ($\beta=0.598$, $p<0.01$), Television advertising ($\beta=0.351$, $p<0.01$), Press advertising ($\beta=0.347$, $p<0.01$), Catalogue and brochure ads ($\beta=0.266$, $p<0.05$) and Television advertising ($\beta=0.253$, $p<0.01$) have positive and significant effects on client attraction. The largest t values for Catalogue and brochure ads (t=13.42) and Radio advertising (t=7.303) respectively their corresponding low p values ($p<0.01$ for all) supported for which there were high beta coefficients.

Table 4: Estimated Unstandardized and Standardized Regression Coefficient

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.338	2.897		9.986	.016
	Television advertising	1.615	1.556	0.253	2.077	0.042
	Radio advertising	0.696	0.599	0.351	7.303	0.049
	Catalogue and brochure ads	1.825	1.217	0.266	13.42	0.023
	Oral advertising	0.617	0.455	0.598	6.183	0.034
	Press advertising	0.896	0.682	0.347	0.347	0.029

a. Explained Variable: Overall, how satisfied are you with Commercial Bank of Ethiopia's ATM Service?

Generally, client attraction is primarily predicted by higher level of Catalogue and brochure, Radio advertising, and oral ads to a lesser extent by press and television advertising.

Table 5: Summary of Hypothesis Testing

Hypothesis	Explored variables	Value	Explained variable	Result
H1	Television advertising	$\beta = 0.253$	Client attraction	Accepted
H2	Radio advertising	$\beta = 0.351$	Client attraction	Accepted
H3	Brochure and catalogue ads	$\beta = 0.266$	Client attraction	Accepted
H4	Oral advertising	$\beta = 0.598$	Client attraction	Accepted
H5	Press advertising	$\beta = 0.347$	Client attraction	Accepted

Table 5 shows the variables that were tested by regression analysis and the finding of the test supports that each of the above mentioned advertising type has a positive and significant relationship with client attraction. Since there is a positive correlation between all the advertising type and client attraction, it is possible to state that the better the commercial bank of Ethiopia the higher client attraction becomes. Since there is a moderate and significant relationship with the all advertising type CBE should always be looking for ways to improve and build on its advertising system since they have a positive and moderate relationship with client attraction, and in this day and age the Ethiopian money lending industry is highly competitive with many players offering similar bank services, keeping clients attracted is a primary objective

CONCLUSION

Advertising is a big marketing weapon to attract CBE Daye branch client and has significant impact on their attraction. From the findings of the study it may be concluded as most of CBE Daye branch client are exposed to advertisements and increase their attraction. This shows that advertisements in CBE will continue as a information provider for advertiser / business sector and information receiver for client and has a positive impact on Daye branch client. If Advertisement continues, ads programs will also continue. According to

Nickels et al (1999) advertising not only helps to maintain superior stand in the industry and profit maximization, it provides information about a offerings or services and also gives consumers free television.

In general, Daye branch client wants to buy offerings or services they have already seen on TV. Sometimes you just believe what you see but trustworthiness of advertisements was an issue for most of clients. Credibility is very essential. Advertisements shouldn't be misleading. At the end of the day people will be harmed and find out. The producer and advertising stations should take full responsibility. It's not because we exaggerate it. Truth is always the winner. You can promote the offering with positive perspective without lie. They need to work more on the creativity.

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