

Promotional Activity Involvement of Commercial Banks: A Comparative Analysis among Three Generation Banks in Bangladesh

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Banking industry in Bangladesh up to now is leading the financial system. Based on the time of inception all the commercial banks have been divided into three generations. Banks of all the three generations are introducing new and new products to meet the dimensional demands of customers. But only adoption of new products is not sufficient. Customers should get the proper information about the products. For this banks are now emphasizing on proper marketing strategy. And of course in this aspect they are applying different promotion mix. Through this promotion mix, banks try to sell more & more deposit and loan products to potential customers which affects the total deposit collection & loan disbursement of the banks. In this paper we have tried to observe the difference in promotion activities in the three generation banks and the influence of promotion activities upon deposit and loan amount of some selected private commercial banks in Bangladesh.

Field of Research: Banking

1. Introduction

Everywhere in this world, banking industry is playing a vital role in the economic development. Goldsmith (1969) observes that financial development in different countries of the world starts with Banking Financial Institutions (BFIs). Bank as the principal source of credit to millions of individuals, families, businesses & many units of government, has attached its own pace of advancement in the development path of economy. Worldwide banks grant more installment loans to consumers than any other financial institutions. Banks are among the most important sources of short term working capital for businesses and have become increasingly active in recent years in making long-term business loans (Rose & Hudgins, 2005). The main function of a commercial bank is to mobilize deposits and to provide loans to people & organizations to finance their consumptions and business activities. Thus banks encourage the flow of money to productive use & investment which accelerates the flow of economic growth (Ashraf Ali & Howlader, 2005).

With the technological advancement throughout the world, we know new and new financial products are being innovative everyday. Banking industry to keep itself up to date is adopting these new services in their portfolio. Thus it is making the service proliferation which is changing the nature of banking industry. (Rose

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& Hudgins, 2005). But only adoption of new products & services are not enough. For success it is very much needed to make the customers aware of the new products. Besides, many people of the developing countries till now is not that much aware of the regular services of banking industry. So it becomes a duty of the commercial banks to provide more information to their target customers about themselves & their products. Here comes the need for introducing marketing strategy in banking industry. And in this competitive world, nowadays companies have to be very tactful to present their products in front of customers, even in the banking industry. For this aspect banks are now adopting different promotion activities to make their products acceptable and familiar in the market. But the way of promoting products and services do vary in different banks based on the culture and economy it is working.

In Bangladesh, after the privatization trend of banking industry in 1980s, the banking industry of our country took a new shape. Thirty private commercial banks emerged in last 30 years (1980-2010). All these private commercial banks are now competing with each other, with nationalized and foreign commercial banks as well as with the non-bank financial institutions to sell their products in the market. So banks are now found to be involved in different promotion activities in our country like, advertisement, maintaining public relation, sales promotion etc. But involvement is not same by all the banks. Some banks are adopting wide range of promotion activities whereas some are lagging behind. Moreover it is very important to know whether the various promotion tools can attract deposit or loan customers or not. So in this paper we have tried to find out the involvement range of private commercial banks in these different promotion activities and also tried to find out whether there is significant difference in the promotion tools adopted by different banks. Also In realization of the increasing importance of promotion mix in banking industry, based on the rate of involvement of banks we have drawn a comparative analysis among the three generation banks in Bangladesh. Besides this we tried to establish a relationship between deposit collection of banks and promotion tools utilization and also the relationship between loan amount of banks and promotion tools utilization by following simple regression model. According to our analysis we found there is no difference in promotion activity involvement among three generation banks in Bangladesh. We also found that promotion activities to some extent influence deposit collection & loan distribution of banks in Bangladesh.

The paper proceeds as follows. Section 1 discusses about the literature on promotion activities of commercial banks. Section 2 defines the objectives of the paper. Section 3 describes the methodology used for analysis. Section 4 gives a brief idea about the banking industry in Bangladesh. Section 5 includes the analysis part regarding participation of banks in promotion activities. Section 6 analyses the relationship between promotion activities and deposit & loan of banks and Section 7 includes conclusion.

2. Literature Review

One of the sectors within the service industry that has been influenced the most by the changes in the globalization process, and at the same time has been highly internationalized, is the banking sector (Sanchez-Peinado, 2003). So today most banks face a market that is extremely dynamic. In this intense competitive market if a bank has to survive successfully it needs to attract and retain the customers by offering them wider range of services. Zineldin further states in his writing that banks are no longer in the business of buying & selling money. They are rather in the business of offering complete financial services. Browldh (1989) observes that commercial banking has expanded its range of products & services into what is known as universal banking, thus motivating into new areas. According to Goldsmith (1969) financial development is the outcome of continuous proliferation and diversification of financial institutions as well as financial instruments. But to sell this wide range of products & services, a bank needs to employ different promotions to attract the customers and to make them purchase from the banks.

In recent time, increasing competition in the business world has forced firms to become more aware of price and costs, which has resulted in a shift in the promotion mix to a greater use of promotion tools that are cost effective in reaching the customer. (Boyd et. al. 1998). According to Rowly (1998), promotion is used by organizations to communicate with customers regarding their product offerings, and also to ensure that customers are aware of the available products. Boyd et. al.(1998), describe the promotion strategy as a controlled & integrated programme of communication methods and materials designed to present the organization and its products to customers, and to contribute to long run profit.

Grankvist, Kollberg & Person (2004) state that with the growing importance of the financial sector, pressures are escalating for more effective marketing management of the financial services. Median (1996) argues that despite the recent recession, the financial services sector is continuing to grow in terms of turnover and profits and thus, has a supreme impact on the other spares of the economy. Consequently there is currently growing interest in applying marketing techniques and tools in financial services.

The role of promotion has been redefined by Dawes & Brown (2000) into managing long term relationship with carefully selected customers, including construction of a learning relationship where the marketer maintains a dialogue with an individual customer. Due to this fact, the personnel are one of the most important resources of a bank. Their competence will determine the quality of the bank and how well it operates (Marquardt, 1994).

Shahid, Banerjee & Mamun (2004) state that the economy of Bangladesh has been growing gradually, and as such it needs the support of a financial structure, which is responsive to the needs of development. In the process of development of Bangladesh, banks will have to shoulder more responsibilities than before for

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meeting the financial needs of customers of different sectors of the economy. In this aspect the need of promotion for financial products in banking industry of Bangladesh has become an emerging issue in this country. Brassington & Pettitt (2000) state that promotional mixes often have to be adjusted to suit the local environment and reflect the target markets preferences. Recently a research has been done on the issue by Ikhtiar Alam & Zahid (2004). They showed that the private commercial banks, operating in Bangladesh, constantly focus on understanding & anticipating customer needs. The PCBs in Bangladesh are now feeling the greater importance of marketing because of increased competition, technological innovations and government regulations. They are trying to create a vision of marketing with a large number of promising issues.

3. Objective

The objective of the paper is to analyze the promotion activities of some selected private commercial banks in Bangladesh.

Specifically the objectives of the paper are:

- i. To discuss the promotion tools applied by private commercial banks in Bangladesh.
- ii. To find out whether there is any difference in promotion mix among 3 generation banks in Bangladesh.
- iii. To find out relationship between promotion activities of banks and their deposit collection & loan distribution.

4. Methodology

To fulfill our objectives, we concentrate our survey on the private sector commercial banks in Bangladesh. At present there are 30 PCBs in our country. So we have a population size of 30 of which we took one third that is 10 banks as sample size. As there is no published report on the extant of involvement of banks or items which banks adopt for promotion, we had to collect most of the required information from direct survey in banks. So for the convenience in collecting data we choose 10 banks which have the most involvement in promotion activities compared to others.

For preparing the paper, both primary & secondary data have been utilized. Primary data have been collected from the selected banks having interview of bank officials. The data was collected following a structured format given in appendix (Table: 3). The secondary data has been collected by visiting the websites of the banks, searching the annual reports, observing newspapers, magazines, billboards etc.

4.1 Sampling Method

According to Kothari (1990), if a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. Under stratified sample method, the total population is divided into certain sub-population, based on their homogeneity. Each group is known as strata. Then items are selected from each stratum to construct the sample.

As has been stated earlier our main objective behind the paper was to find out a comparative scenario of promotional activities based on three generation banks in Bangladesh. To achieve our objective we selected Stratified Sampling Method based on the three generation banks constructing the three stratum. According to the method, the sample size under each stratum is defined as

$$n_i = n \times P_i$$

where,

n_i = sample size in stratum i

n = total sample size

P_i = proportion of population included in stratum i

The equation gives us the sample size under each stratum as follows:

**Table 1:
Calculation of Sample Size under each Stratum**

Stratum	No. of Banks Included	Proportion of Banks Included (P_i)	Total Sample Size (n)	Sample Size in Stratum ($n_i = n \times P_i$)
1 st Generation	9	0.3	10	3
2 nd Generation	8	0.27	10	3
3 rd Generation	13	0.43	10	4

Now under each generation, the banks have been chosen based on convenience method that is availability of data. The name of the sample banks have been shown in Table: 02 in appendix.

4.2 Method Used

To accomplish our objective we made a null hypothesis that there is no significant difference among the promotion activities of three generation banks. So

Ho: No difference in promotion activities of the three generation banks.

H₁: There is difference in promotion activities of the three generation banks.

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To test our hypothesis we measured the average involvement of the three generation banks in promotion activities and then t-test to compare the sample mean.

Besides this, we tried to find whether promotion activities in our banking industry have any influence over the deposit collection & amount of loan disbursement. To test this we formulated other two hypotheses. Those are

Ho: There is no effect of promotion activities upon deposit collection

H1: There is significant effect of promotion activities upon deposit collection.

Ho: There is no effect of promotion activities upon the loan amount of banks.

H1: There is significant effect of promotion activities upon the loan amount of banks.

To test these hypotheses we run a regression of the different promotion activities of the nine sample banks and their deposit and loan amount. In this aspect we have taken the deposit and loan amount of sample banks over last five years (i.e. from 2004-2008). Then we made the average deposit and loan amount over these five years.

5. Banking Industry in Bangladesh

Bangladesh shares a common past with India & Pakistan in respect of development of the business of banking (Ashraf Ali & Howladar, 2005). After the liberation, the Bangladesh government initially nationalized the entire domestic banking system by Presidential Order No. 26 titled Bangladesh Banks Nationalization Order, 1972 and proceeded to reorganize and rename the various banks. Foreign owned banks were permitted to continue doing business in Bangladesh. From the early 1980s the privatization of commercial banks started through (Nationalization) (Amendment) Ordinance 1977. The first of the commercial banks set up in the private sector was Arab Bangladesh Bank Ltd on a joint venture basis in 1981-82. This was followed by the three rounds of bank licensing creating the so called three generations of commercial banks (Ashraf Ali & Howladar, 2005).

From the inception till today, commercial banks in Bangladesh are playing a vital role in the economic development. The commercial banking system dominates the financial sector with limited role of Non-Bank Financial Institutions and the capital market. The Banking sector alone accounts for a substantial share of assets of the financial system in our country. The banking system is dominated by the 4 State Owned Commercial Banks, 4 state-owned specialized banks, 30 private commercial banks (PCBs) and 9 foreign commercial banks (FCBs). The number of banks remains at 47 as on December 2009 (Schedule Bank Statistics, 2009). These banks have a total number of 7057 branches as of September 2009. Per capita deposit by all banks is Tk. 20.218 & per capita advances Tk. 15.201 as on September , 2009 (Schedule Bank Statistics, 2009). The total

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deposit collection by all banks as of September, 2009 is Tk. 28,787,447 lac of which 59.23% is collected by PCBs in our country. On the other hand, all banks disbursed a total loan of Tk. 21,644,452 lac. In case of advances PCBs hold 63.95% of the total advances during the period. In case of profit earning all the banks in Bangladesh has a ROA of 1.16% in 2008 and 1.39% in 2009 where PCBs had a ROA of 1.37% & 1.46% in 2008 & 2009 respectively. ROE for all banks in 2008 was 15.6% & in 2009 17.58/%. ROE for PCBs for these two years were 16.37% & 17.2% respectively. (Bangladesh Bank Quarterly, 2009).

6. Promotion Activities In Three Generation Banks Of Bangladesh

Regarding the sample banks, data has been collected based on the six segments of promotion- advertisement, personal selling, sales promotion, public relation activities, direct marketing & event & experience. To measure the involvement of banks in each of these segments, certain dimensions under each of the six segments have been identified. The dimensions are specified in Table-5 in the appendix.

Based on the involvement of each bank in each category, % involvement of individual banks in promotion has been calculated. The statistics in Table 4:

Table 3:
Statistics for 1st Generation Banks Involvement in Promotion (in %)

Bank	Advertisement	Personal Selling	Public Relation	Sales Promotion	Direct Marketing	Event & Experience	Average Involvement in Promotion
The City Bank	100	100	100	66.67	50	66.67	80.557
National Bank	85.71	0	100	100	0	55.55	56.877
IFIC Bank	85.71	100	83.33	66.67	0	33.33	61.507
Mean	90.473	66.667	94.443	77.78	16.667	51.85	66.313
Median	85.71	100	100	66.67	0	55.55	61.507
Standard Deviation	8.250	57.735	9.624	19.243	28.868	16.975	12.550

From the above statistics it is found that on an average the first generation banks involve themselves most in public relation activities (94.44%) and then in advertisement (90.47%) compared to the other promotion activities. They have the least involvement in direct marketing.

The first generation banks have more dispersion among themselves in personal selling & direct marketing. But in respect of advertising the banks on an average concentrate more as they have the least dispersion (standard deviation of 8.25%)

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in this case. This indicates that all the first generation banks adopt the different advertising tools to promote their product to customers.

Based on the average involvement in promotion activities of each bank in depending their involvement in each criteria, we find The City Bank among the three first generation banks adopts the highest range of promotion tools.

**Table 5:
Statistics for 2nd Generation Banks Involvement in Promotion (in %)**

Bank	Advertisement	Personal Selling	Public Relation	Sales Promotion	Direct Marketing	Event & Experience	Average Involvement in Promotion
Eastern Bank	100	100	100	100	75	100	95.833
Dutch Bangla Bank	85.71	100	83.33	0	0	33.33	50.395
Dhaka Bank	85.71	100	100	33.33	25	55.56	66.6
Mean	90.473	100	94.443	44.443	33.333	62.963	70.943
Median	85.71	100	100	33.33	25	55.56	66.6
Standard Deviation	8.250	0	9.624	50.918	38.188	33.946	23.028

The statistics for second generation banks show that all the banks in this generation concentrate totally on personal selling as the involvement is 100% for all banks. Besides personal selling they also apply public relation (94.43%) & advertising (90.47%) as their promotional tools. The median results also show the same scenario.

All the second generation banks give equal attention to personal selling (standard deviation 0). They differ mostly in case of sales promotion (standard deviation 50.91%). Among the three banks in this generation, Eastern Bank Limited adopts the highest range of promotion tools compared to others.

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**Table 6:
Statistics for 3rd Generation Banks Involvement in Promotion (in %)**

Bank	Advertisement	Personal Selling	Public Relation	Sales Promotion	Direct Marketing	Event & Experience	Average Involvement in Promotion
BRAC Bank	100	100	100	66.67	50	100	86.112
Mutual Trust Bank	100	50	100	0	25	44.44	53.24
Mercantile Bank	100	100	100	66.67	25	55.55	74.537
Bank Asia	85.71	100	83.33	66.67	75	66.67	79.563
Mean	96.428	87.5	95.833	50.003	43.75	66.665	71.296
Median	100	100	100	66.67	37.5	61.11	77.05
Standard Deviation	7.145	25	8.335	33.335	23.936	24.005	14.228

The scenario for third generation banks is quite like that of second generation banks. They also concentrate mainly to advertisement, personal selling & public relation. But the third generation banks have more extant of involvement than the second generation banks. Direct marketing & sales promotion are not that much important promotion tools to these banks.

The third generation banks have the highest deviation among themselves in event & experience tool compared to others.

Based on the statistics of each bank under each generation, a summary statistics (mean, median and standard deviation) for the three generation has been drawn which has been shown in the following table7.

**Table 7:
Statistics for Three Generation Banks (in %)**

Generation	Advertisement	Personal selling	Public Relation Activities	Sales Promotion	Direct Marketing	Event & Experience
First	90.473	66.667	94.443	77.78	16.667	51.85
Second	90.47	100	94.44	44.44	33.33	62.96
Third	96.428	87.5	95.833	50.003	43.75	66.665

From the above statistics, we can see that third generation banks use more advertising tools compared to the other two generation banks. In case of personal selling first generation banks lag behind whereas second & third generation banks use this tool more. On an average all the banks maintain public relationship to make their product more acceptable by potential customers. Sales promotion is more adopted by first generation banks than the others. In case of direct marketing and event & experience third generation banks are pioneer.

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They apply these two tools more. On the other hand first generation banks lag behind in these cases.

From the above discussion it is pragmatic that banks of all generation accept advertisement, personal selling & public relation activity as their main promotion tool compared to others.

Now if we make a comparison among generation banks in respect of their average involvement in promotion activities, it is found that third generation banks engage themselves more to promote their product in market rather than the other two generation banks. The involvement of second generation banks is slightly less than the third generation but the first generation banks have the lowest concern in this regard among all (66.31%).

**Table 8:
Statistics for Three Generation Banks (in %)**

Generation	Mean	Median	Standard Deviation
1st	66.31333333	61.50667	12.550444
2nd	70.94277778	66.6	23.028359
3rd	71.29611111	77.05	14.227734
Mean	69.51740741		
Median	70.94277778		
Standard Deviation	2.780427865		

Hypothesis Testing:

To get a more valid picture & test our first null hypothesis that there is no difference among the generation banks in regard of their promotion activities, we did a *t-test* to compare among the sample mean.

Table 9: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
avgpr m	3	69.5167	2.78288	1.60670

The above table shows the mean value and standard deviation of our sample means with an standard error of 1.60670.

Table 10: One-Sample Test

	Test Value = 0				
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference
					Lower Upper
avgpr m	43.267	2	.001	69.51667	62.6036 76.4297

The two tailed t-test with df 2 gave us a t value of 43.267. The significance level is 0.001 which is less than 0.05. This shows that there is significant difference among the sample mean. Again the 95% confidence interval shows no zero among the upper and lower value which further confirms the difference. That means the t-test result rejects our null hypothesis and accepts alternate hypothesis. So now we can comment that there is significant difference in promotion activities of the three generation banks.

7. Relationship Between Promotion & Bank’s Assets Liabilities

To judge the scenario for the commercial banks in Bangladesh, we made two hypothesis regarding the relationship between banks’ promotion activities & loan amount (i.e. an asset) and deposit amount (i.e. a liability). To judge our hypothesis, we run two regressions- one between average % involvement of each sample banks in each category of promotion activities and their average deposit amount of the banks for last five years. Another regression was run between average % involvement of each sample bank in each category of promotion activities and average loan amount of the banks for last five years.

7.1 Model Specification

As we tried to establish two different relationships, so we formulated two models as below:

$$1. \text{ Deposit} = a + \beta_1 \text{ adv} + \beta_2 \text{ ps} + \beta_3 \text{ pr} + \beta_4 \text{ sp} + \beta_5 \text{ dm} + \beta_6 \text{ ee} + e_i$$

$$2. \text{ Loan} = a + \beta_1 \text{ adv} + \beta_2 \text{ ps} + \beta_3 \text{ pr} + \beta_4 \text{ sp} + \beta_5 \text{ dm} + \beta_6 \text{ ee} + e_i$$

Here, Deposit = Average deposit collection of sample banks over last five years

Loan = Average loan distribution of sample banks over last five years

a = constant

adv = involvement of sample banks in advertisement

ps = involvement of sample banks in personal selling

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pr = involvement of sample banks in public relation

sp = involvement of sample banks in sales promotion

dm = involvement of sample banks in direct marketing

ee = involvement of sample banks in event & experience

e_i = standard error

7.2 Results & Analysis

7.2.1 Deposit & Promotion Mix

The first regression is done to judge the null hypothesis that there is no relationship between promotion activities and deposit collection of sample banks. The regression model shows a result as

Table 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790(a)	.624	-.504	9808359386.70004

a. Predictors: (Constant), event & experience, personal selling, public relation, advertisement, direct marketing, sales promotion

The regression model shows that the promotion activities of the selected commercial banks explain 62.4% of the average deposit collection which we derive from the value of R Square.

Table 12: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	319226054201252400000.000	6	53204342366875300000.000	.553	.757(a)
	Residual	192407827717333300000.000	2	96203913858666600000.000		
	Total	511633881918585000000.000	8			

a. Predictors: (Constant), event & experience, personal selling, public relation, advertisement, direct marketing, sales promotion

b. Dependent Variable: average deposit

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From the ANOVA Table given above we can see that regression result is not statistically significant as the level of significance is above 0.05. This indicates that the independent variables cannot strongly explain the dependent variable. That shows an acceptance of our null hypothesis. So we can conclude that promotion activities of commercial banks in the sample banks do not have a significant influence over deposit collection.

Now from the coefficients table we can see the importance of individual independent variable.

Table 13: Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9356932008 1.893	88965008 155.348		1.052	.403
	advertisement	- 1090451891. 244	88025697 8.981	-1.027	-1.239	.341
	personal selling	- 295901743.2 10	36452705 9.088	-1.233	-.812	.502
	public relation	624119647.2 60	78848326 8.500	.574	.792	.512
	sales promotion	- 286279742.1 65	33838544 1.894	-1.515	-.846	.487
	direct marketing	238181318.4 87	47882114 7.785	.745	.497	.668
	event & experience	184569689.6 29	31706358 0.184	.625	.582	.619

a. Dependent Variable: average deposit

From the above table it is observed that none of the independent variables are statistically significant. That means there are some other factors rather than promotion mix those affect the deposit collection of a bank. However based on the standardized coefficients we can formulate an equation for promotion activities as below-

$$\text{Deposit} = -1.027\text{adv} -1.233\text{ps} + 0.574\text{pr} -1.515\text{sp} + 0.745\text{dm} + 0.625 \text{ee}$$

From the above equation we can see that personal relation, direct marketing and event & experience have a positive impact on deposit collection whereas advertisement, personal selling & sales promotion have a negative impact.

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7.2.2 Loan & Promotion Mix

The second regression has been run between the different promotion activities of the sample banks and their average loan amount for the last five years to judge the hypothesis that there is no impact of promotion activities upon loan amount of sample banks.

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.853(a)	.727	-.091	476155163 0.95435

a. Predictors: (Constant), event & experience, personal selling, public relation, advertisement, direct marketing, sales promotion

The table of model summary gives us idea about the explanatory power of the independent variables. The value of R Square shows that the promotion activities explain 72.7% of the average loan distribution over last five years of the sample banks.

Table 15: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12082932281 6456500000.000	6	2013822046940 9430000.000	.888	.616(a)
	Residual	45344747868 487900000.000	2	2267237393424 3990000.000		
	Total	16617407068 4944500000.000	8			

a. Predictors: (Constant), event & experience, personal selling, public relation, advertisement, direct marketing, sales promotion

b. Dependent Variable: average loan

But from the ANOVA Table given above we can see that the significant level is above 0.05 which shows that the independent factors are not strongly explaining the dependent variable. That shows an acceptance of our null hypothesis that there is no relationship between promotion activities & amount of loan disbursement of commercial banks.

Now from the coefficients table we can see the importance of individual independent variable.

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Table16: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	64888587 009.865	4318882118 5.975		1.502	.272
	advertisement	- 69648836 8.625	427328250. 187	-1.151	-1.630	.245
	personal selling	- 96880710. 972	176962766. 585	-.709	-.547	.639
	public relation	33234034 8.367	382775920. 527	.536	.868	.477
	sales promotion	- 83212267. 529	164272095. 793	-.772	-.507	.663
	direct marketing	85669383. 467	232447805. 722	.470	.369	.748
	event & experience	83138905. 966	153921216. 364	.494	.540	.643

a. Dependent Variable: average loan

Just like the coefficient table of the first regression, this coefficient table also shows statistically insignificant influence of each promotion activity upon loan amount of sample banks. However from the value of standardized beta coefficient value we can set up an equation like,

$$\text{Loan} = -1.151\text{adv} - 0.079\text{ps} + 0.536\text{pr} - 0.772\text{sp} + 0.47\text{dm} + 0.494\text{ee}$$

From this model we can find that like deposit collection, loan amount of sample banks is also positively influenced by personal relation, direct marketing and event & experience. On the other hand, advertisement, personal selling & sales promotion decreases the amount of loan.

8. Conclusion

From the every inception of banking history in our country, commercial banks are playing a vital role in the economic development. Till now banks are the major drivers in the financial sector of our economy. After the privatization trend, private commercial banks (PCBs) have taken over major part of business among all commercial banks. In 2009 PCBs disbursed the highest amount of term loan compared to others (Bangladesh Bank Quarterly, 2009). But to survive in the competitive world of globalization and to make them up to date with the modernization trend, banks are introducing new products based on new technologies which will meet up the demand of their customers. To make these

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new services informed by the customers, the banks are also focusing in different promotion tools. According to marketing discipline promotion tools bring a product and service under customers' knowledge and induce them to purchase it. Banks usually applies all the six different tools of promotion though the extant of applying a particular tool may vary bank to bank. In this paper we have analyzed the different tools applied by the sample banks to promote their products to potential customers. Based on the three generation banks we found that the application of promotion tools varies and there is a significant difference in the involvement of promotion tools among the three generation banks in Bangladesh. This may occur due to the different strategies applied by banks of different generation and also for different perception of banks regarding marketing of their products. Through our analysis we also found that the amount of deposit collection and loan disbursed by the banks are not affected by the promotion activities rather there are some other factors (like size of banks, number of branches, number of years in operation etc.) which influences deposit and loan amount. There we get a scope for further research to find the factors affecting the deposit amount and loan amount in banks. However through this paper we get an idea about the different promotion tools applied in private commercial banks in Bangladesh and their importance in the operation of banking business. And there is no doubt that the proper application of promotion tools will play an important role to make the banking products more acceptable to the people. So we can conclude that promotion activities have immense significance for the banking industry in Bangladesh and banks of all generations are driving to adopt new dimensions of promotion to utilize this tool efficiently.

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Appendix:

Table2: (Sample Banks)

Generation	Name of Bank
1 st Generation	National Bank Limited
	The City Bank Limited
	IFIC Bank Limited
2 nd Generation	Eastern Bank Limited
	Dutch Bangla Bank Limited
	Dhaka Bank Limited
3 rd Generation	BRAC Bank Limited
	Mutual Trust Bank Limited
	Mercantile Bank Limited
	Bank Asia

Table 4: (Dimension of Promotional Activities of Commercial Banks)

Name of Bank:

Advertising	TV	Radio	Newspaper	Billboard	Magazine	Website	Brochure		
Personal Selling	Sales Executive	Target Selling							
Sales Promotion	Discount	Special Package	Rebate in Charges	Gifts					
Public Relation Activities	Customer Social Responsibility	Branch Opening News	Share Related News	Employee Related News	Articles on Bank	Newsletter	Gifts to Customers		
Direct Marketing	Calling Customer	Send E-mail	Product Offer through Mail						
Event & Experience	Trade Fair	Education Fair	REHAB Fair	Sponsorship	Campus Visit	Conference /Seminar	SM E Fair	Remittance Fair	FIs Fair