

**IMPACT OF BANK ADVERTISEMENT ON
CUSTOMER'S AWARENESS AND LOYALTY**

A Study of Nepal Bank Limited

A THESIS

Submitted by

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RECOMMENDATION

This is to certify that the Thesis

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Entitled

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and loyalty: A Study of Nepal Bank Limited**

has been prepared as approved by this department in this prescribed
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*found the thesis to the original work of the student written according
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partial fulfillment of the requirement for Master's in Business Studies
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DECLARATION

I hereby declared that the work reported in this thesis entitled to **Impact of Bank Advertisement on customer's awareness and loyalty; A Study of Nepal Bank Limited** submitted to the office of the Dean, faculty of Management, T. U. is my original work done for partial fulfillment of the requirement for the Masters of Business Studies (M.B.S.) under the supervision of Mr. Yam Silwal , lecturer of Makwanpur Multiple Campus, Hetauda, Nepal .

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LIST OF ABBREVIATIONS

Ad	=	Advertisements
AIDA	=	Attention, Interest, Desire and Action
ANOVA	=	Analysis of variance
BS	=	Bikram sambat
e.g.	=	For example
FM	=	Frequency Module
FY	=	Fiscal year
i.e.	=	That is
IMC	=	Integrated marketing communications
Ltd.	=	Limited
MS	=	Micro soft
NB bank	=	Nepal Bangladesh Bank
NBL	=	Nepal Bank Limited
NRB	=	Nepal Rastra Bank
R &D	=	Research and development
Rs.	=	Rupees
TV	=	Television
TVC	=	Television Commercial

CHAPTER-1

INTRODUCTION

1.1 Background of the study

In general, advertising is the promotion of goods, Services, companies and ideas, usually performed by an identified sponsor. Marketing advertising is part of an overall promotional strategy. Other components of the promotional mix include publicity, public relations, personal selling, direct marketing, internet marketing, sales promotions and so on.

Advertising involves the process where in a message is designed so as to promote a product; a thought; an idea or even a service. The concept of advertising has assumed a dynamic form with the various mediums of communication.

From the newspaper; magazines; poster; neon and fluorescent signboards; billboards to the high technology used electronic media like TV; laser shows to inflated high rise figures and objects; advertising has come along way. The work is formidable as it spearhead a process intended to attract; modify; change and influences public option.

From the small local business to large multinational firms, all need advertising to promote the business. While politicians; social organizations; government special groups need to advertise their motto; national airlines; auto mobile manufactures ; food and consumer goods manufactures to reach their target consumer group. Special products and services are often advertised through trade magazines and exhibitions. Lately mail-shots, handbill circulation, special offers have been very popular. There are still other ways of advertising. There are windows display, display on telephone directories, transit sign on buses, lamp posters, banners, etc. Advertising through the electronic media has been perhaps the most popular medium now a days.

“Today; the word advertising is very common term to us. Advertising is both a means of communication as well as an important tool of promotion. Communication is an integral part of daily life of the human beings. In the business worlds; effective transmission of communication is a vital need” (Kafle; 2010)

Advertising; as an effective medium; uses a variety of techniques to create it. A basic appeal is at the heart of advertising. Slogans and product characters are created to catch the attention of the viewers. Most winning advertisements would encompass factual information with emotional appeal. The advertising industry has three major sectors.

1. Business or organization which wishes to advertise.
2. Media which provides the medium for advertising and
3. Ad-agency which creates the ad to suit the need of the firm.

Banking is the financial institution; which deals in money by accepting various types of deposits, disbursing loan and rendering other financial services. Bank gets the money from various depositors and it provides loans to the business organizations; industrial sectors; agricultural sectors and needy people. That means banks accumulate idle money from the general public by providing attractive interest rate in their deposits; and disburse the collected deposits as loan to business organizations; industrial sectors; agricultural sectors and needy people etc. Beside this, bank is also involved in agency service; like remitting and collecting cash on behalf of its clients by opening draft and letter of credit facilities etc.

Banking has come to the present advanced form through various stages. There is no authentic proof where the bank was first initiated. Some people trace its origin to the French word 'Bangui' where as other believe from Italian word 'Blaca' Thus; it is difficult to give exact definition and origin of the term bank. Some sort of banking operations/ activities has been carried out since the time immemorial. However; the traditional forms of banking were traced during the civilization of Greek Roman and Mesopotamia as per the statement given by Marshall.

Banks are the most important financial institutions in the economy and essential business in thousands of local towns and cities. In fact, a modern bank performs such a variety of functions that it is difficult to give a precise and general definition of it.

According to NRB Act 2002; “Bank is a financial institution; which provides financial services that may be in the form of accepting deposits; advancing loans; providing necessary technical advices; dealing over foreign currencies; remitting funds; etc.

Hence, in short, the term bank in modern times refers to an institution having the following features:

- It deals with money; it accepts deposits and proceeds loans.
- It also deals with credit; it has ability to create credit i.e. ability to expand its liabilities as a multiple of its reserves.
- It is a unique financial institution that creates demand deposits which serve as medium of exchange and, as result; the banks manage the payment system of the country.

1.1.1 Relationship between Bank and Advertising:

In today’s competitive world almost every banks or financial institution takes the help of advertising to promote its product or service offerings. Many banks have taken down their bars and made their advertisements informal and chatty in an effort to get closer to the ordinary man who may want to borrow for a new car, a fur coat for his wife, or even a vacation trip to be paid for a future pay checks. Such ventures must no longer be carried out in secrecy and same. (Encarta 2009).

Commercial institution or any other financial institution are taking the help of almost all the tools of promotion i.e. advertising , sales promotion, direct marketing, personal selling, publicity, public relations, and internet marketing to survive in the competitive world.

1.2. Focus of the study

The banking sector in the country is growing rapidly and it is very most important for the economic development of the country. The government of Nepal has adopted the free and liberal banking policy. As a result of which, the Nepalese banking market is very competitive. This competition among the banks has led them to focus more on

promotional and marketing activities. Not only the private banks are focusing more on advertising and promotion, the government owned banks are also focusing more on promotional activities.

Due to the increased competition in the industry almost every bank provides similar kind of products or services offerings to the customers. Thus, in order to make some difference and to attract the customers, the banks are more inclined towards advertising and promotion activities.

The role of advertising in every sector is highly increasing due to its essential characteristics or function of informing, persuading and reminding. Advertising makes wide spread service distribution possible and also shortens the distance between the service provider and the target customers. Yet another importance of the advertising is to build brand preference and image. Thus this study will focus on following issues:

- Impact of bank advertising.
- The role of advertising in customer attraction or retention.
- The adequacy of advertising budget being allocated by the bank.
- The objective of advertising and promotional activities being undertaken by the bank.

1.3 Statement of the Problem

Advertising has become an important element for any organization to compete in the competitive market structure. It is not only important for the manufacturing organizations but has also become equally important for the service organizations like colleges, bank, co-operatives etc. The banking sector is promoting their products and service offerings through various marketing tools, including advertisement.

However, the advertising activities undertaken by many banks are not observed as satisfactory as they are intended to. Even many banks fail to measure the effectiveness of their advertising activities. Since the banking industry is very competitive, the key to success is to provide the customers with better products and services than the

competitors do and that should also be done in regular basis. Thus, advertising become very important in such situations for the bank to communicate the service and product offering among the customers.

Since not much has been done to evaluate or measure the overall impact of advertising on the customers and the bank, the importance of the marketing aspect in banking industry is in passive role. There are various other questions that need to be answered apart from the above mentioned problem:

- What effects does, if any, the advertisements have on the banks overall performance?
- What actions are being undertaken by the organization to measure the overall effectiveness of the promotional activities?
- What medium vehicles are being adopted by the banks to communicate its message?
- Does the customer think it the same way as the bank intends the message to appear?

Above are some of the aspects of the statement of problem of this study.

1.4 Theoretical Framework

Advertising is one of the important tools of the overall promotional mix. It is the promotion of goods, services, companies and ideas. Marketers see advertising as part of an overall promotional strategy. Publicity, public relations, personal selling, sales promotion, direct marketing and internet marketing as the remaining tools of the promotion mix.

From the local business to multinational firm and all need to advertise. While politicians, social organization, government special groups need to advertise their motto, national airlines, Auto mobile manufacturers, food an consumer goods manufacturers have to reach the consumer. Though there are various media alternatives to advertise in, advertising through the electronic media has been perhaps the most important medium.

Similarly, banks operate in a significantly more competitive environment than they did some decade ago in Nepal. The number of banks will become larger in the upcoming years through acquisitions, and also are entering new markets in least developed regions. This not only allows bank to capitalize on economies of scale but

also spread their operations, over the geographic space to diversify the risk. Moreover the banks are facing competitions from the organization like financial institutions, cooperatives etc.

The dramatic changes in the banking sector suggest that the role of advertising in bank productions and performance may have increased in the new competitive environment. Further, the role of advertising had also been to retain its existing market share and attract new customers under its operations. It is clear from this that the role of advertising has been increasing rapidly as the banking industry is becoming more and more competitive. Thus, for this reason a study is required to measure the impact of advertising on the banks to know the role of advertising in modern day banking industry.

Thus, it is evident that advertising and promotion has become very much essential for the banking industries. It is in fact very important tool for every type of organizations; service or manufacturing, public or private. The advertising and other promotional tools have become important strategy tools which the organization use to achieve their goals and also to have a competitive advantage over their competitors in the industry.

This study, thus attempts to make a study of a bank in order to reveal the role of advertising in promoting the bank; how its customers are affected in terms of loyalty and the awareness level, about the media choice of the bank to promote the services and product, and also to know about the budget being allocated for this purpose.

1.5 Objective of the study

The overall objective of this study is to know about the impact of advertising on the bank and its customers' loyalty and awareness level. However following are some of the other objectives which this study aims to achieve:

- To assesses and analyze the present trend of advertising in the bank.
- To establish the relationship between the role of advertising and the bank.
- To evaluate the impact of promotional activity on the customer of the banks.
- To measure the effectiveness and attractiveness of the advertisement.

- To suggest measures in the advertisement work for the further undertakings.
- To assesses the scope of advertising in the banking sector.

1.6 Limitations of the study

The research is based in Kathmandu valley only. The questionnaire were distributed and collected from the respondents that are residing at Kathmandu valley only. Thus, following are some of the limitations of this research work:

- The research was conducted within a limited geographic area only i.e. Kathmandu only.
- The study was done with respect to only one bank, thus it may not reflect the true picture of whole industry.
- The study focuses only on the advertising aspect of banking as a key for good performance, other factors are considered as constant.
- The information and data collected were of certain period of time only.

1.7 Outline of the thesis

This study has been divided into five different chapters; introduction, review of literature, research methodology, presentation and analysis of the data, final Conclusion and Findings and Recommendation.

Chapter I

Introduction

This chapter includes background of the study, focus of the study, statement of problem, objectives of the study, significance of the study, limitations of the study and the outline of the thesis.

CHAPER-II

Review of literature

The second chapter deals with review of literature and review of related study done by various scholars and the authors over the years. This chapter also describes a chronological presentation of the conceptual setting in the subject matter of the study.

Chapter –III

Research Methodology

This chapter deals with the description of the research methodology which is used to evaluate the advertising performance or activities of the bank. This chapter consists of research design; sample and population; source of data; Methods of collecting the data; and presentation and analysis of technique and tools.

Chapter- IV

Presentation and Analysis of Data

The fourth chapter deals with presentation of related data collected from different source and analysis of them to reach closer to the actual result by using financial and statistical tools and techniques.

CHAPTER-V

Summary; Conclusion and Recommendations

The last chapter provides the summary; conclusion and recommendations of overall study. At the end an extensive bibliography and annexes are also included.

CHAPTER-II

LITERATURE REVIEW

Literature review means taking knowledge from different sources. This chapter deals with two aspects of the literature i.e. conceptual framework and review of the some related articles and studies conducted by various scholars of the years.

2.1 Conceptual Framework

2.1.1 Promotion

Promotion is any form of communication used by a firm to inform, persuade, or remind people about its product, services, image, community involvement or impact on society. Promotion is the element in an organizations marketing mix that serves to inform, persuade, remind the market regarding the organizations product and services (Stanton, 1994)

“Promotion involves disseminating information about a product, product line, brand, or company” (Wikipedia, 2009). It is one of the four key aspects of the marketing mix. (The other three elements are product marketing, pricing, and distribution.)

Promotion is generally divided into two parts:

-Above the Line Promotion

It includes promotion in the media (e.g. TV, radio, newspaper, Internet and mobile phones) in which the advertisers pay an advertising agency to play the ad.

-Below the Line Promotion

All other promotion besides above the line promotion falls under this type of promotion. Much of this is intended to be subtle enough for the customer to be unaware that promotion is taking place. E.g. sponsorship, product placement, endorsements, sales promotion, merchandising, direct mail, personal, personal selling, public relations, trade shows.

The specification of these four variables (product, place, price, promotion) creates a promotional mix or promotional plan. A promotional mix specifies how much attention to pay to each of the four subcategories. And how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases; new product acceptance; creation of brand equity; positioning; competitive relations; or creation of a image.

“Promotion is any form of communication used by a firm to inform; persuade or remind people about its product; services; image; community involvement or in pact on society “(Evans and Berhan’1982).The term “Promotion” is usually an “in” expression used internally by the marketing company; but not normally to the public or the market- Phrases like” special offer” are more common.

2.1.2 Advertisement

Advertisement is one of the important tools of promotion and it is also the most important aspect of marketing program. Advertising; a form of commercial mass communication designed to promote the sale of a product or service; or a message on behalf of an institution; organization; of candidate for political office (Encarta; 2009)

“Advertising is basically related with the element of promotion. Promotion is the companies attempt to stimulate sales by directed persuasive communication to the buyer” (Kotler and Armstong; 2001). Advertising has its own objective function. However following are the major three objective of advertising that helps the marketer of any product or services to promote them with success:

1. Informing
2. Persuading
3. Reminding

1. Informing

Informing the customers about the product offerings; its usage; benefits; its features etc.is the main objective of promotion. The information may also include the manufacturer; the place of availability; price; and various other offerings. Promotion

activity also helps in regulating the flow of pre- information before a product is actually launched in the target market.

2. Persuading

Advertisers are frequently engaged in persuasive communication to appeal the target customers for the product use. Simply informing the customers about the product doesn't ensure the actual purchase; they need to persuade them. The advertisers must be cautious that the customers are satisfied. To persuade effectively advertisers make decision in number of areas like creative aspect media choice; media vehicle; the message; message source etc.

3. Reminding

The advertisers are continuously engaged in communicating about the product or service offerings. The customers are likely to forget about the product or services after a certain period of time; thus the advertisers should repeat the communication process to remind the customers that the services are still available and can still fulfill their needs and desires. This helps in repeat purchase and also in the adoption of the product or services.

Though promotion is often used to make consumers aware of a product's special low price or its benefits; an even more important function of promotion is to create an image that consumer associate with a product; known as the brand image. The brand image goes far beyond the functional characteristics of the product.

For the purpose of effective marketing; it is imperative that there are promotional efforts from the side of the advertiser. The advertisers aspire to check their performance by promoting their service in the competitive market.

A service can be presented and promoted in a variety of ways and advertising is one of them. Advertising reaches a large number of potential customers through the vehicles of mass communication. The marketer of the products of services decides the appropriate mix of the promotional tools like advertising; personal selling; publicity; public relation; sales promotion; direct marketing and internet marketing.

Many organizations are now–a-day engaged in integrated marketing communication that blends all the promotional tools to bring a synergy effects among the promotional mix. During the 1980's the firms began moving towards the process of integrated marketing communication (IMC); which involves coordinating the various promotional elements and other marketing activities that communicate with a firms customers (Belech and Bech;2004)

2.1.3 Evolution of Advertisement

Archaeologists have found evidence of advertising dating back to the 3000s BC; among the Babylonians. One of the first known methods of advertising was the outdoor display; usually an eye- catching sign painted on the wall of a building. Archaeologists have uncovered many such signs; notably in the ruins of ancient Rome and Pompeii. An outdoor advertisement excavated in Rome offers property for rent; and one found painted on a wall in Pompeii call the attention of travelers to a tavern situated in another town (Encarta;2009).

In medieval times word-of – mouth praise of products gave rise to a simple but effective form of advertising; the use of so-called town criers. The criers were citizens who read public notices aloud and were employed by merchants to shout the praises of their wares. Later they became familiar figures on the streets of colonial American settlements. The town criers were forerunners of the modern announcer who delivers radio and television commercials.

“Advertising by word of mouth is probably the earliest form of advertising because verbal skills were developed first. Advertising was given the commercial status the day man entered into the process of exchange” (Sontakki; 1989).

Although graphic forms of advertising appeared early in history; printed advertising made little headway until the invention of the movable- type printing press by German printer Johannes Gutenberg about 1450. This invention made the mass distribution of posters and circulars possible. The first advertisement in English appeared in 1472 in the form of a handbill announcing a prayer book for sale. Two hundred years later; the first newspaper ad was published offering a reward for the

return of 12 stolen horses. In the American colonies; the Boston News- Letter; the first regularly published newspaper in America; began carrying ads in 1704; and about 25 years later Benjamin Franklin made ads more readable by using large heading lines.

In the United States; the advertising profession began in Philadelphia; Pennsylvania; in 1841 when Volney B.Palmer set up shop an advertising agent; the forerunner of the advertising agency. Agents contracted with newspapers for large amounts of advertising space at discount rates and then resold the space to advertisers at a higher rate. The ads themselves were created by the advertisers. In 1869 Francis Ayer bought out palmer and founded N.W.Ayer and son; an agency that still exists today. Ayer transformed the standard agent practice by billing advertisers exactly what he paid to publishers plus an agreed upon commission. Soon Ayer was not only selling space but was also conducting market research and writing the advertising copy.

Advertising agencies initially focused on the print .But the introduction of radio created a new opportunity and by the end of the 1920s; advertising had established itself in radio to such an extent that advertisers were producing many their own programs. The early 1930s ushered in dozens of radio dramatic series that were known as soap operas because they were sponsored by soap companies.

Television had been introduced in 1940; but because of the high cost of TV sets and the lack of Programming; it was not immediately embraced. As the America economy soared in the 1950s; so did the sale of TV sets and the advertising that paid for the popular new shows. Soon TV far surpassed radio as an advertising medium.

“During the Second World War people were informed of war development through short films; and thus; a new form of advertising was developed. Now film advertising has become popular and it has got a huge significance in developing countries like India; Burma; and Pakistan and even in Nepal also”(Abuja and Chhabra;1995).

The tone of the advertising was also changing. No longer did advertising simply present the product benefit. Instead it began to create a product image. Bill Bern Bach

Doyle Dane Bern Bach in New York City; Leo Burnett founder of The Leo Burnett agency in Chicago; Illinois; and David Ogilvy; founder of Ogilvy and Mather in New York City; all came to prominence in the late 1950s and 1960s and led what has been called the 'creative revolution; Bern Bach's agency captured the spirit of the new age. Bern Bach believed that advertising had to be creative and artistic or it would bore people. He also believed that good advertising began with respect for the Public's intelligence. The ads his agency created were understated; Sophisticated; and witty.

The creative foundation established by Bernbach and others has been critical to the success of contemporary advertising. The introduction of the TV remote control and access to hundreds of cable channels means that today advertising must interest and entertain consumers or else they will simply use the remote to change the channel. New digital devices even threaten to make it possible to edit out commercials. The development of interactive television ; combining the functions of a computer with access to high-speed transmission over cable lines or optical fibers; will likely enable consumers to select from a vast video library. Consumers will be able to determine not only when they watch something; but also; to a greater extent than ever before; what they will watch. Some industry observers believe that as consumers gain greater control over their viewing activities; they will find it easier to avoid advertising.

Currently; apart from traditional indoor advertising; many companies and ad agencies are focusing more towards the support media too. Support media are referred to by several titles; among them some of it is alternative media; non measured media; and nontraditional media.

'Outdoor advertising has probably existed since the days of cave dwellers. Both the Egyptians and the Greeks used it as early as 5000 years ago. Outdoor media is certainly one of the more pervasive communication forms; particularly if you live in an urban or suburban area" (Belch and Belch; 2004).

No one can predict what new forms advertising may take in the future. But the rapidly increasing cost of acquiring new customers makes one thing certain. Advertisers will seek to hold onto current customers by forming closer relationships with them and by

tailoring products; services; and advertising messages to meet their individual needs. So while advertising will continue to encourage people to consume; it will also help provide them with products and services more likely to satisfy their needs.

2.1.4 Relationship between Marketing and advertisement

Marketing is an integrated communications- based process through which individuals and communities discover that existing and newly- identified needs and wants may be satisfied by the products and services of others.

Marketing can be regarded as the management process that is responsible for identifying, anticipating, and satisfying customer requirements profitably. Marketing is defined by the American Marketing Association “as the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to exchanges that satisfy individual and organizational objectives.” (Belch and Belch, 2004).

Advertising is one of the most widely used promotion tools. It is used by business. Non- government organizations, charities and service institutions. It is used for mass communication (Agrawal, 2009)

Marketing practice tended to be seen as a creative industry in the past, which included advertising, distribution and selling. However, because marketing makes extensive use of social sciences, psychology, sociology, mathematics, economics, anthropology and neuroscience, the profession is widely recognized a science, allowing numerous universities to offer Master of Science (MSC) programmes. The overall process starts with marketing research and goes through market segmentation, business planning and execution, ending with pre and post-sales promotional activities. It is also related to many of the creative arts. The marketing literature is also infamous for re-inventing itself and its vocabulary according to the times and the culture.

Seen from a system point of view, sales process engineering views marketing as a set of processes that are interconnected and interdependent with other functions, whose

methods can be improved using a variety of relatively new approaches (Wikipedia, 2009).

- **The Marketing Concept**

The term marketing concept pertains to the fundamental premise of modern marketing. This can be laid out as recognizing customer needs/wants, and making products that correlate with consumer desires.

-**Marketing Orientations**

An orientation, in the marketing context, relates to a perception or attitude a firm holds towards its product or service, essentially concerning consumers and end-users. There exist several common orientations:

- Product orientation
- Sales orientation
- Production orientation
- Marketing orientation

- **Product orientation**

A firm employing a product orientation is chiefly concerned with the quality of its own product, and not in necessarily ascertaining consumer's desires. A firm would also assume that as long as its product was of a high standard, persons would buy and consume the product.

However, utilizing a product orientation has a prime disadvantage of making a firm lose out to competitors, who may produce technologically superior goods that engender higher consumer demand and thus market share. A product orientation may perhaps work best in a monopolistic market form, due to the inherent high barriers to entry within a monopoly.

-**Sales orientation**

A firm using a sales orientation focuses primarily on the selling/promotion of a particular product, and not determining new consumer desires as such. Consequently,

this entails simply selling an already existing product, and using promotion techniques to attain the highest sales possible.

Such an orientation may suit scenarios in which a firm holds dead stock, or otherwise sells a good that is in high demand, with little likelihood of changes in consumer tastes diminishing demand.

-Production orientation

A firm focusing on a production orientation specializes in producing as much as possible of given good. Thus, this signifies a firm exploiting economies of scale, until the minimum efficient scale is reached.

A production orientation may be deployed when a high demand for a good exists, coupled with a good certainly that consumer tastes do not rapidly alter (similar to the sales orientation).

-Marketing orientation

The marketing orientation is perhaps the most common orientation used in contemporary marketing. It involves a firm essentially basing its marketing plans around the marketing concept, and thus forging products to new suit new consumer tastes.

As an example, a firm would employ market research to gauge consumer desires, use R and D to develop a good attuned to the revealed information, and then utilize promotion techniques to ensure persons know the good exists. The marketing orientation often has three prime facets, which are:

1. Customer Orientation

A firm in the market economy survives by producing goods that persons are willing and able to buy. Consequently, ascertaining consumer demand is vital for a firm's future viability and even existence as a going concern.

2. Organizational orientation

All departments of a firm should be geared to satisfying consumer's wants/needs.

3. Mutually Beneficial Exchange

In a transaction in the market economy, firm gains revenue, this thus leads to more profits/market share/sales. A consumer on the other hand gains a need/want that is satisfied, utility, reability and value for money from the purchase of a good. As no one has to buy goods from any one supplier in the market economy, firms must entice consumers to buy goods, and thus eek to satisfy consumer's utility. If an exchange is not mutually beneficial in nature, it is not consistent with contemporary marketing ideals.

- 4Ps of Marketing

In the early 1960s, Professor Neil Borden at Harvard Business School identified a number of company performance actions that can influence the consumer decision to purchase goods or services. Borden suggested that all those actions of the company represented a "Marketing Mix". Professor E. Jerome McCarthy, also at the Harvard Business School in the early 1960's, suggested that the Marketing Mix contained 4 elements: product, price, place and promotion (Wikipedia, 2009).

- Product:

The product aspects of marketing deal with the specifications of the actual goods or services, and how it relates to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.

- Pricing;

This refers to the process of setting a price for a product, including discounts. The price need not be monetary; it can simply be what is exchanged for the product or services, e.g. time, energy or attention. Methods of setting prices optimally are in the domain of pricing science.

- Placement(or distribution):

It refers to how the product gets to the customer; for example, point-of-sale placement or retailing. The third P has also sometimes been called Place, referring to the channel by which a product or service is sold (e.g. online vs. retail); which geographic region of industry; to which segment (young adults; families; business people); etc also referring to how the environment in which the product is sold in can affect sales.

- Promotion:

This includes advertising; sales promotion; publicity; and personal selling. Branding refers to the various methods of promoting the product; brand; or company.

These four elements are often referred to as the marketing mix; which a marketer can use to craft a marketing plan. The basic task of marketing is combining these four elements into a marketing program to facilitate the potential for exchange with consumers in the marketplace (Belch and Belch'2004).

The four ps model is most useful when marketing low value consumer products. Industrial products; services; high value consumer products require adjustments to this model. Services marketing must account for the unique nature of services.

2.1.5 Advertisement as an Integral Part of Promotion

Advertisement is in fact an important part of promotional activity. Advertisement not only helps in promoting the product or service offering; it also assists other promotional mix elements to meet their objectives too. Sales promotional tools like sampling; free coupons; discounts etc are more effective when they are communicated through the mass media advertisement.

Some critics argue that sales promotion increases come at the expense of the brand equity and every dollar that goes into promotion rather than advertising devalues the brand.

“Proponents of advertising say advertising is still the most effective way to build the long-term franchise of a brand: it informs consumers of a brand's features and benefits; creates; and helps build and maintain brand loyalty” (Belch and Belch;2004).

2.1.6 Types of Advertising

There are various ways under which the advertising can be classified. In general; all advertising can be classified as consumer advertising and trade advertising. However for this study purpose only consumer advertising; that is familiar to most people; has been discussed briefly.

- Consumer Advertising

Advertising will be useless without any consumers to purchase the product of watch advertisement. Consumers are the king in the modern consumer centric marketing world. Consumer advertising can be further divided into national advertising and local advertising.

- Local Advertising

Local advertising is aimed at informing people in a particular area where they can purchase a product or service.

- National Advertising

National advertising is aimed at consumers throughout the entire country; National advertising usually attempts to create awareness among the public of a product or service; or it tries to build loyalty to a product or service.

Advertising to the public may also take the form of institutional advertising; image advertising; informational advertising; or cooperative advertising.

1. Institutional advertising

It seeks to create a favorable impression of a business or institution without trying to sell a specific product. This type of advertising is designed solely to build prestige and public respect. For nonprofit institutions; such advertising helps support the institution's activities; for example; by encouraging blood donations or cash

contributions for the work of an organization like the Red Cross. A for-profit business has other reasons for improving its reputation rather than trying to sell a particular product. In some cases a large company may sell a diversity of products. As a result; there is more value and greater efficiency in building a brand image for the company itself. If consumers learn to have a high regard for the company; then they are more likely to have a favorable opinion of all of the company's diverse products.

2. Image Advertising

However many advertisers prefer a strategy known as image advertising. These advertisers seek to give a product a personality that is unique; appealing; and appropriate so that the consumer will want to choose it over similar products that might fulfill the same need. The personality is created partly by the product's design and packaging but; more importantly; by the words and pictures the advertisements associate with the product. This personality is known as a brand image. Advertisers believe brand image often leads consumers to select one brand over another of instead of a less expensive generic product. Brand image is especially important for commodities such as detergents; jeans; hamburgers; and soft drinks; because within these product categories there are few; if any; major differences.

3. Informational Advertising

Informational advertising seeks to promote an idea or influence behavior. Sometimes known as public service advertising, it may try to discourage young people from using illicit drugs or tobacco, or it may encourage people to adopt safer, healthier lifestyles. It's about applying marketing and advertising principles to promote health and social issues and bringing about positive behavior change. It's what nonprofits and organization like Drug Free Partnership for America and the Center for Disease Control have been engaging in for years.

Social Advertising represents ad formats that engage the social context of the user viewing the ad. Whereas in traditional, non- social , advertising the ad is targeted based on what it knows about the individual person or individual page, in social advertising the ad is targeted based on what it knows about the individual user's social network.

The fact that advertisers are looking to reach out to many social networks at once means that they often look to Ad Networks to deliver ads across these networks through custom applications.

4. Cooperative Advertising

It is an arrangement between manufacturers and retailers in which manufacturers offer credits to their retail customers for advertising. The credits, or advertising allowances, are based on the amount of product the retailer purchases. For example, if the retailer purchases Rs.100, 000 worth of a product from a manufacturer's cooperative advertising program may allot a 1 percent credit, or \$1,000, toward the cost of purchasing an ad that will feature the product. In addition, some manufacturers will match the amount that the retailer spends, sharing the cost of the ad. Cooperative advertising is a form of local advertising because it directs consumers to local retailer outlets.

2.1.7 Role of Advertising in Service Promotion

Many banks have taken down their bars and their advertisements informal and chatty in an effort to get closer to the ordinary man who may want to borrow for a new car, a fur coat for his wife, or even a vacation trip to be paid for out of future pay checks. Such ventures must no longer be carried on in secrecy and shame (Encarta2009). Every visually perceptible place has potential for advertising. Especially urban areas with their structures but also landscapes in sight of through fares are more and more turning into media for advertisements. Thus, these are the places for which many commercial service organization targets to advertise their service offering.

The use of signs, posters, billboards, flags have become decisive factors in the urban appearance and their numbers are still on the increase for the purpose of promoting products and the services.

Advertising cannot itself cause sale but can only help to contribute towards sale success. The most common objectives of advertising are as follows:

- Create awareness
- Remind and reassure

- Induce trial
- Promote or motivate a prospect to find more about a product services
- Educate or convey information
- Project a new brand image
- Project a corporate image
- Meet competition or gain advantage over competitors.

2.1.8 The Impact of Advertising

Advertising has an important effect on a country's economy; society; culture; and political system. This is especially true in those countries where the advertising industry plays such a prominent role.

- Economic Impact

Most economists that advertising has a positive impact on the economy because it stimulates demand for products and services; strengthening the economy by promoting the sale of goods and services. Manufactures know that advertising can help sell a new product quickly; enabling them to recoup the costs of developing new products. By stimulating the development of new products; advertising helps increase competition. Many economists believe that increased competition leads to lower prices, thereby benefiting consumers and economy as whole. This economist s also argue that by interesting consumers in purchasing goods, advertising enables manufacturers and others to sell their products in large quantities. The increased volume of sales enables companies to produce individual units at lower costs and therefore, sell them at a lower price. Advertising thus benefits consumers by helping lower prices.

Other economists however believe that advertising is wasteful. They argue that the cost of advertising adds to the cost of goods and that most advertising simply encourages consumers to buy one brand rather than another. According to this view, advertising simply moves sales from one company to another, rather than increasing simply moves sales overall and thereby benefiting the economy as whole.

- Social impact

Advertising can have wide-ranging repercussions on a society. Some critics suggest that advertising promotes a materialistic way of life by leading people to believe that happiness is achieved by purchasing products. They argue that advertising creates a consumer culture in which buying exciting new products becomes the foundation of the society's values, pleasures, and goals.

Advertising has a major social impact by helping sustain mass communications media and making them relatively inexpensive, if not free, to the public. Newspapers, magazines, radio, and broadcast television all receive their primary income from advertising. Without advertising, many of these forms of mass communication might not exist to the extent that they do today, or they might be considerably more expensive, offer less variety, or even be subject to government control through subsidies. In-depth news programs, a diversity of magazines, and free entertainment might no longer be widely available.

At the same time, however, some critics warn that because advertising plays such a major economic role, it may exercise undue influence on the news media and thereby curtail the free flow of information in a free society. The impact of television on young children has received much attention. Research suggests that children see television advertising as just another form of programming and react uncritically to its messages, which makes them especially vulnerable to advertising.

- Political Impact

Advertising is now a major component of political campaigns and therefore has a big influence on the democratic process itself. Political advertising enables candidates to convey their positions on important issues and to acquaint voters with their accomplishments and personalities. Television advertising is especially effective for candidates running for national or statewide office because it can reach so many people at once. Candidates can also use advertising to respond effectively to the charges of their opponents.

Critics of political advertising also charge that the 30-second television spot has become more important to a political campaign than a through discussion of the issues. As a result, voters are bombarded with image advertising rather than being acquainted with the candidate's positions. They contend that this practice is harmful to good government. Issues are simplified, and candidates are 'packaged and sold' much like a consumer product, thereby distorting political process.

- Cultural Impact

Advertising can affect cultural values. Some advertising messages, for example, encourage aggressive individualism, which may clash with the traditional cultural values of a country where the collective or group is emphasized over the individual or humility or modesty is preferred to aggressiveness. With the globalization of the world economy, multinational corporations often use the same advertising to sell to consumers around the world. Some critics argue that advertising messages are thus helping to break down distinct cultural differences and traditional values, causing the world to become increasingly homogenous.

Many advertising campaigns, however, have universal appeal, overriding cultural differences, or they contribute to culture in a positive way. Humor in advertising has made many ad campaigns widely popular, in some cases achieving the status of folklore or taking on new life in another arena (Encarta, 2009).

2.1.9 Development of Advertising in Nepal

The people of Nepal are well known about the impact of advertising on the success of product or services. However during the era of barter system much of advertising was not known. "At the passage of time, consumption habit changed and society entered into the Malla period in 936 to 1825 BS. At this period people came to know the product through announcer who announce or give information about the product to the people. The kings at that period were very liberal, they were interested to understand the needs, wants, desires, pain and pleasure of the people. The announcer distribute product to the people. They also demonstrate the product at the culture show festival and jatra etc." (Pandey, 1980).

The public announcers were extensively used during the Rana period too. These announcers used to go through the streets announcing the opening and closing of gambling period during the festivals like Laxmi Pooja and other occasions.

However, things have changed together with the passage of the time. Local newspaper and magazines featured the advertisement and other promotional activities. In the year 1908 BS the then prime minister Junga Bahadur Rana had brought a press during his visit to England, which was called “Giddle Press”. But this press was used to print envelopes, tickets, and government bulletins only. In the first edition of the “Gorkhapatra” an advertisement was published by “Pashupati Printing Press” in the editorship of Pandit Nardev Moti Krishna Sharma.

Radio advertisement began in Nepal with the beginning of the radio transmission that dates back to 2002 BS. The trial transmission of radio made through electricity office, however at that time general public were not allowed to keep the radio sets except the Rana’s family members. On 20th Chaitra 2007 BS “Nepal Radio” (now Radio Nepal), started its transmission. Since then the commercial advertisement also began in Nepal. However, the advertisement services were provided by the “Ratna Recording Corporation”. This corporation used to deposit the entire advertisement to the Radio Nepal has its own advertising service department.

The monopoly of radio Nepal was finished when in the year 2055 BS, the license was granted for the “Kantipur FM 96.1” to operate. This has opened the gate for the advertisers to choose among the available media vehicle as there are numbers of FM stations operating in the country.

Television advertising in national television started with the establishment of Nepal Television in Shrawan 29th 2042 BS. Currently television advertising is the most desirable media for the advertisers to promote their product and services, it’s because the television has the capability of sound, sight and motion all at the same time. There are numbers of Television Corporation operating in the country like Kantipur television, Sagarmatha Television, Avenues Television, ABC Television etc.

Apart from these advertising media many organizations are now frequently engaged in other source of support media like hoarding boards, transit advertising, visiting cards, posters, pamphlets, cinema hall advertising, movie advertising etc. in short in this 150 years period Nepali advertisements has made a great deal of success(Dahal, 2055).

2.2 Review of some of the Related Articles

Metwally (1993) has done a study on “Effectiveness of the Advertising Expenditure of Australian Banks”. According to him the Australian banking system was subject to extensive measures of deregulation in the 1980’s. As a result there has been a dramatic increase in marketing research and a tendency to rely more on advertising in maintaining and expanding market shares.

He had made a attempts to measure the effectiveness of the advertising of a number of Australian banks. Tests static and dynamic optimal advertising criteria and examines, using a simultaneous-equation model, the interdependence between market shares and advertising of Australian banks. Short-term analysis seems to suggest that the actual advertising\revenue ratios of Australian banks are much higher than the optimal ratios.

Also Australian banks seem to follow a long- run profit maximization policy with respect to their advertising expenditure. The banks seem to give a positive shadow price to the stock of goodwill. Moreover, both banks and rival advertising exert a significant influence on the competitive position of Australian banks, as given by their market shares. Also shows that rates of return on the advertising of the small banks are much lower than those of the large banks.

He had concluded the following in his journal:

- 1) The significant contribution of competitive advertising suggests the presence of interaction among Australian banks.
- 2) Short-term analysis seems to suggest that he actual advertising/revenue ratios of Australian banks are much higher than the optimal ratios.

- 3) Australian banks seem to follow a long-run profit maximization policy with respect to their advertising expenditure. The banks seem to give a positive shadow price to the stock of goodwill.
- 4) A substantial part of advertising by Australian bank is self-canceling.
- 5) Both bank's and rival advertising exert a significant influence on the competitive position of Australian bank as given by their market shares.
- 6) Rates of return on advertising of the small banks are much lower than those of the large banks.

Jorgensen and Isakson 2008) had also done a similar study on "Building Credibility in International Banking and Financial Markets: A study of how corporate reputations are managed through image advertising".

The research aims to draw detailed picture of how international corporate banks and financial institutions approach image advertising to enhance impressions of their credibility. The purpose of the work is twofold, namely to demonstrate how corporate credibility can be conceptualized and made operational for strategic communication, and how the operational categories are utilized in the planning of recent image advertising campaigns in Europe.

A reconceptualized model of credibility dimensions was first proposed to obtain a collection of operational appeal forms. A corpus of 74 print adverts was then analyzed in order to establish how financial marketers use the appeal forms to strengthen their corporate reputations. The patterns of creditability appeals obtained were then linked to the supportive visuals to provide a fuller picture of the industry's current praxis for portraying its expertise, trustworthiness and empathy.

The results reveal an overwhelming focus in both text and images on recounting companies' achievement and competencies at the expense of providing assurance of their integrity; truthfulness or attention to clients' needs. There is also clear evidence

that corporate advertising is in fact strongly focused on communicating credibility with less than 10 percent of discourse and visuals devoted to credibility- free themes and issues.

The results of the research are intended to bring increased attention to the rhetorical options for managing reputations and their potential effects on corporate credibility discourse.

The study demonstrates how dimension of credibility can be conceptualized at a level relevant both to practitioners and to academic writing courses. Additionally; the application of the credibility appeals disconfirms the expectation that financial services providers are increasingly branding themselves to the market on the basis of their character and concern for customers' well-being.

Bravo; Montaner and Pina (2009); made a study on "The role of bank image for customers versus non- customers". The purpose of this paper was to analyze the corporate image of financial institutions and its impact on consumer behavior. More specifically; it aims to focus on the differences between customers and non-customers of banking institutions. Data were collected through five questionnaires involving five major Spanish commercial banks. The questionnaires were answered by 450 individuals.

The study finds that corporate image of commercial banks includes dimensions related to the services offered accessibility, corporate social responsibility, global impression, location and personnel. Two alternative models were validated for customers and non-customers to explain how corporate associations influence attention to use the bank's services. For the case of current customers, satisfaction is a key mediating variable.

The study was focused on national commercial banks and corporate image of individuals. Different stakeholders like employees can hold a different corporate image. Moreover, the paper only considers intention to use as a dependant variable. The effect of corporate associations on purchase intentions depends on the specific type of associations and may be mediated through satisfaction. Results thus indicate that firms have to use different marketing strategies when considering the individual's previous experience. Finally, the paper extends previous research by showing the specific effect of corporate association on intension to use the bank's services. It proposes two alternative models for explaining responses of both responses of both customers and non-customers.

Kafle (2010), in his thesis entitled" A Comparative Study of Advertising Activities of NABIL Bank Ltd. and NB Bank Ltd.". The study has focused on evaluating the present trend of advertising of NABIL Bank Ltd. The study has also made an attempt to evaluate the effectiveness of the advertising messages, their attractiveness, and also tried to focus on the adequacy of the advertising budget spend on the promotional activities.

According to Kafle (2010), following advertising patterns were followed by both the commercial Bank respectively.

Advertisement trend of NABIL Bank Ltd:

Basically NABIL Bank Ltd. has its long history in the field of banking sector from its very establishment. It has incurred a high percentage of total marketing cost in advertising. Every year the advertising cost has been increasing. Like for e.g., the total advertising expenses has increases from Rs. Fourty six lakhs in the FY 2064/65 to Rs. 72 Lakhs in the FY 2065/66. Similarly, the advertising expenses were Rs. 102 lakhs in the FY 2066/67 B.S.

Table 2.1
Advertising Expenses of NABIL Bank Ltd.

Media	Ad. Expenses in Lakhs Rs.	Ad. Expenses in Lakhs Rs.	Ad. Expenses in Lakhs Rs.
	FY 2064/65	FY 2065/66	FY 2066/67
Radio/ FM	10	18	24
TV	6	11	22
Newspaper/ Magazines	18	24	30
Program Sponsor	6	9	11
Other:			
Sports	3	4.5	7
Banner/Wall painting, Hoarding Board	3	5.5	8
Total	46	72	102

(Kafley; 2010)

Advertising Trend in NB Bank Ltd.:

NB Bank Ltd is another well established Bank in Nepal. Marketing personnel in this bank think that it is very necessary to advertise Banking sector in Nepalese market. The advertising expense of this bank has also been increasing over the years. The advertising expenses have been increased from Rs 45 lakhs in the FY 2064/65 to Rs.58 lakhs in the FY 2065/66. Similarly, in the FY 2066/67 the advertising expenses have been increased to R. 80 lakhs.

Table 2.2
Advertising Expenses of NB Bank Ltd

Media	Ad. Expenses in lakhs Rs	Ad. Expenses in lakhs Rs	Ad. Expenses in lakhs Rs
	FY 2064/65	FY 2065/66	FY 2066/67
Radio	4	7	13
TV	12	17	24
Newspaper/ Magazine	20	22	27
Program sponsor	5	6	8
Other:			
CSR	2	2.5	3
Sports	2	3.5	5
Total	45	58	80

(Kafley; 2010)

From this study the author has come up with several numbers of suggestions and findings. Following are some of the major findings from that study:

-According to the survey many respondents think that the advertisements of NABIL Bank Ltd is better than that of NB Bank Ltd.

- Both use the help of different media channels to promote their products and services.

-FM radio advertisements were becoming more popular than the other media.

-Most of the customers fully believe in the advertisements of both the banks.

-Some of the customers of the bank were influenced by the advertisements first and then become the bank's customers.

-Advertisements cost in media was moderate out of total marketing budget allocated by the banks.

-Advertisement has a good effect in the Market.

Finally, from the study concluded by Kafley (2010), it was clear that the role of advertising in NABIL Bank Ltd and NB bank Ltd in Kathmandu valley was important and effective tool to promote the bank product and services, in fact the image of the Banks tool. The role of advertising was mainly reminding and informing. Advertising was fully responsible to change the customer's transactional habit most of the customers believe in NABIL Bank advertisements in the Kathmandu valley was T.V., radio/ FM, and the newspaper than other banners, posters etc.

Aryal (2005), has also made a study on "AIDA Model Application for TV Commercials in Nepal" to know about the recall patterns of the customers living in urban as well as sub urban areas about the information that they watch in the television advertisements.

The main objective of this paper was to analyze the TV Commercials (TVC) its recall situation in urban and sub urban areas, and its verification with AIDA model, which was developed by Elmo St. J. Lewis. The first model of this kind was formulated by Elmo St. J. Lewis in 1898 and was called AIDA which stands for attention-interest-desire-action. This type of model how ads work is called 'hierarchy of effects' model. On the whole, this paper was concentrated to AIDA model application for TVC in Nepal. From the study conducted by Bhoj Raj Aryal, following important points can be figured out:

-Motivating factors in TVC

There is no doubt that the ad should SMART (simple, meaningful, articulate, relevant and to the point). Every advertiser tries to meet these attributes to the extent possible. So far as to fulfill these attributes they should meet other headlines like slogans, illustrations, bank space, price and others. Without these sub-headlines' best combinations, the total ad process would become a body without heart.

-Recall on TV commercials

It is important that when a buyer goes to Purchase a product; he/she should be able to recall the particular brand of interest. How long the consumer can recall the shape; color; the picture of the product would determine the period of such lease. In this case the ironic function of the consumers' mind plays the major role in his behavioral functions. This is possible when the advertiser; through persuasions and reminders manage to gain control on the behavioral component of the consumer.

Advertisers want to know how effective their advertising messages and research services attempt are to measure such effectiveness. Most measures of message effectiveness are related to recall or recognition- how well people can remember advertisement they have seen. This reliance on recall and recognition is based on the assumption that advertising will not have any effect (in sales) unless consumers can remember it.

-Motivation on Advertised Products

The product advertisements seen to have the significant influence one at least one third of the audience while about 50% of them claim to have only minor impact on their decision for opting to go for a product. Only 16% claim that they have no effect of ad what so ever on selecting the product they would be buying. Martin Sorrell in 1997 explained that advertising through media is a loss of money and if it can be avoided this can save a lot of money for other purposes. However; in Nepalese media advertisement about 83% of the consumers have positive impact on the product advertisement. This positive change in psychology may increase the products selling and that may overcome the cost of advertisement thus clarifying Martin's concern.

The prime task of advertisement is to change or reinforce an attitude in the consumers mind in favor of the product. That will depend on the quality of the advertisement which influence on recalling of the product (shape and color of the product). In Nepalese product the quality of advertisement may not be able to give impressive slots to the consumer brain to reinforce the recall. That might explain the higher proportion of moderate impact (50%) compare to the highly positive 33% Fig. 3 illustrates the detail.

-Factors Motivating consumers to buy Products

The factors responsible to motivate the consumers towards buying the products are Slogans; Illustrations' price; quality; availability; and premium. To see the effect of individual factors on the Nepalese consumers a research was conducted both in sub urban and urban societies. Both the societies emphasized on quality of the goods; through the urban people were comparatively more sensitive to the quality of the product than sub urban. Illustration and price of the commodity affect much more the sub- urban society than urban. These differences could be because of income as well as educational differences (demand theory of commodity).

-AIDA Model

The first model of this kind of ad was formulated by Elmo St.J.Lewis in 1898 and was called AIDA. This type of model is called a 'hierarchy of effect' model. As mentioned (desired) by Lewis, the hierarchy of AIDA model has been verified both in sub-urban and urban society of Nepal as well. The awareness, interest, desire and action are in descending order and form an inverted pyramid. Relative proportion of action in sub-urban society became higher than that of urban society but they were not significantly differed. This difference could be due to frequent unavailability of the product in sub-urban areas.

Finally from the study it was concluded that, today, the word advertising is a very common term for everybody. We see in Television, in the sky, on the matchbox, in newspapers, on the trash containers, on our mail, transport, on billboards; we hear it on radio, FM and so on. It has become part of our daily life and everyone is conscious of it. About 67% of average audience watches domestic channels such as Nepal TV, and Image Channel. So the advertisers should select domestic channel for the advertisement of their products. The recall percentage is higher in urban area. The implicit reason of this is that urban audiences have more chance to watch television as compare to the rural audiences. In case of Nepal, due to limited production, the producers less conscious of ad than that in other countries. In TV Commercials, view, illustrations and Slogans are major three factors that can help to recall advertisement. Unequivocally; the advertisers should focus on these factors while preparing ad on TV. Present ads are unable to touch heart of the viewers. Advertisers prepare TVC without proper research. The present TVC are more provocative; lacking appropriate

information; and does not communicate sufficiently to audiences due to language barrier. So; the producer should focus on these areas to improve the quality of ad.

As stated by Lewis in 1998; the hierarchy of AIDA model has been verified both in sub- urban and urban society of Nepal. The awareness; interest; desire and action are in descending order. Relative proportion of action in sub- urban society became higher than that of urban society but they were not significantly different. This marginal difference could be due to frequent unavailability of the product in sub-urban areas.

Venable; Rose; Bush and Gilbert (2005); has also made an study on “The Role of Brand personality in Charitable Giving: an assessment and Validation” to examine the marketing concepts such as identity; image; and branding as an important strategies for nonprofit organizations.

The authors argue that nonprofit stakeholders perceive nonprofit organizations at an abstract level because of the organizations intangibility and social ideals. The study develops and refines a parsimonious measure of brand personality specifically for the nonprofit context. The authors conducted a series of six multi method studies of nonprofit organizations. The results yield four dimensions of brand personality for nonprofit: integrity; nurturance; sophistication; and ruggedness. Thus; current and potential donors ascribe personality traits to nonprofits organizations and differentiate between nonprofits on the basis of the organizations personality. Finally; nonprofit brand personality may influence potential donor’s likelihood to contribute.

The authors concluded that the study has attempted to integrate existing knowledge of brand personality in the for-profit sector with social exchange theory and trust to identify the specific dimensions of brand personality among nonprofit organizations.

They conducted a series of six studies to investigate; measure; and validate the role of brand personality in non- profit organizations. Their multimethod design revealed a parsimonious measure of nonprofit brand personality that consists of four dimensions: integrity; sophistication; ruggedness’ and nurturance. Thus; despite the authors limitations; they extend brand personality research to nonprofit brands and established

that stakeholders can and do differentiate between nonprofits on the basis of brand personality.

Finally; this study offers potential new ways for nonprofit organizations to strengthen their brands and market position as they vie with competing organizations for donor's time; money; and in-kind goods or services. By recognizing that current and potential donors can view nonprofits as unique personalities; nonprofit organizations may be able to match their personality better with those of their target stakeholders and to differentiate themselves in the crowded nonprofit marketplace. Thus; nonprofit brand personality could prove invaluable in the brand development of nonprofit organizations.

Similarly; Bodapati and Srinivasan (May 2006); had also made an attempt to study about the impact of advertising in their article entitled;" The Impact of Feature advertising a on Customer Store Choice"

It is not surprising that grocery retail planners across competing stores expend considerable thought on what items to advertise each week and at what levels of prominence. What is surprising; however; is that marketing scientists do not know much about the manner and extent to which feature advertising in a competitive environment influences where and how customers shop. The marketing science literature has not even been able to establish that feature advertising has a substantial impact on store choice; let alone the more operational question of which categories are better at drawing consumers away from one store and into a competing store. In this paper the authors employ a stochastic choice modeling framework to propose and empirically estimate a disaggregate; consumer- level model of the effects of feature advertising on store choice. The authors use this model to understand which categories are more influential drivers of store traffic and Better at diverting consumers from competing stores. They finally conclude that a heavily used competitive tactic in the grocery business is the weekly advertising of price and reductions in news paper inserts and store fliers. Store managers commonly believe that advertisements of price reductions and loss leaders help to build store traffic by diverting customers from competing stores, thereby increasing store volume and profit ability.

2.3 Concluding remarks

All the above studies done by the various authors have provided the insight of how the advertising helps in promoting the organizations offerings and the image of the organization as well. The study has also identified how the brand personality, image and credibility help the organization and also tell about how it actually affects the customers and the non customers.

The study also shows the process of how the customers perceive a TVC in the context of AIDA model (i.e. Attention, Interest, Desire and Action). Some of the studies have also studied about the allocation of the advertising expenditure and its impact on overall organization performance.

2.4 Research gap

The above reviewed articles and various studies by various studies generally deal with the advertising and its impact in broad view. The studies lack or does not attempt to make clear as how the customers actually are affected by the various advertising media vehicle. Similarly, the research also fails in recognizing the difference in perception while interpreting the meaning of the advertising message and the media vehicle, which carries the message itself between the advertisers and the target customers.

The research studies also does not provide clear picture as to which aspects of the advertising message (creative aspect, the message itself, the spokes person used, animation etc) influence the customers of the banks. Furthermore the above reviewed articles and studies have also failed to show the impact of the bank advertising on various occupation age groups.

Finally, the studies have also not shown the impact of the advertisements on the loyalty level of the customers towards the bank that advertise its products and services.

CHAPTER-III

RESEARCH METHODOLOGY

Research methodology is the way to solve the research problem systematically. It may be understood as a science of studying how research is done scientifically. It is important for the researchers as not only to know about the research methods and techniques but also to know about the methodology itself.

When we talk of research methodology, we not only talk of the research methods but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using other so that research result are capable of being evaluated either by the researcher himself or by them. (Kotharia, 2000).

Research methodology is a way to solve the problems market research specifies the information required to address these issues, designs the methods of collecting information manages and implements and data collection process, analyzed the results, and communicate the findings and their information. Alternatively, research methodology is the process of arriving at the solution of a problem through a planned and systematic dealing with the collection, analysis and interpretation of the facts and figures. It consists of descriptive approach and statistical tools. Descriptive approach is used to analyze the research problem, setting hypothesis and other theoretical problem. Statistical tools are used to analyze the numerical data.

3.1 Research Design

The formidable problem that follows in the risk of defining the research is the preparation of the design of the research project, popularly known as the research design. The research design refers to the conceptual structure within which the research is conducted. This study intends to figure out the impact of advertising on the bank and its customer's loyalty and awareness level. Thus, for this purpose the data were collected from the respondents directly. Therefore, survey research design was used in this study as it seeks responses directly from the respondents.

To collect the information and the data from the respondents, questionnaire was used. The questionnaires were filled by the respondents in the presence of the researcher himself. Some of the relevant information was also collected through direct interview (informal and formal) with the respondents. To meet the objectives of this research work some data and information were also collected from the secondary sources of data like the published journals, articles, internet, etc.

3.2 Sources of data

The main source of data for this study is primary. The information has been collected through personal contact to the respondents. A questionnaire with multiple-choice answer were prepared before the visit, and distributed during the visit to the respondents including the questionnaire for the bank as well. However, to meet the objectives of this research work, some data and information were also collected from the secondary sources of data like the published journals, articles, internet, etc.

3.3 Sample of the Study

This study uses the only information one bank. However, structured questionnaire was administered to 90 respondents who are the customers of the related bank. The entire questionnaire was distributed in the researcher's own present; therefore, all the responses were duly collected. Out of 90 samples, 51 were male respondents and 39 were female respondents. Similarly, there were altogether, 38 service employees respondents, 14 students, 27 business people and 11 unemployed people. A separate questionnaire was also prepared for the bank as well. All samples were taken from Kathmandu valley.

3.4 Data Collection Procedure

A comprehensive questionnaire was developed for the bank and the respondents which include the question regarding the impact of the advertising on the bank and the customer's loyalty and awareness level. The questionnaires were normally in the multiple choice format, with some open ended questions too. After developing the questionnaire, researcher directly went to the respondents and collected the necessary information or data by filling the questionnaire. Similarly, for the secondary data researcher used internet, and other published sources to obtain necessary data.

3.5 Data Analysis Procedure

The data collected through the questionnaires are analyzed using different statistical tools like MS Excel and SPSS analytical software. These tools and techniques are basically used for simplification in data entry and analysis. Most of the data are presented in the tabular and percentage form for the easy understanding of the observer. Graphical presentations like pie-chart and bar diagrams are also used to provide the clear picture of the data collected.

The collected data were entered into the SPSS analytical software spreadsheet. From the table percentage, frequency table, case summary, pie-charts and bar diagrams were calculated. The MS excel was also used for this purpose. Similarly, t-test and one-way ANOVA analysis or F-test was then done to find out the relationship between different variables, including the dependent and the independent variables.

3.6 Research Variables

This research work has been conducted using various research variables like, respondent's loyalty level, advertisements liking, alternative advertising media, aspect of advertising, effective promotional tools etc. Apart from these independent and dependent research variables the demographic variables such as age, gender, and designation of the employees are taken as the control variables for this research work.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

The main objective of this study is to analyze and present the data related to the impact of advertising on the customer's loyalty and awareness level in the commercial bank. To achieving this objective, the data collected are analyzed in this chapter by applying statistical tools and techniques. On the basis of the secondary data and primary data collected from the respondents, this study has tried to figure out the impact of advertising on the bank's customers.

4.1 Presentation and Analysis of the Primary Data Collected from the Customers

4.1.1 Respondent's Profile

All the respondents contacted for the research purpose were the purpose were the customers of the various branches of the Nepal Bank Limited situated inside the Kathmandu valley.

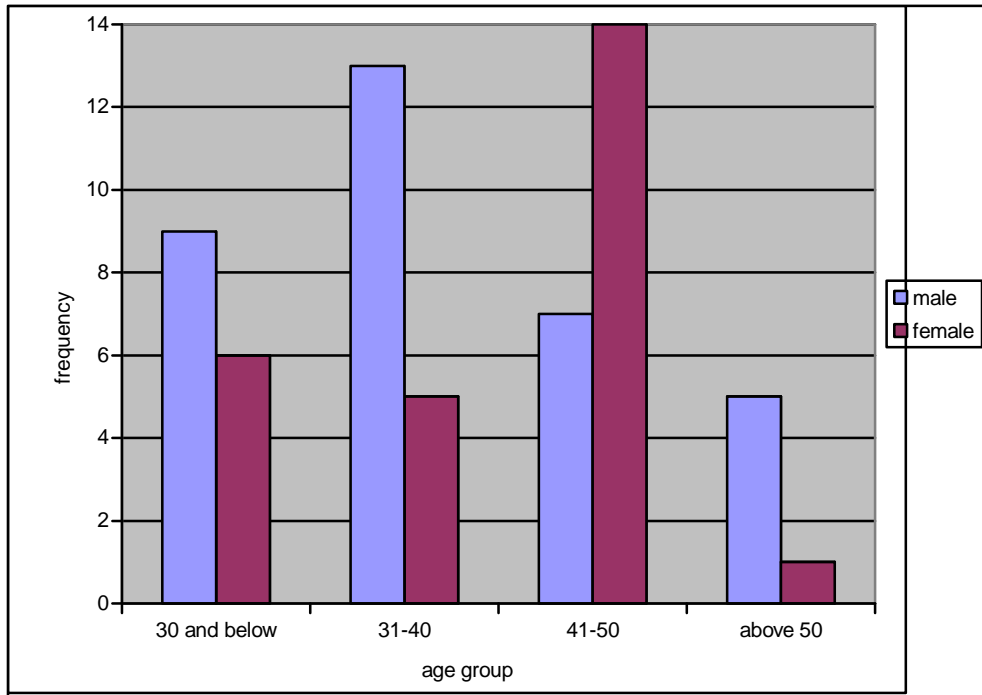
Table 4.1
Profile of the Respondents

		Occupation					% of Total
		Service	Student	Business	Unemployed	Total	
Gender	Male	17	8	21	5	51	57%
	Female	21	6	6	6	39	43%
Total		38	14	27	11	90	100%
% of Total		42%	16%	30%	12%	100%	

From table 4.1 it is velar that there were altogether 90 respondents from whom the required data for this study were collected (excluding the questionnaire filled up from the NBL's employees). Among these respondents 51 (i.e. 57%) were male and remaining 39 (i.e. 43%) were female. Similarly out of these 90 respondents 42%(17 male, 21 female) were service employees, 16%(8 male, 6 female) respondents were

students, 30%(21 male, 6 female)were business persons, and 12%(5 male, 6 female) were unemployed people.

Figure 4.1
Respondent's Profile



	30and below		31-40		41-50		Above - 50	
	Male	Female	Male	Female	Male	Femal e	Male	Female
Occupation unemployed	1	0	1	3	0	2	3	1
Occupation business	0	0	12	2	7	4	2	0
Occupation Student	8	6	0	0	0	0	0	0
Occupation Service	8	3	6	3	3	14	0	1

Figure 4.1 shows that; in the age group 30 and below; there are 17 male (out of which 1 is unemployed and 8 each are student and service persons; whereas there are no male business persons in this age group) and 9 female (out of which 6 are student and 3 are service employees). Similarly in the age group 31-40 there are altogether 27 respondents. Among these there are 19 male respondents (out of which 1 is unemployed; 12 are business persons and the remaining 6 are service employees) and 8 female respondents.

In the age group 41-51 there are 30 respondents; 10 male (out of which 7 are business persons and 3 are service employees) and 20 female (out of which are unemployed; 4 are business persons and 14 service employees). Similarly in the age group above 50 there are only 7 respondents; 5 male and 2 female. Out of the total male respondents in above-50 age group 3 are unemployed and 2 are business persons. Similarly; out of the 2 females in the age group above-50; 1 is unemployed and another is service employee.

4.1.2 Most preferred Bank in Terms of Advertisements

All the respondents have seen or watched the advertisements of one or the bank in various advertisement media. When asked with the question which banks advertisements do they like the most; following responses were received

Table 4.2

Most preferred Bank in Terms of advertising

Preferred Bank in Term of their advertisement	Frequency	Percent %	Valid Percent %	Cumulative Percent %
Standard Chartered	35	39	39	39
NBL	28	31	31	70
Ace development Bank	13	14	14	84
NABIL Bank	5	6	6	90
Others	9	10	10	100
Total	90	100	100	

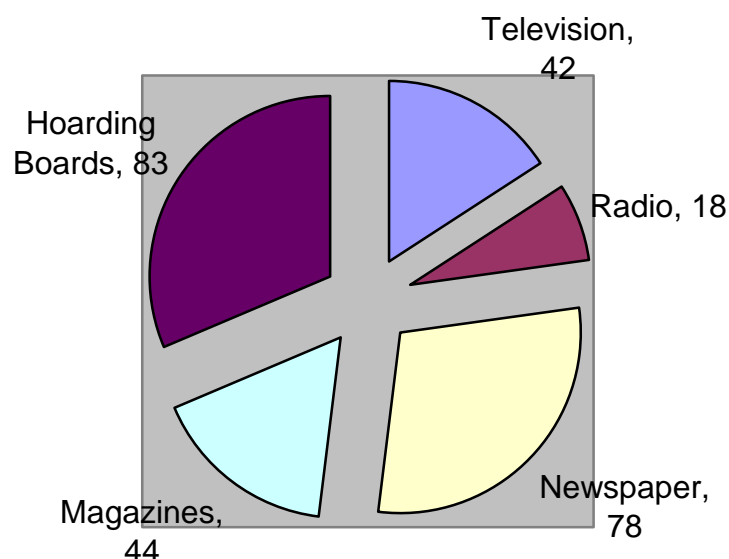
From Table 4.2 it is clear that 39% of the total respondents consider the advertisements of the Standard Chartered Bank as attractive or effective in communicating the message. Similarly; 31% of the respondents think that the advertisements of Nepal Bank Limited as attractive and 14% think that Ace development Bank's advertisements are more attractive and effective in communicating the message. However only 6% respondents think NABIL Bank's advertisements as attractive and 10% of the total respondents considers other banks advertisements are more attractive like Citizens International Bank Limited(3); Kist Bank (2) NMB bank Limited (2); Himalayan Bank Limited (1) NIC Bank limited (1) ADBI (i). Table 4.2 also clear that 70% (i.e.63 respondents) of the total respondents consider the advertisements of Standard Chartered or NBL; as more attractive or effective in communicating the advertisement message among the target customers.

4.1.3 Customer's Awareness of NBL's Advertisements

Though the numbers of respondents; who think the advertisement of NBL's as attractive and effective were only 28; but 100% of the respondents have seen the advertisements of the NBL in various alternative media vehicles. Following pie- chart makes it clear:

Figure 4.2

Media Alternatives in Which the Respondents had seen the NBL's Advertisements



		Media Alternatives					
		Television	Radio	Newspaper	Magazines	Hoarding Boards	Any Other
Gender	Male	23	11	47	20	47	0
	Female	19	7	31	24	36	0

Figure 4.2 show that almost every respondent had seen the advertisement of the bank on hording boards i.e. 83 respondents out of which 47 are male and 36 are female. It shows that the bank uses hoarding board as its major promotional stool. 78 respondents had seen the NBL’s advertisements on the Newspaper. Similarly; 44 respondents had seen the advertisements on the magazines and 42 respondents had watched the advertisements on the television. Whereas; only 18 respondents have heard the advertisements of the bank on the radio broadcast. Figure 4.2 also shows that female normally read more magazines than the male do.

4.1.4 Reasons for Advertising

The following Table 4.3 shows the reason for advertising by the bank in the view of the responds:

Table 4.3
Reasons for Advertising

		Occupation							
		Frequency	Percent	Valid Percent	Cum. Percent	Service	Students	Business	Unemployed
Valid Reason s for Advert ising	A	14	16%	16%	16%	3	5	4	2
	B	30	33%	33%	49%	17	3	6	4
	C	25	28%	28%	77%	12	3	8	2
	D	16	18%	18%	94%	6	3	6	1
	E	5	6%	6%	100%	0	0	3	2
Total		90	100 %	100%		38	14	27	11

- A: To match the competition
- B: Informing about the banks product or services
- C: Persuading the customers and non- customers to purchase the banks services
- D: Reminding about the existence of the of the bank or its product
- E: Any other

Table 4.3 shows that; 14 respondents or 16% of the total respondents think that the reason behind the banks advertising is to match the competition. Among these respondents 3 are service employees; 5 are students; 4 are business and 2 are unemployed. Similarly; 33% of the total respondents think the reason is informing about the banks product or services and 28% of the total respondents think that the real reason behind the advertisement is persuading the customers and non-customers to purchase the banks services. Majority of the service employees think that the reason is either informing or persuading the customers and non- customers to purchase their services.

Of the total respondents 16% of the them think the reason is reminding about the existence of the bank or its product. Out of these 6 are service employees; 3 are students; 6 are business persons; and 1 is unemployed person. Five respondents which are 6% of the total respondents think that the reasons behind advertising are:

To show their power in the industry (2); to meet their ego (1); no reason at all (2).Out of these 5 respondents 3 are business persons and the remaining 2 are the unemployed persons.

4.1.5 Need for Advertisements

Banking products and services need to be advertised in order to get the attention of the target customers to survive in the competitive banking industry. The following results were obtained when the question regarding the necessity of the advertisements of banking services were asked:

Figure 4.3
Customer's Views on Need for Advertising the Banking Services

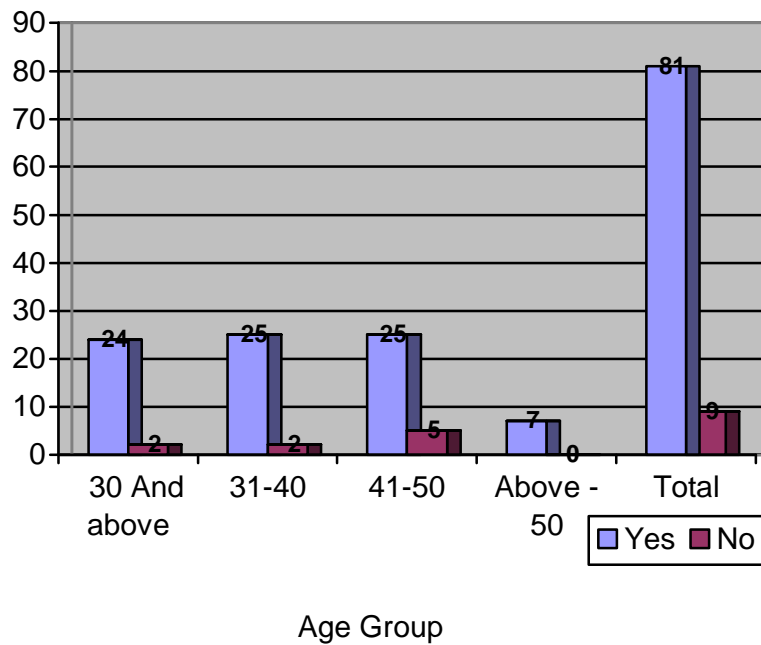


Figure 4.3 shows that out of 90 respondents 81 of them agree with the need for advertising the banking products and services; whereas; only 9 respondents think it as not necessary. It is clear from Figure 4.3 that 24 respondents say yes to the need for advertising the services and 2 of them says no; in the age group 30 and below. Similarly in the age group 31-40; 25 respondents agree with the idea of advertising the banking services; while 2 of them think it was not necessary.

In the age group 41-40; 25 of the respondents say yes; while 5 of them says no to the advertising of the banking services. Finally; In the age group above-50; all of the respondents agree with the idea of need for advertising the banking services and its products.

4.1.6 Customer's views on effective Advertising Media

Customers are of different view point: as a result the way they are affected by various advertising media also differs. Thus; to know what advertising media affects the customers most; a question was asked to the respondents. Figure 4.4 and Table 4.4 provides us with the responses of the respondents:

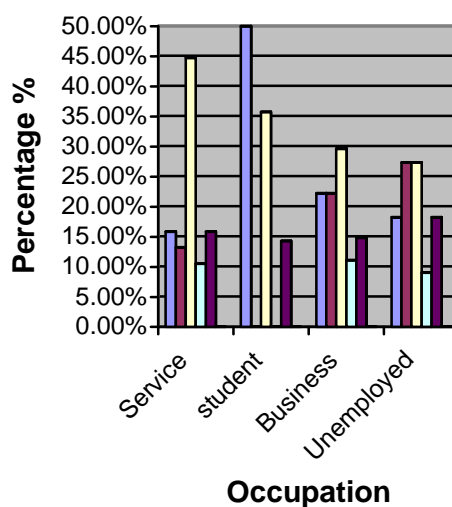
Table 4.4

Alternative Advertising Media that affects the Customers Most

Advertising media	Service		Student		Business		Unemployed	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Television	6	15.8%	7	50.0%	6	22.22%	2	18.2%
Radio	5	13.2%	0	0.0%	6	22.22%	3	27.3%
Newspaper	17	44.7%	5	35.7%	8	29.63%	3	27.3%
Magazines	4	10.5%	0	0.0%	3	11.11%	1	9.0%
Hoarding Boards	6	15.8%	2	14.3%	4	14.81%	2	18.2%
Others	0	0	0	0.0%	0	0.00%	0	0.0%
Total	38	100%	14	100%	27	100%	11	100%

Figure 4.4

Advertising Media That Affects the Customers the Most



■ Television
 ■ Radio
 ■ newspaper
 ■ Magazines
 ■ Hoarding Boards
 ■ Others

From Table 4.4 and Figure 4.4, it is clear that the majority of the respondents think that newspaper is the effective media which affect them the most. Out of the total service employees 44.7% of them thinks that newspaper affects them, whereas, 35.7% of the total students feel the same and 27.3% of the unemployed persons also thinks that newspaper affects them most.

However, 50% of the total students think that the television is more effective media and thus, it affects them the most. The above figure shows that customers are less affected by the magazines, as only 10.5% (4) of the total service employees, 11.11% (3) of the business persons and 9% (1) of the total unemployed customers says that it affects them the most. It also shows that nobody is affected by any other media alternatives except mentioned in the options. The students also think that the radio advertising media also does not affect them.

4.1.7 Customer’s Liking of Advertisements

Though; the respondent thinks that various advertisements affect them differently; majority of the respondents like the advertisements of the Nepal Bank Limited in various advertisement media.

Table 4.5
Customer likes Of NBL’s Advertisements

	Frequency	Percent	Valid percent	Cumulative percent
No	14	15.6	15.6	15.6
Yes	76	84.4	84.4	100
Total	90	100.0	100.0	

Table 4.5 makes us clear that 76 respondents say that they like the advertisements of the Nepal Bank Limited; which is 84.4% of the total responses received. However; though majority of the respondents says they like the advertisements; 15.6% says they didn’t like the advertisements of the bank; that is; 14 of the respondents say no.

4.1.8 Aspect of Advertisement that Customer's like

Since; 76 respondents says they like the advertisement of the bank; they were asked what aspect of the advertisement did they like the most. Following result was obtained from the survey:

Figure 4.5
Aspect of advertisement

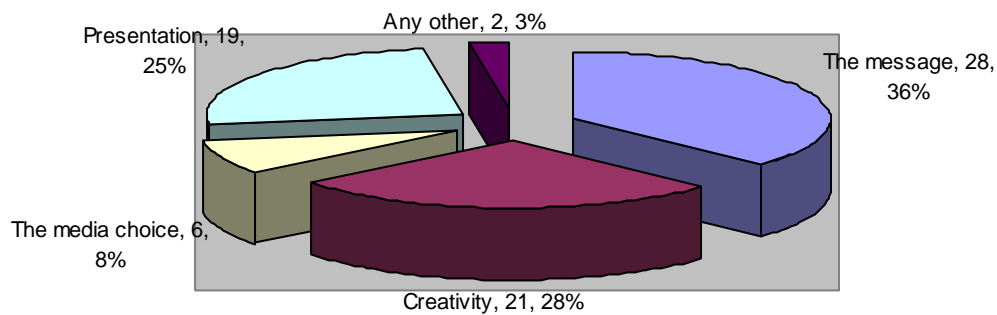


Figure 4.5 shows those 28 respondents; which is 37% of the total respondents who like the advertisement of the Nepal Bank Limited; says that they like the message of the advertisements that the bank is trying to communicate. 27% of those respondents like the creative aspects of the advertisements, while 25% of the respondents say that they like the presentation of the advertisements.

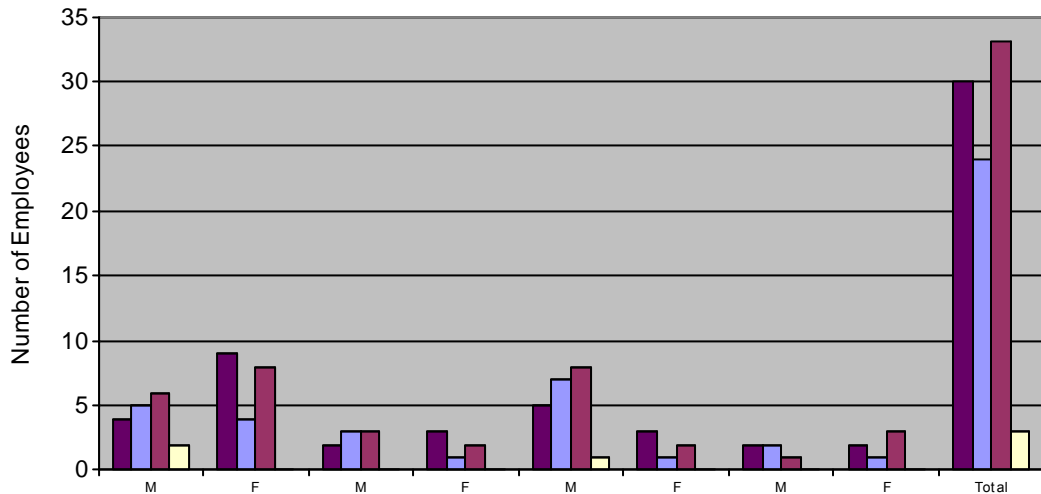
Six of those respondents (8%), say that they like the choice of the media on which the advertising has been provided. Finally, two respondents, which represent about 3% of the 76 respondents, say that they like other aspects like the concept and the character they use in the advertisement.

4.1.9 Customer's feeling towards the NBL's Advertisements

All the 90 respondents who have watched or seen the advertisements on various alternative media were asked about their feeling after seeing the NBL's

advertisements. Some of the respondents feel very happy, while some feel proud and some feel normal. While, still some respondents feel upset and didn't like the advertisement very much. Figure 4.6 makes it clear to understand the feeling of those respondents that have seen the advertisement of the bank.

Figure 4.6
Feeling of the customers after seeing the advertisement of NBL



	Service employees		Students		Business Persons		Unemployed		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Happy	4	9	2	3	5	3	2	2	30
Proud	5	4	3	1	7	1	2	1	24
Normal	6	8	3	2	8	2	1	3	33
Any Other	2	0	0	0	1	0	0	0	3

Figure 4.6 shows that 30 respondents feel very happy after seeing the advertisements of the Nepal Bank Limited. Out of these 30 respondents 13 were the service employees (4 male; 9 female). 24 respondents felt proud after seeing their banks advertisements in the advertising media and 33 respondents were normal while 3 of the respondents feel either not good or even bad.

Figure 4.6 also shows that a majority of the service employees either feel happy or they feel normal. Female service employees are more happy and proud to see the NBL's advertisements than male service employees do. Figure 4.5 shows that all the 3 respondents who either feel not good or even bad were male respondents; out of which 2 are service employees and 1 is business person.

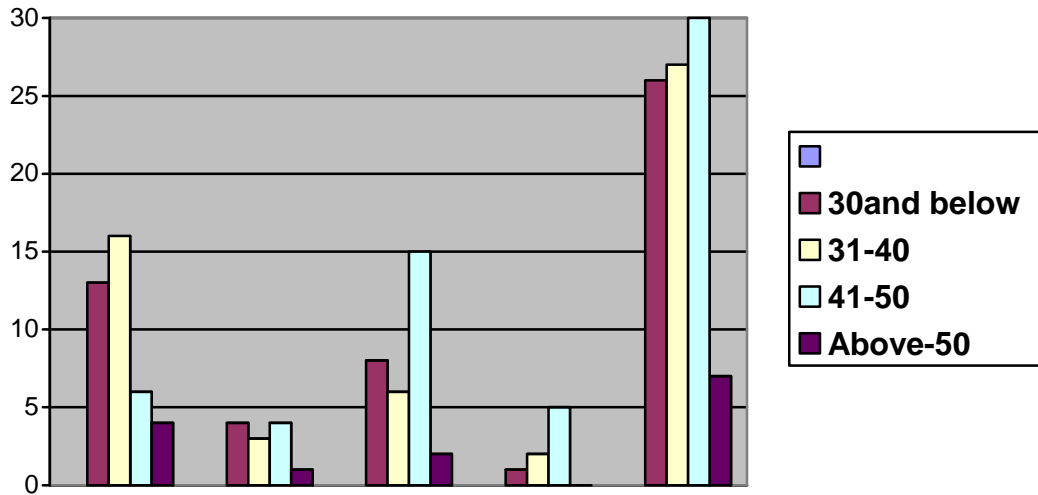
Similarly; 5 out of 14 students feel happy; while 4 students feel proud and the rest of them feel normal. And out of the total 21 business persons; 8 each feel happy and proud; while 10 of them feel normal and remaining 1 feel bad after seeing the NBL's advertisement.

Finally; Figure 4.6 also shows that out of the total 11 unemployed respondents four of them feel happy after seeing the advertisement of the bank; while 3 of them feel proud. The remaining 4 respondents which include 1 male and 3 female respondent feel normal after watching the NBL's advertisement. Thus; it is clear that most of the respondents feel normal after seeing or watching the Nepal Bank Limited's advertisement in various advertising media.

4.1.10 customer's Loyalty Level after seeing the Advertisements of NBL

Customers' Loyalty depends upon various factors. However; the following diagram shows the loyalty level of the customers after seeing the Nepal bank Limited's advertisements in various advertisement media.

Figure 4.7
Customer's loyalty after Seeing the NBL's Advertisements



	Male		Female		Total
	Yes	No	Yes	No	
30 And Below	13	4	8	1	26
31-40	16	3	6	2	27
41-50	6	4	15	5	30
Above- 50	4	1	2	0	7

Respondents Response

Figure 4.7 shows that, in the age group 30 and below 13 male respondents say that the loyalty level had increased after viewing the NBL's advertisements in various media, while 8 female respondents say the same thing. 4 male and 1 female respondents in this age group say that seeing the advertisement does not increase loyalty level towards the bank.

Out of the total 27 respondents in the age group 31-40; 22 respondents say that their loyalty has been increased after seeing the bank's advertisements; while only 5 respondents does not think so. Out of the respondents who say that their loyalty has increased under the 31-40 age groups; 16 were male and 6 were female respondents. Similarly in the age group; 41-50; 6 male and 15 female respondents say that the loyalty has not increased. Finally; in the age group above-50; 4 male and 2 female

respondents agree that their loyalty has been increased; while 1 male says that seeing the bank’s advertisements does not increased the loyalty level.

Figure 4.7 also shows that the female’s loyalty level has increased more in proportion then the male. As it is clear that ; 31 out of 39 female respondents say that their loyalty has increased after seeing the banks advertisements; which is around 79.5% of the total female respondents while; 39 out of 51 male respondents think that their loyalty has increased; which is 76.5%of the total male respondents.

4.1.11 Factors Building Loyalty towards the Bank

Though; a large percentage of the customers say that after seeing the advertisement their loyalty towards the Nepal Bank Limited has increased then before; when asked with question about the other factors that would increase their loyalty towards the bank; following information gathered:

Table 4.6
Important Factors in Building Loyalty towards the Bank

	Frequency	Percent	Valid percent	Cumulative percent
Valid good customer service	31	34.4	34.4	34.4
Valid Corporate Social Responsibility	4	4.4	4.4	38.9
Valid Transparency and Accountability	13	14.4	14.4	53.3
Valid Better Performance in the Industry	23	25.6	25.6	78.9
Valid Higher Interest Rates and Safety of Funds	19	21.1	21.1	100.0
Total	90	100.0	100.0	

Table 4.6 shows the important factors that the customers think essential for building loyalty towards the bank. According to the above table; 34.4% of the customers think that good customer service is what is needed in building long lasting loyal

relationship with the bank. Out of the 90 respondents questioned 4 of them think that corporate social responsibility is important in building loyalty.

14.4% of the total respondents say that transparency and accountability is more important; whereas; 23 respondents; that is 25.6% customers think that better performance of the bank in the industry is important for them to remain loyal towards the bank. Finally; remaining 21.1% or 19 out of the total respondents think higher interest rates and safety of funds as important factors in building loyal relationship with the NBL.

4.1.12 Customer's Views on Advertisements Reflecting the Loyalty Factors

Table 4.6 makes it clear that customers have a number of expectations from their bank so that they remain loyal to the organization. However; a majority of the customers think that the above mentioned factors for building the loyalty are not reflected in the respondents think that the above mentioned factors are being reflected in the NBL; advertisements; which are 35 in numbers. Out of these 35 respondents; 23 were male and remaining 12 were female respondents.

Similarly; 61% of the total respondents think that the factors for increasing loyalty were not being reflected in the bank's advertisements; which are 55 in number. 28 respondents out of these were male respondents while 27 were female respondents. This shows that; the bank has been unable to guide their advertisement activities towards building the loyalty by reflecting the above mentioned factors in their advertisements.

4.1.13 Reasons for Becoming the NBL's customer

The advertisement; so far has been able to increase the loyalty of the customers towards the bank. However; following results were received when the reason for becoming the Nepal Bank Limited's customer was asked to the 90 respondents.

Figure 4.8
Reason for becoming the NBL's Customer

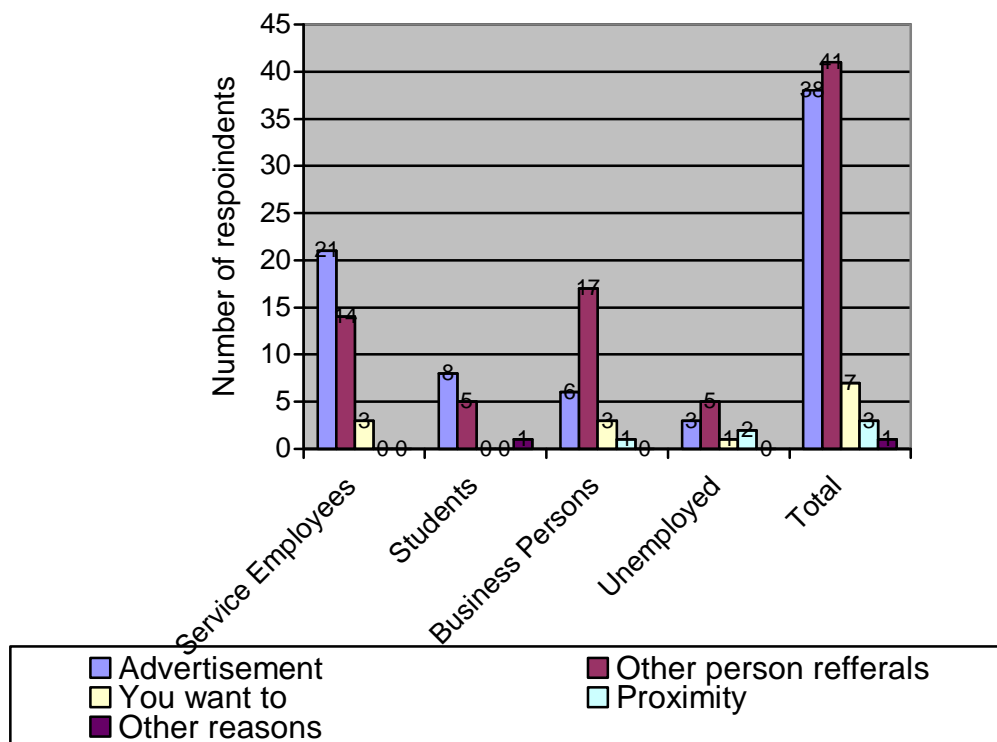


Figure 4.8 shows that 41 of the total respondents became the customers of the bank through other person's referrals. These 41 respondents are 46% of the total respondent's number. Out of these respondents 14 were the service employees; 5 each were the students and the unemployed people; while; remaining 17 respondents were the business persons.

Similarly; 42% of the total respondents say that they became the customers of NBL after seeing the advertisement of the bank in various alternative media. A major portion of these respondents were service employees. Out of 38 respondents saying advertisement as the reason behind becoming the NBL's customer; 21 were service employees; 8 were students; 6 business persons and remaining 3 were unemployed persons.

Figure 4.8 also shows that 88% of the respondents says that either advertisement or other person referrals to be the reason behind becoming the NBL's customer.

Only 8% of the total respondents say that the reason behind becoming the bank's customer was simply they wanted to be the customer. Those respondents include 3 service employees, 3 business persons and remaining 1 unemployed person. 3 respondents say that the reason to be proximity to the bank for becoming the customer. Out of these 3 respondents 1 was the business person while other 2 were the unemployed person. Finally, 1% of the respondent says that the reason for becoming customer to be other then mentioned, that is the student needs it to receive money from the parents outside.

4.1.14 Best Promotional Tool for the Bank

Nepal Bank Limited makes use of various promotional tool to promote the bank itself and its products and service offerings. However, following promotional tools were suggested by the customers to promote the bank and its product, which they think is more effective in achieving the promotion objective:

Figure 4.9

Best Promotional Tool for the BankingService

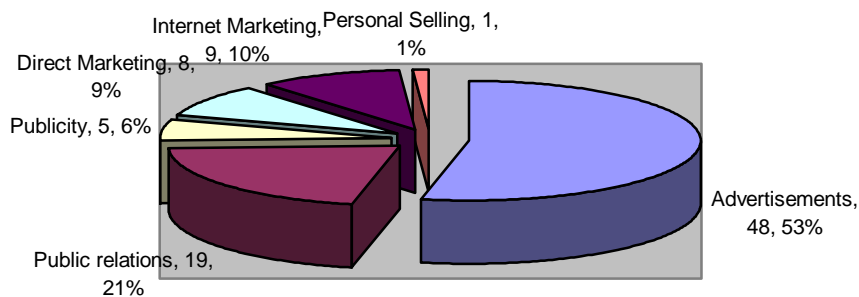


Figure 4.9 shows that out of the total 90 respondents 53% (48 in numbers) think advertising as the most effective promotional tool to achieve the banks promotional objectives. The second important promotional tool, according to the customers' response was the public relation. It comprises of 21% of the respondents. They think

that by maintaining good public relation the bank can achieve its goals and objectives efficiently and effectively, including the promotional objectives too.

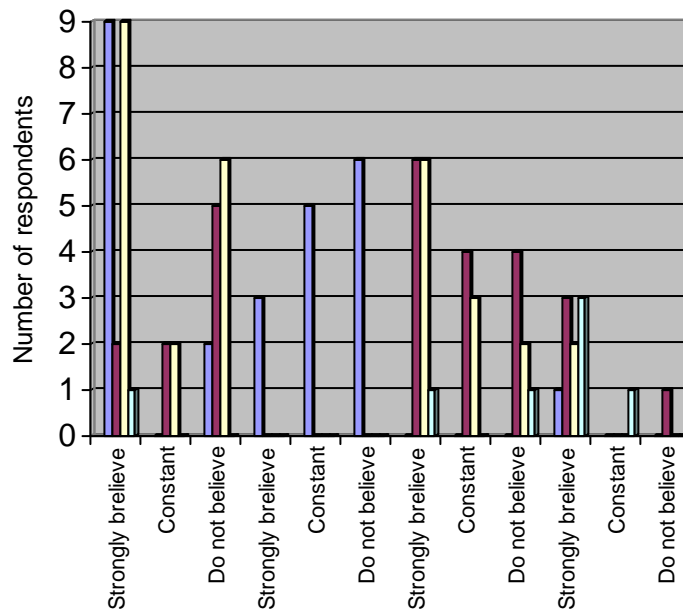
Figure 4.9 also shows that 10% of the total respondents think internet marketing to be most effective in today's computerized business world. Whereas, 9% of the respondents still think direct marketing as effective promotional tool, while 6% think publicity as more effective promotional tool to achieve the promotional objective of reminding about the bank and its product offerings.

Finally, 1 respondent which comprises about 1% of the total respondent thinks personal selling as more effective than other promotional tool to achieve the promotional objective effectively.

4.1.15 Customer's Belief towards the Advertisement Message

Communication messages are normally put into the subject of skepticism by the audiences or the target customers to whom the advertisements are targeted. Following result was obtained when the customers were asked about their belief in the advertisement messages which are normally said.

Figure 4.10 Belief of Customers towards Advertising Message



	Service employees			Student			Business Person			Unemployed		
	Strongly Believe	Constant	Do not Believe	Strongly Believe	Constant	Do not Believe	Strongly Believe	Constant	Do not Believe	Strongly Believe	Constant	Do not Believe
30 And Below	9	0	2	3	5	6	0	0	0	1	0	0
31-40	2	2	5	0	0	0	6	4	4	3	0	1
41-50	9	2	6	0	0	0	6	3	2	2	0	0
Above 50	1	0	0	0	0	0	1	0	1	3	1	0

Figure 4.10 shows that, students, who are all below 30 ages, normally do not believe in the advertising messages that the bank tries to communicate. 6 out of the 14 student says they do not believe, while 5 of them say they are indifferent, while 3 of the strongly believe in the advertising messages. Similarly, service employees, who falls under age group 30 and below and 41-50 believe more in the advertising messages. 9 service employees each believe in the advertising messages under these two groups. Whereas, 5 out of the 9 service employees, that falls under age group 31-40 do not believe in the advertising messages.

Similarly, 13 out of the 27 business persons say that they strongly believe in the advertising message. While, 7 each say that either they are constant or they do not believe in the advertising message. In case of the unemployed persons, majority of them strongly believes in the advertising messages, while only 1 person says constant and the other one do not believe in the advertisement message.

Figure 4.10 shows that, the respondents in the age group 31-40 do not believe in the advertisement message the most. While, the respondents in the age group 41-50 strongly believes in the advertisement message of the bank.

4.1.16 Most Read Newspaper Type

Every customer contacted for the purpose of the research was found to be going through the national level newspaper. However, the type of newspaper they go through differ according to the gender, occupation or the age group they belongs to. Table 4.47 makes us clear about what newspaper the customers normally go through.

Table 4.7
Types of Newspaper which Customers Read the Most

Newspaper Alternatives	Occupation								
	Service Employees		Students		Business Person		Unemployed		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Kantipur	17	20	5	5	17	6	4	6	80
Kathmandu Post	5	3	6	5	6	3	2	1	31
The Himalayan Times	3	2	7	5	1	2	3	3	26
Annapurna Post	4	2	4	3	3	1	5	0	22
Samachar Patra	3	1	1	1	4	2	1	1	14
Others	2	4	3	4	1	1	1	0	16

Table 4.7 makes it clear that almost every customer normally go through the Kantipur newspaper. 80 out of 90 respondents said that they go through the Kantipur. Of these 80 respondents, 43 are male and 37 are female respondents. This, shows how important is actually the Kantipur newspaper for providing the advertisements.

Kathmandu post is the second most read newspaper among the respondents surveyed. 31 respondents, including 8 service employees, 11 students, 9 business persons, and 3 unemployed persons go through the Kathmandu Post.

26 respondents go through The Himalayan Times, 22 go through the Annapurna Post, 14 Samachar Patra. Similarly, apart from these newspapers, 16 respondents said that they often go through other newspaper publications like Republica, Sapthahik, Nagarik, Gorkhapatra, Naya Patrika, Rajdhani Khabar Patrika and other local newspaper too.

4.1.17 Frequency of Going through the NBL’S Ad on Print Media

Almost every respondent have gone through the paper advertisement either in newspaper or the magazines. According to this survey, 84 respondents have seen the paper advertisements of the Nepal bank limited in newspaper or the magazines. There wear 6 respondents who said that they have not seen the paper advertisements. Figure 4.11 provides the information regarding the frequency of the customers, who have seen the advertisements in print media, in going through the advertisement of the NBL.

Figure 4.11
Customer’s Frequency of Going through the NBL’s Advertisements

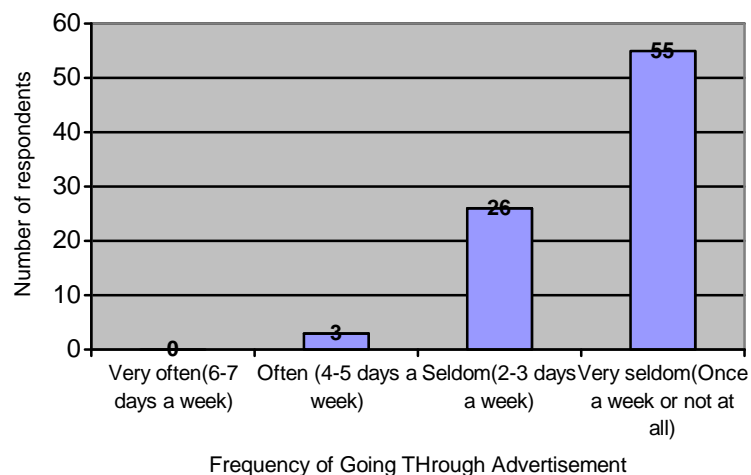


Figure 4.11 shows the frequency of the respondents who go through the paper advertisements of the Nepal Bank Limited. Here 6 of those respondents who have not seen the paper advertisement of the bank are excluded from the analysis. The diagram

shows that 55 respondents out of 84 go through the advertisements very seldom i.e. once a week or not at all. The reason behind this is that the advertisements of the bank are not published on regular basis.

26 respondents said that they go through the NBL's advertisements seldom i.e. 2 to 3 days a week. While 3 of the respondents who have seen the paper advertisements of the bank said that they go through the advertisements often, which is 4-5 days a week finally, no respondents had gone through the advertisement very often.

4.1.18 Frequency of Listening Radio Broadcast

Broadcast media is one of the important advertising and promotional tool that the organizations use to achieve the promotion objectives. To know the effectiveness of this media the customers were asked the question regarding whether they listened to the radio broadcast or not. It was found that 87 of the total respondents say that they listened to the radio broadcast, whereas 3 of the respondents' dose not listened to the radio programs. Table 4.8 shows as the frequency of listening to the radio programs by those respondents who tune to the radio.

Table 4.8
Frequency of Listening the Radio Broadcast

Frequency of Listening the Radio Broadcast					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More Than 4 Times a Day	4	4	5	5
	2-4 Times a Day	26	29	30	34
	Once daily	43	48	49	84
	Once in 2-3 weeks	8	9	9	93
	Once a week	6	7	7	100
	Total	87	97	100	
Missing	System	3	3		
Total		90	100		

Table 4.8 shows that, many respondents normally listen to the radio broadcast once a day. 49% of the respondents listening to the radio broadcast listen once daily. 26 respondents (30%) said that they listen to the radio broadcast 2-4 times daily, whereas 5% of the respondents listening to the broadcast listen more than 4 times a day. The table also reveals that 84% of the respondents listening to the radio broadcast listen at least one time a day.

Similarly 8 respondents listen to the radio broadcast once in 2-3 days, while 6 respondents, which is 7% of the total listening to the radio broadcast, said that they listen to the radio broadcast once a week. And 3 out of 90 respondents said that they did not listen to the radio programs.

4.1.19 Most Listened Radio/Fm Stations

The customer's listening to the radio broadcast has different taste and liking towards the different radio and FM stations. Figure 4.12 that provide us with the type of station which the respondents normally listens to.

Figure 4.12

Radio/FM Stations That Customer Listens the Most

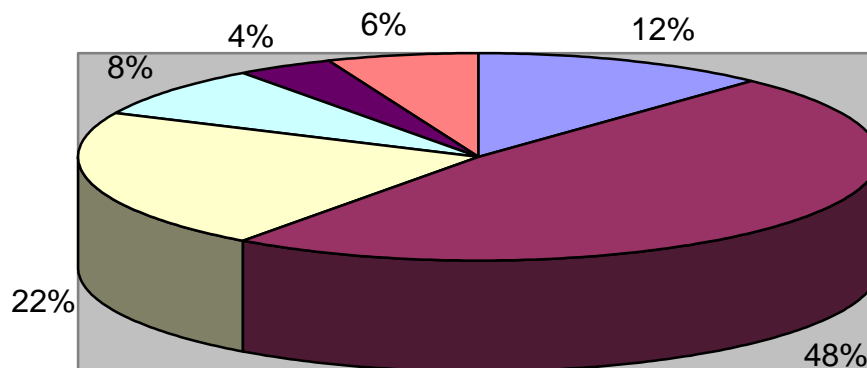
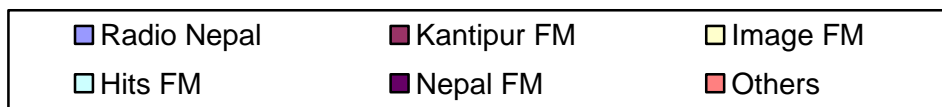


Figure 4.12 shows that 47% of the total respondents, including 24 male and 17 female respondents, listens to the Kantipur Fm the most. Whereas, 27% of the total respondents who listens to the radio programs, including 11 male and 7 female, said that they listen to the Image Fm the most.

Similarly, 155 respondents, including 4 male and 9 female, and 10% respondents, including 6male and 3 female, said that they listen to the Hits Fm and Radio Nepal the most respectively.

Finally, 5% of the respondents listening to the radio broadcast, including 2 male and 0 female, said that they listen to the Nepal fm the most. And 5% of the remaining respondents, including 3 male and 1 female, said that they listen to the other FM stations like Gorkha FM (1) and Radio city FM (3) the most.

4.1.20 Customers and the Television Media

Television is one of the most effective and most commonly used vehicles to promote the organization and its products and service offerings. In fact, the customers also consider television as a part of the daily life. Following is the result from the respondents regarding the frequency of watching the national television programs.

Table 4.9
Frequency of Watching the National Television Programs

Frequency of Watching the National Television Programs					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily	80	89	89	89
	Once in 2-3 weeks	7	8	8	97
	Once a week	2	2	2	99
	Other	1	1	1	100
	Total	90	100	100	

From table 4.9 it is clear that 80 respondents watch the television program on national television daily, which is 90% of the total respondents' size. Whereas, 7 respondents said that they watch the television once in 2-3 days. Similarly, 2 respondents said that they watch the television programs once a week and remaining 1 respondent watch the television programs when he has some leisure time to watch the television.

Similarly, to know which television channel the respondents watch the most a question was asked, and it was found that majority of the respondents watch the Kantipur Television. 87 respondents said that they watch the Kantipur Television. And 22 respondents said that they watch the Nepal Television. Similarly, 18 respondent out of the 90 said that they watch Avenues Television.

There were 12 respondents who said that they also watch the Image Channel. Likewise, 10 out of the total respondents watch the Sagarmatha Television. And finally, 8 respondents said that they also watches other channels like ABC Channel and Nepal 1 Channel.

4.1.21 Customer's Awareness of NBL's Advertisement in Broadcast Media

To achieve the advertising objective, awareness level of the customers is the most important factor. Without the customer awareness, the objective that was set from the advertisement to be achieved will not be fulfilled. Figure 4.13 represents the awareness level of the customers of Nepal Bank Limited in the broadcast media that include both radio and television media.

Figure 4.13

Awareness Level of Customers about NBL’s Broadcast Advertisement

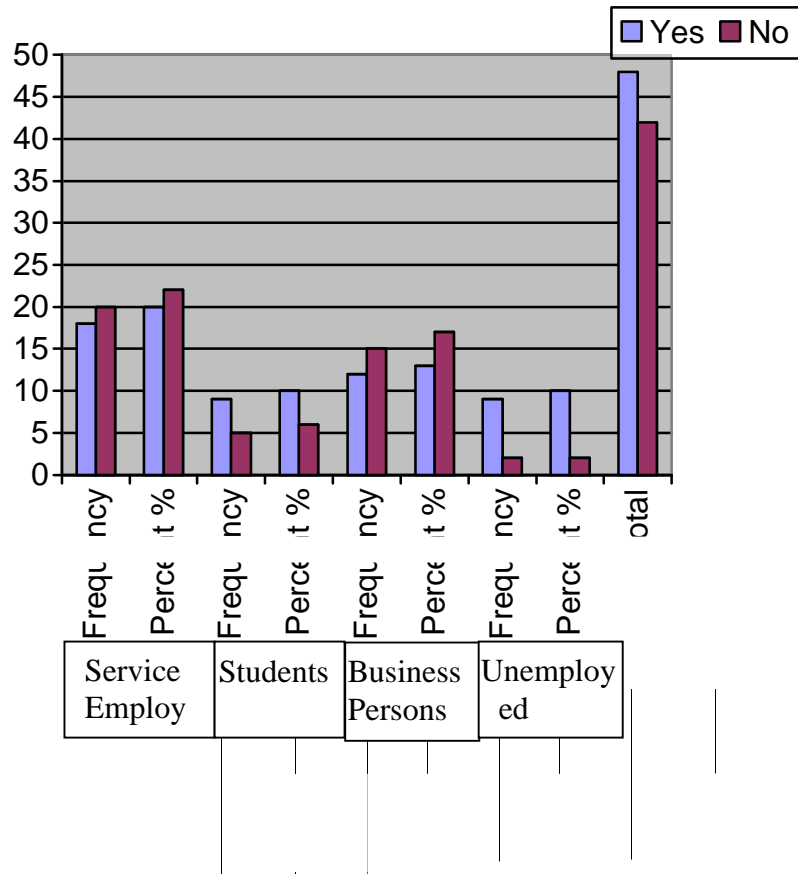


Figure 4.13 shows that out of the total 38 service employees, 18 of them said that they are aware of the advertisement in the broadcast media, which is 20% of the total respondent size, while 20 of the service employees said they are not aware of it. Similarly, 9 students said that they are aware of the advertisement, while still 5 of them said that they are not aware of the NBL’S advertisements in the broadcast media.

12 business persons also said that they have seen or heard the NBL’s advertisement on the broadcast media, while remaining 15 of them said that they are not aware. And 9 of the unemployed are aware of the advertisements and remaining 2 are not aware of it. Thus, there are altogether 48 respondents who are not aware of the advertisements. It accounts for 53% of the total respondents’ size. On the other hand, remaining 47% i.e. 42 respondents are still unaware of the advertisements.

4.1.22 Attention Level of the Customers while Watching the TV/Radio Commercials

The success of advertisements in broadcast media depends to a large extent on the viewers or listeners attention level. Thus, to know about the attention level of the respondents while watching or listening the TV or radio programs a question was asked. Following is the result of that finding:

Figure 4.14
Attention Level of the Respondents

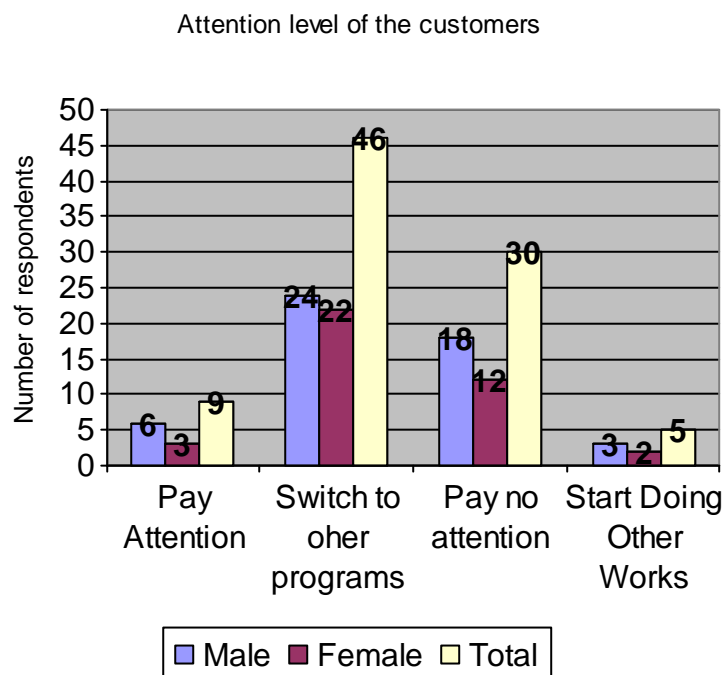


Figure 4.14 represents the attention level of the customers while watching or hearing on television or radio programs. Figure 4.14 shows that 9 respondents actually pay attention during the commercials; Out of which 6 are male and 3 are female. While; 46 respondents said that they switch the channel or station during the commercial times. Among these respondents 24 are male and remaining 22 are female respondents.

Still 30 respondents said that they watch or listens to the commercials but pay no attention on what is said on the commercials. Out of these 30 respondents; 18 are male and 12 are female respondents;. Finally, 5 respondents said that they start doing

other works during the commercial break, out of which 3 are male and 2 are female respondents.

4.1.23 Recall of the advertisement seen

Customers normally tend to forget the things heard or seen once in the advertisements, no matter in which media the advertisement is given. Thus, it is important to know about the recall power of the customers regarding the advertisement heard or seen once on any media. Following figure 4.15 depicts the recall pattern of the respondent contacted:

Figure 4.15
Recall of the Advertisement

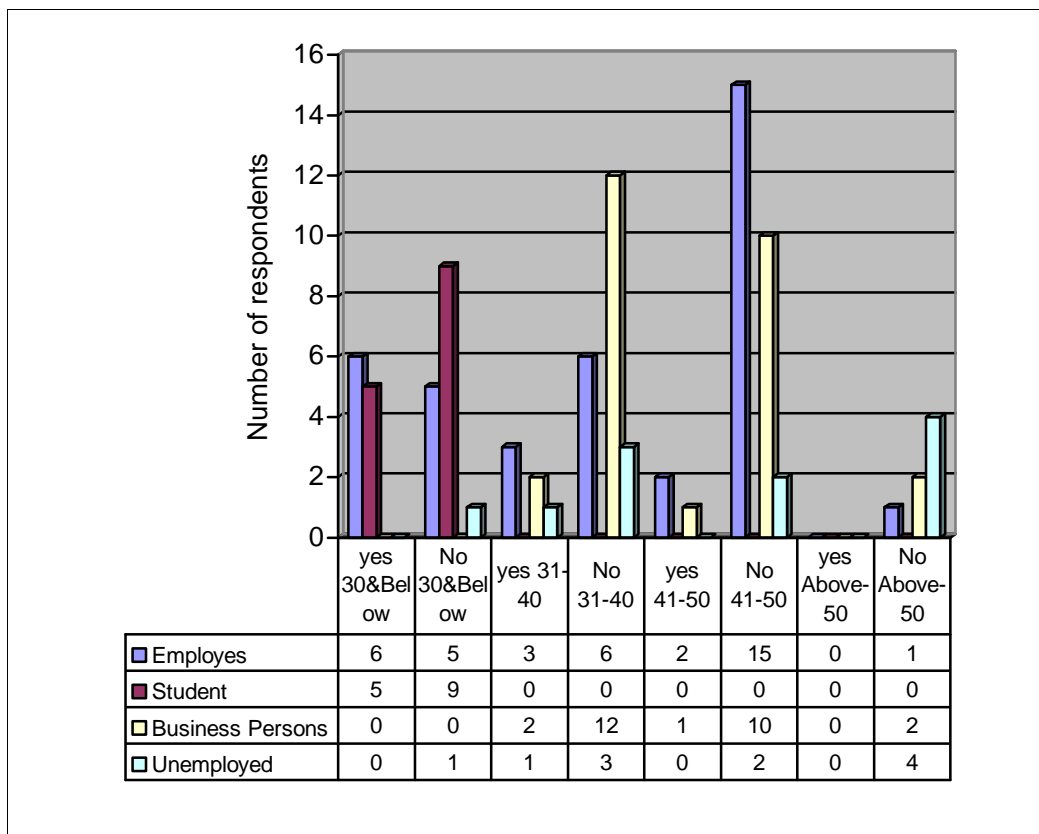


Figure 4.15 Shows that 11 respondent in the age group 30 and below said that they recall the Ad seen or heard once in any media alternatives; while 15 of the respondent of the same age group said that they cannot recall the advertisement message. Among the 11 who had said they can recall the Ad; are 6 service employees and 5 students.

While out of the 15 respondents who have said they can't recall are 9 service employees and 1 unemployed person.

Similarly' in the age group 31-40; 6 employees; 2 business people and 1 unemployed person said they can recall the advertisement seen or heard once. While 12 business people and 3 unemployed person of the same age group said that they cannot recall the advertisement seen or heard once. Similarly in the age group 41-50, out of 30 respondents 27 said that they cannot recall the unemployed people. While only remaining 3 in the same age group said that they can recall the advertisement.

Finally, in the age group above-50, all the 7 respondents said that they cannot recall the advertisement seen or heard once in any of the advertisement media alternatives. They include 1 service employee, 2 business people & 4 unemployed people. This shows that, respondents in the higher level age group find hard to recall the advertisement seen or heard once in any advertisements media.

4.1.24 Comparison of Effectiveness of print and broadcast media

Print media & the broadcast media are both important tools of the promotion. They both have advantages and disadvantages. However, a question was asked to the respondents regarding what they think is more effective print or broadcast media:

Table 4.10
Effective Media Alternative

Effective Media Alternative	Frequency	Percent	Valid percent	Cumulative percent
Broadcast media is more Effective	17	18.89	18.89	18.89
Print Media is More Effective	21	23.33	23.33	42.22
Both are Equally Effective	52	57.78	57.78	100.00
Both are not Effective	0	0.00	0.00	100.00
Total	90	100.00	100.00	

Table 4.10 shows, almost 19% of the total respondents think that broadcast media as more effective than the print media. While 21 respondents (23%) think that print media is more effective than the broadcast media. Similarly, about 58% of the respondents think that both the media are equally important in achieving the promotion objective, while no respondents think that these two media as ineffective.

4.2 Testing of Hypothesis

4.2.1 Relationship between Respondent's Gender and the Loyalty

A hypothesis testing was done to find the relationship between the respondents' gender and the customers' loyalty level after viewing the NBL's advertisements. Following null and the alternative hypothesis was defined for this purpose;

Null Hypothesis (H0): There is no significant difference between the gender of the respondents and their loyalty level.

Table 4.11

T-Test: Relationship between Respondents Gender and the Loyalty

		T-Test for Equality of Means		
		T	Df.	Sig.(2-tailed)
Customer Loyalty after viewing the NBL's Advertisements	Equal variances assumed	-0.34	88	0.74

Thus, since the p-value 0.74 is greater than the level of significance 0.05, there is sufficient evidence to accept the null hypothesis. Thus. We can conclude that there is no significant difference between the respondent's gender and their loyalty level.

4.2.2 Relationship between the Respondent's Age and Recall of Advertisements,

To compute the relationship between the respondent age group and their ability to recall the advertisement seen once, Analysis of variance

(ANOVA) test of F-test was done. Following null and alternative hypothesis was defined:

Null Hypothesis (Ho): There is no significant difference between the age group of the respondents and their ability to recall the advertisement seen once.

Alternative Hypothesis (H1): At least one age group is significantly different regarding their ability to recall the advertisements seen or heard once.

Following table was generated by the SPSS analytical tool.

Table 4.12
ANOVA Table

Number of Customers Remembering the Ad Seen/Heard Once in any Media					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.843	3.000	0.614		
Within Groups	13.713	86.000	0.159	3.852	0.012
Total	15.556	89.000			

Since, the p- value 0.012 is less than the level of significance 0.05: there is enough evidence that the null hypothesis is rejected. Thus, we can conclude that there is significant difference between at least one age group and their ability to recall the advertisements seen or heard once.

4.2.3 Relationship between the Respondent's Occupation and Loyalty

To compute the relationship between the customer loyalty level after viewing the NBL's advertisements and the occupation level Analysis of Variance (ANOVA) test or F- test was done. Following null and alternative hypothesis was defined:

Null Hypothesis (H0): There is no significant difference between the respondents occupation group regarding the loyalty level after viewing the NBL's advertisements.
 Alternative Hypothesis (H1): At least one occupation group is significantly different regarding the loyalty level after viewing the NBL's advertisements.

Table 4.13
ANOVA Table

Customer Loyalty after viewing the NBL's Advertisements					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	0.2357	3	0.0786	0.441	0.7242
Within Groups	15.3198	86	0.1781		
Total	15.5556	89			

Since the p- value 0.7242 is greater than the level of significance, there is enough evidence that the null hypothesis is accepted. Thus, we can say that there is no significant difference between the respondent's occupation group and their loyalty level after seeing the NBL's Advertisements.

4.3 presentation & Analysis of the Information Provided by the Bank

A separate questionnaire was prepared and filled up from the NBL's R&D department member, to collect the necessary information regarding the advertising and promotion activities undertaken by the bank. Following information was collected from the bank:

- According to the bank, it is facing a moderate level of competition in the industry. NBL also think that advertising can help in today's competitive market. And the bank has been advertising its products and services through various alternative media.

- The advertising objective of the bank is:

- To match the competition

- Informing about the bank products and services

Persuading the customers

Reminding the customers about the bank and its products and services.

- NBL spends about 50-80% of its total marketing budget for advertising. Although the exact amount was not specified by the bank, the trend was increasing and was above Rs.10 million.
- The bank follows the affordable method, to determine the annual advertising budget.

- Advertising agencies and banks employees are both involved in designing the advertisements or the Ad campaigns.

- NBL evaluates the effectiveness of its advertisements during the time when the advertisements are floated (con- current testing) and after the advertisements are floated (post testing).

- The bank normally apply the techniques like viewer ship , readership, circulations, and program ratings techniques to measure the effectiveness of the advertisements in the print and broadcast media.

- Though the actual figures were not disclosed, the customer base of the bank has been increasing and is the leading bank in terms of the customer base. However, according to the information provided quality customer service was the most important followed by the effective customer service, while effective advertising policy was bank.

- The bank also thinks that the advertising help a in increasing the loyalty of the customers towards the bank.

- NBL thinks that the current level of advertising is not enough for creating the level of awareness that the bank wishes to achieve among the existing and the new prospective customer.

- According to the NBL, quality of the service was ranked highest as the customer expectations from the bank. Followed by safety of funds, higher interest rates, liquidity and low cost accordingly. According to the information provided, the bank's advertisement reflects the above mentioned expectations.

- Similarly, the bank uses the newspaper and magazines the most to advertise its products and services. Radio is the second most used media vehicle, followed by the television and lastly hoarding to communicate the message about its products and service offerings.

-NBL ranked the creativity as the most important factor for a successful ad campaign. The message of the advertisements was ranked second; followed by presentation style; the media choice and finally the music in case of broadcast media.

4.4 Concluding Remarks

This research work has tried to find out the impact of bank advertising on the customers awareness level and their loyalty level. The research has find out that there was a definite relationship between the advertisements of the bank and increase in the loyalty level of the customers after viewing them.

The awareness level of the customers regarding the advertisements was mix. The customers were highly aware with advertisements of the bank in the print media; where as they were not fully aware of the advertisements of the bank in the broadcast media.

Following are major conclusion of the analysis and presentation of the data collected:

-It was found that majority of the respondents contacted like the advertisements of the Standard Chartered Bank; though they were the customers of the NBL. This shows that the NBL is lacking behind in some of the aspect of the advertisements than the Standard Chartered Bank.

-All the respondents have seen the advertisements of the NBL and most of them liked the advertisements too. 76 respondents out of the 90 said that they liked the advertisements.

-Majority of the respondents were aware of the banks' advertisements in the newspaper and the hoarding boards.

-53% respondents said that advertisement are the most effective promotional tool for the banks; followed by the public relation which; 21% of the respondents believes to be effective.

-Informing about the banks products and services was considered as the most likely reason for advertising by the banks.33% of the customers said so. However; according to the NBL; apart from informing; their advertisements have other objectives too, like matching the competition, persuading, and reminding the customers about the bank's existence and its products.

-Service employees were more affected by the print media advertisements. 21 out of 38 service employees are affected most by the print media i.e. newspaper and magazines. Whereas, students, business persons and unemployed people are more affected by the broadcast media, i.e. television and the radio advertisements.

-84.4% of the total respondents like the advertisements of the NBL. And out of these, respondents, majority of them, 37% like the message of the advertisements which the bank has tried to communicate. 27% like the creativity of the message, while 25% like the presentation of the message.

However, the NBL have ranked the creativity of the message as the most important, followed by the message and then the presentation of the advertisements.

- From the study it was found that the loyalty has been increased after viewing the NBL's advertisements on various alternative media vehicles. 70 respondents said that their loyalty level has been increased after seeing the advertisements of the bank, while 20 of them said that it had no effect on loyalty.

- Good customer service is the most important factor for building loyalty between the customers and the bank. 34.4% of the respondents and the NBL also agree with it. While, better performance in the industry by the bank and higher interest rates and safety of funds were also equally important in building loyalty.

- Through the NBL said that the factors building loyalty were reflected in their advertisements, 61% of the customers didn't agree with it. While only 39% thinks that the factors building loyalty are being reflected in the advertisements of the bank.

-Other person referral (46%) was the most important reason for the people behind becoming the NBL's' customers, followed by the banks advertisements (42%). Majority of the service employees and the students said that they became the customers of the NBL after seeing its advertisements in various alternative media. While, 17 out of 27 business persons and 5 out of 11 unemployed people said that they became the customers of the bank through the other person's referrals.

-Service employees, business people and the unemployed people strongly believe in the advertisement message, while students do not believe in the advertisement of the bank.

-Majority of the respondents were found to be reading Kantipur newspaper, followed by the Kathmandu post. 80 respondents said that they go through the Kantipur newspaper. Though, all the respondents read the newspaper, 6 out of them said that they are not aware of the print advertisements of the NBL.

-Similarly, out of the remaining 84 respondents who have gone through the paper advertisements of the NBL, 55 of them normally go through the advertisements very seldom i.e. once a week or not at all.

-The awareness level of the respondents of the broadcast media advertisements of the bank was found to be not good. 42 respondents were still unaware of the advertisements of the NBL in the broadcast media.

-Many respondents were found to be either not paying attention or switching the channel or station while the commercials are aired through the broadcast media. 46 respondents switch to the other programs, while 30 respondents do not pay the attention to the Ads. Only 9 respondents, 6 male and 3 female, pay attention to the advertisements in the radio or the television programs.

-It was found that respondents of the old age find difficulty in remembering the advertisements seen or heard once in any one of the alternative advertising media. All the 7 respondents of the age group above-50 do not recall the advertisements, while 27 out of 30 respondents of the age group 41-50 also can't remember the ads. Similarly, 19 out of 25 of the age group 31-40 and 15 out of 26 respondents of the age group 30 and below also do not remember the advertisements.

-Broadcast media and the print media were both regarded as equally important promotional tool for the bank by the customers. Almost 58% of the respondents said that both the media are equally effective. While about 19% of the respondents said broadcast media as more effective and remaining 23% said print media as more effective promotional tool for the banks.

CHAPTER –V

SUMMARY; CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Findings

This research study has focused on identifying the impact of the bank's advertisements on the customer's awareness level and their loyalty towards the bank. It was found that the customers' loyalty level has been increased after they have seen the advertisements of the bank in the media vehicles. Moreover; the awareness level of the customers regarding the bank's advertisements is also satisfactory.

It was found that majority of the respondents like the advertisements of the Standard Chartered Bank (35 respondents); though they were the customers of the NBL. This shows that the NBL is lacking behind in some of the aspect of the advertisements than the Standard Chartered Bank. 100% of the customers were aware of the advertisements of the Nepal Bank Limited. Based on the awareness level on various alternative media; hoarding board and newspaper can be said as most effective advertisements media.

Informing about the banks products and services was considered as the most likely reason for advertising by the banks. However; according to the NBL; apart from informing; their advertisements have other objectives too; like matching the competition; persuading; and reminding the customers about the banks existence and its products. Print media advertisements affect the service employees the most. Students; business persons and unemployed people are more affected by the broadcast media.

Majority of the respondents (28 respondents) likes the message of the advertisements that the bank has tried to communicate; followed by the creativity (respondents) of the advertisement and the presentation (19 respondents) of the advertisement. However; the NBL have ranked the creativity of the message as the most important; followed by the message and then the presentation of the advertisements. Good customer service is the most important factor for building loyalty between the customers and the bank.

Better performance in the industry by the bank, higher interest rates and safety of funds were also equally important in building loyalty.

Other person referral (46%) was the most important reason for the people behind becoming the NBL's customers, followed by the banks advertisements (42%). Majority of the service employees and the students said that they became the customers of the NBL after seeing its advertisements in various alternative media. While, most of the business persons and unemployed people said that they became the customers of the bank through other person's referrals.

Advertisements were considered as the most important promotional tool for the banks. 48 out of 90 respondents said that advertising is the effective promotional tool for the banks, whereas, 19 respondents said that the public relations are also as effective as advertising. Service employees, business people and the unemployed people strongly believe in the advertisement message, while students do not believe in the advertisement message of the bank. Majority of the respondents were found to be reading Kantipur newspaper, followed by the Kathmandu Post. Though, all the respondents read the newspaper, 6 of them said that they are not aware of the print advertisements of the NBL. However, the frequency of going through the advertisement in the print media is very low.

The awareness level of the respondents of the broadcast media advertisements of the banks was found to be not good. Many respondents were found to be either not paying attention or switching the channel or station while the commercials are aired through the broadcast media. The old age people find difficulty in remembering the advertisements seen or heard once in any one of the alternative advertising media.

5.2 Conclusion

This research work has been basically done to know what impact, if any, have the advertisements on its customer's loyalty level and the awareness level. After analyzing the data collected from the respondents of various age group, sex and occupation, the researcher can conclude that the bank advertising have a great impact on the customers

.The advertisements of the bank were increasing the loyalty level of its customers. This definitely will help the bank in the long run. The respondents said that their loyalty level has increased after watching the bank's advertisements. However, the awareness of the advertisements among the customers was very low in case of broadcast media. The major objective, as expected by the customers is to inform the customers and the new prospects about the bank and its products and services and to persuade them to purchase the services.

Based on the coverage of the advertisements hoarding boards and the newspaper can be concluded as the most effective media vehicles. Advertisements are the most effective promotional tool for promoting the banking products and services. The public relation activities are also considered effective promotional tool for the banking products and services. The advertisement message, which the bank tries to communicate, is normally not believed by the customers.

From the analysis of the information collected, the researcher concludes that other personal referrals are more effective than the advertisements in attracting the new customers to the bank. It can also be concluded that ht customers of higher age group find more difficulty in remembering the advertisements seen or heard once in any alternative advertising media. It can also be concluded that the trend of advertising has been increasing and NBL's budget for promotional activities has also been increasing.

Thus, finally it can be concluded that the advertising has an impact on both the customer and the bank as well. Advertisements affect the customer's loyalty level and their view towards the bank whereas bank needs advertisements to survive in the competitive industry. Banks had to attract and retain the customers, through advertisements by informing, persuading and reminding the customers about their products and services.

5.1 Recommendations

5.3.1 Recommendations for the bank

Following are some of the recommendations and suggestion for the Nepal Bank Limited that would help the bank in improving its advertising and promotional activities.

- Customers are more affected by the newspaper and the television media. Thus the bank should advertise their products and services through these media alternatives.
- The bank should put more emphasis on the message of the advertisements as more customers like the message of the advertisers.
- Since the loyalty after viewing the bank's advertisements increases, the bank should increase its advertisement frequency more so that more of its customers would be aware of it
- The bank should make some effort towards good customer service, better performance in the industry and also try providing more interest on the deposits and safety of funds, as these are the factors considered as important by the customers in building loyalty.
- Apart from the advertisements the bank should also promote its product and services by engaging itself in the public relation activities.
- NBL should place its advertisements in the Kantipur and Kathmandu Post newspapers, as these are the most often read newspaper by the respondents.
- The bank should also increase the frequency of providing the advertisements in the print and broadcast media, as the frequency level of going through the advertisements is very low.
- Kantipur Television and Kantipur FM are the media vehicles to provide the advertisements in the broadcast media.

- Since majority of the respondents didn't pay attention to the commercials in the broadcast media, the bank should also focus on making the advertisements more attractive and attention seeker, to achieve its objective.
- The bank should also made attempt in testing the advertisements effectiveness before they are floated in the media vehicles, so that it can save the advertisements from being a failure.

5.3.2 Recommendations for the Future Researchers

This research work will prove to be very helpful for the advertisements, practicing managers and other others who are directly or indirectly involved in the field of marketing and the service organizations. Following are some of the recommendations that will help the researchers in further improve the study subject matter more clearly and in more depth.

- The study of impact of advertising on other service organizations like schools, colleges, hospitals and other manufacturing organizations can be done.
- The study can be done to examine the impact of advertising on overall performance of the organization.
- The study may also include the impact on the non-customers as well, so that even more analysis can be done.
- To increase the reliability of the research work more samples can be collected for the analysis purpose.

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SOFTWARES AND WEBSITES

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www.google.com

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ANNEXURES

QUESTIONNAIRE FOR THE CUSTOMER

Dear respondent,

This questionnaire is prepared to study the impact of advertising on the customer's loyalty and awareness level with context of commercial bank. This research work is undertaken as a partial requirement for my MBS degree. The information provided by you will be helpful in completing this study. I assure you that the information provided will be kept confidential and will be used for the research purpose only.

Personal Information:

Age: Sex:

Profession:

1. Have you seen advertisements of any bank/s?

a) Yes b) No

2. Which bank's advertisement do you think is the most attractive or effective in communicating the message?

Answer.....

3. Have you seen the advertisements of the Nepal Bank Ltd. (NBL)?

a) Yes b) No

4. Of the following media alternatives, in which media have you seen the advertisements?

a) Television

b) Radio

c) Newspapers

d) Magazines

e) Hoarding Boards

f) Any other media

5. What do you think might be the reason for advertising/

a) To match the competition

b) Informing about the Banks product or services.

c) Persuading the customers and non-customers to purchase the banks services.

d) Reminding about the existence of the bank or its product.

e) Any other (please specify)

6. Do you think it is necessary to advertise a banking service or its products?

- a) Yes b) No

7. In which media should the advertisement be placed OR, which media advertisement does affect you the most?

- a) Television
b) Radio
c) Newspapers
d) Magazines
e) Hoarding Boards
f) Any other media

8. Do you like the advertisement of NBL?

- a) Yes b) No

9. If yes, what aspect of advertisement do you like or were influenced the most?

- a) The message b) Creativity
c) The media choice d) Presentation
e) Didn't like any aspect.....

10. After seeing the advertisement how do you feel?

- a) Happy c) Normal
b) Proud d) Any other

11. Does seeing the advertisement of this bank increases your loyalty towards bank then before?

- a) Yes b) No

12. What do you think is important in building loyalty towards the bank?

- a) Good customer service
b) Corporate social responsibility
c) Transparency and accountability
d) Better performance in the industry
e) Higher interest rate and safety of funds

13. Do you think that the above mentioned factors are being reflected on the banks advertisements?

- a) Yes b) No

14. Of the following options, which one do you think is the reason for you in becoming the NBL's customer?

- a) By watching the advertisements
b) From other persons referrals
c) You want to
d) Proximity
e) Other reason.....

15. What do you think will be the best promotional tool for the banking service in your view?

- a) Advertisement d) Direct Marketing
b) Public Relation e) Internet Marketing
c) Publicity f) Personal Selling

16. Do you believe in the advertising message that the bank tries to communicate?

- a) Strongly believe
b) Constant
c) Do not believe

17. Do you go through the national level newspapers?

- a) Yes b) No

18. Of the following daily newspaper which one do you go through?

- a) Kantipur
b) Kathmandu Post
c) The Himalayan Times
d) Annapurna Post
e) Samachar Patra
f) Others.....

19. Have you seen the paper advertisements of NBL?

- a) Yes b) No

20. If yes, how frequently have you gone through the advertisements?

- a) Very often (6-7 days a week)
b) Often (4-5 days a week)
c) Seldom (2-3 days a week)
d) Very seldom (once a week or not at all)

21. Do you listen to the radio broadcast?

- a) Yes b) No

22. How frequently do you listen to the radio or FM broadcast?

- a) More than four times a day d) Once in 2-3 days
b) 2-4 times a day e) Once a week
c) Once daily f) Once a month

23. Which station do you listen most?

- a) Radio Nepal d) Hits FM
b) Kantipur FM e) Nepal FM
c) Image FM f) Others.....

24. How often do you watch the television programs on national television?

- a) Daily c) Once a week
b) Once in 2-3 days d) other.....

25. Which television channel do you watch the most?

- a) Nepal Television d) Avenues channel
b) Kantipur Television e) Sagarmatha Television
c) Image Channel f) Any other.....

26. Have you heard or watched NBL's advertisement in broadcast media (Radio and Television)?

- a) Yes b) No

27. What do you do when the advertisements are coming in the TV or Radio?

- a) Pay attention to the Ads
b) Switch to other channel or FM station
c) Pay no attention
d) Start doing other works

28. Do you remember the advertisement seen/ heard only on TV, Radio or Paper?

- a) Yes b) No

29. Of the following media alternatives which media advertisement do you think is more convincing or effective?

- a) Broadcast media is more effective
b) Print media is more effective
c) Both are equally effective
d) Both are not effective.

-Thank you-

QUESTIONNAIRE FOR THE NEPAL BANK LTD

Dear respondent,

This questionnaire is prepared to study the impact of advertising on the customer's loyalty and awareness level with context of commercial bank. This research work is undertaken as a partial requirement for my MBA degree. The information provided by your organization will be helpful in completing this study. I assure you that the information provided will be confidential and will be used for the research purpose only.

Name of the Organization:

Date:

Designation:

1. How severe is the competition faced by your bank in the industry?
a) Very much c) Less
b) Moderate d) No competition

2. Does your organization think that advertising can help in today's competitive market?
a) Yes b) No

3. Does your organization advertise or promote its products and services?
a) Yes b) No

4. Of the following, what is the objective behind bank advertising?
a) To match the competition
b) Informing about the Banks product or services.
c) Persuading the customers and non-customers to purchase the banks services.
d) Reminding about the existence of the bank or its product.
e) Any other (please specify the reason).....

5. How much is the share of advertising cost in your total marketing budget?
a) Above 80%
b) Between 50-80%
c) Between 20-50%
d) Below 20%

6. What basic budgeting principle is followed by your bank to determine the annual advertising budget?
a) Affordable method c) Competitive Parity
b) Arbitrary allocation d) Return on Investment

7. Who are responsible for designing advertisements or ad campaigns?

- a) Advertising agencies
- b) Banks employees
- c) Others

8. Does your bank prepare the advertising plan in advance?

- a) Yes
- b) No

9. Do you think that the advertising has played an important role in your bank's achievements?

- a) Yes
- b) No

10. Does your organization evaluate the effectiveness of the advertising?

- a) Yes
- b) No

11. If yes, when did your organization normally evaluate the effectiveness of the advertisements?

- a) Before the advertisements are floated(pre testing)
- b) During the advertisements are floated(con-current testing)
- c) After the advertisements are floated (post testing)

12. What techniques, if any, are used to measure the effectiveness of advertisements?

- a) In Broadcast Media
- b) In Print Media
- c) In Other Media

13. How does the bank actually acquire feedback about the advertisements?

- a) Advertising agencies
- b) Customers
- c) Market research
- d) Other sources.....

14. Does the customer base of your bank have been increasing?

- a) Yes
- b) No

15. If yes, which one of the following factor is responsible for this? (Rank 1 for the most favored option and 4 for the least favored).

- a) Effective advertising policy
- b) Qualitative customer service
- c) Effective management
- d) All of the above

16. Do you think that the advertising helps in increasing the customer's loyalty towards the bank?

- a) Yes
- b) No

17. Do you think that the current level of advertising is enough for creating the level of awareness that your organization wishes to achieve among the existing and the new prospective customers?

a) Yes b) No

18. What do you think might be the customer expectations from your bank? (Rank 1 for the most important option and 10 for the least important).

a) Quality Service f) Less Time Spent on transaction

b) Low Cost g) Effective Service

c) Higher Interest h) Good Personal Relations

d) Liquidity i) Advice on Investment

e) Safety of Funds j) Easy access

19. Does your bank's advertisement reflect the above mentioned expectations of the customers?

a) Yes b) No

20. Of the following media alternatives, which one does your bank use the most to communicate the message? (Rank 1 for the most favored option and 5 for the least favored).

a) Television d) Magazines

b) Radio e) Hoarding boards

c) Newspaper

21. What aspect of the advertisement do you think is more important for a successful campaign? (Rank 1 for the most important option and 5 for the least important).

a) The message d) Presentation

b) Creativity e) Music (in broadcast)

c) The media choice

-Thank you-

The statistic t is calculated by the formula:

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{S_p \left\{ \frac{1}{n_1} + \frac{1}{n_2} \right\}}} = -0.34$$

|t|=0.34

Where,

$$S_p = \frac{[(n_1 - 1) s_1^2 + (n_2 - 1) s_2^2]}{[n_1 + n_2 - 2]}^{0.5}$$

Tabulated value of t = 0.74 at 5% level of significance

ANOVA Table

Test static: Under Ho,

F=MSC/MSE, with d.f. (k-1, n-k)

Grand Total = t = X1+ X2+ X3+ X4

Correction factor = c.f = T^2/n

SSC = (X1) ^2/n1 + (X2) ^2/n2 + (X3) ^2/n3 + (X4) ^2/n4

SST= (X1) ^2 + (X2) ^2 + (X3) ^2+ (X4) ^2-c.f

SSE= SST-SSC

Number of customers remembering the Ad seen/Heard once in any media

Sources of variation	Sum of square[SS]	d.f.	Mean sum of squares MSS	F-ratio
Between Groups	SSC=1.843	k-1=3.000	MSC=SSC/(k-1)=0.614	F=MSC/MSE=3.852
Within Groups	SSE=13.714	k-n=86.000	MSE=SSE/[n-k]=0.159	
Total	SST=15.556	n-1=89		

Fcal at (3, 86) d.f. 3.852

Ftab at (3, 86) d.f. for 5% level of significance is 0.012

ANOVA Table

Customer Loyalty after viewing the NBL's Advertisements

Sources of variation	Sum of square[SS]	d.f.	Mean sum of squares MSS	F-ratio
Between Groups	SSC=0.2357	k-1=3	MSC=SSC/(k-1)=0.0786	F=MSC/MSE=0.441
Within Groups	SSE=15.3198	k-n=86	MSE=SSE/[n-k]=0.1781	
Total	SST=15.5556	n-1=89		

F_{cal} at (3, 86) d.f = 0.441

F_{tab} at (3, 86) d.f. for 5% level of significance is 0.7242

Thank You!