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Role of Advertising Agencies in Raising Marketing Efficiency of Private and Public Sector Enterprises in Bangladesh

Sarker, Md. Omar Faruk

University of Rajshahi

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**Ph.D.
Dissertation**

**Role of Advertising Agencies in Raising Marketing
Efficiency of Private and Public Sector
Enterprises in Bangladesh**



**A dissertation submitted to the Institute of Bangladesh Studies,
University of Rajshahi, for the Award of the Degree of Doctor of
Philosophy (Ph.D.) in Marketing.**

Researcher

Md. Omar Faruk Sarker

Ph.D. Fellow

Session: 2005-2006

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June 2013

Declaration

I do hereby declare that the dissertation entitled “**Role of Advertising Agencies in Raising Marketing Efficiency of Private and Public Sector Enterprises in Bangladesh**” submitted to the Institute of Bangladesh Studies (IBS), University of Rajshahi, Bangladesh, for the award of the Degree of Doctor of Philosophy (Ph.D.) has been prepared by me under the supervision of honorable Professor Dr. Abhinaya Chandra Saha, Director, Institute of Business Administration, Rajshahi University.

This is an original work and no such study has been done earlier in any other University or Institute for any degree or diploma.

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Associate Professor
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Certificate

This is to certify that the thesis entitled “**Role of Advertising Agencies in Raising Marketing Efficiency of Private and Public Sector Enterprises in Bangladesh**” submitted to the Institute of Bangladesh Studies (IBS), University of Rajshahi, by Md. Omar Faruk Sarker, Associate Professor, Department of Marketing, University of Rajshahi, for the award of Ph.D. in Marketing is his original work. This has been prepared under my direct supervision.

No such work has been done earlier and submitted for any degree or Diploma in any other institutions.

(Dr. Abhinaya Chandra Saha)

Professor

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Acronyms Used

A.A.A.A	=	American Association of Advertising Agencies
AACRs	=	Advertising Agency-client Relationships
ABBL	=	Arab Bangladesh Bank Limited
ABL	=	Agrani Bank Limited
AIBL	=	AI-Arafah Islami Bank Limited
ANOVA	=	Analysis of Variance
BAL	=	Bank Asia Limited
BBL	=	BASIC Bank Limited
BBL	=	Brac Bank Limited
BD	=	Bangladesh
BDBL	=	Bangladesh Development Bank Limited
CPR	=	Comprehensive Public Relations
CSR	=	Corporate Social Responsibility
CV	=	Coefficient of variation
DBBL	=	Dutch-Bangla Bank Limited
DBL	=	Dhaka Bank Limited
EBL	=	Eastern Bank Limited
et al.,	=	and others
etc.	=	Some others
EXIM Bank Limited	=	Export Import Bank of Bangladesh Limited
IBBL	=	Islami Bank Bangladesh Limited
Ibid	=	Ibidem (in the same work)
IFIC	=	International Finance Investment and Commerce Bank Limited
IMC	=	Integrated Marketing Communication
JBL	=	Jamuna Bank Limited
JBL	=	Janata Bank Limited
MBL	=	Mercantile Bank Limited

MNCs	=	Multi National Companies
MTBL	=	Mutual Trust Bank Limited
NBL	=	National Bank Limited
NCCBL	=	National Credit and Commerce Bank Limited
OBL	=	One Bank Limited
op. cit.	=	Opere citato (in the work cited)
PBL	=	Prime Bank Limited
PBL	=	Pubali Bank Limited
PR	=	Public Relations
PSL	=	Pegasus Shoes Ltd.
RBL	=	Rupali Bank Limited
RKUB	=	Rajshahi Krishi Unnayan Bank
RMS	=	Relationship Marketing Strategies
SBL	=	Sonali Bank Limited
SBL	=	Southeast Bank Limited
SBL	=	Standard Bank Limited
SD	=	Standard Deviation
SSI	=	Small-Scale Industries
SWOT	=	Strength, Weakness, Opportunity and Threat
TBL	=	Trust Bank Limited
TCBL	=	The City Bank Limited
TPBL	=	The Premier Bank Limited
UBL	=	Uttara Bank Limited
UCBL	=	United Commercial Bank Limited
WPIA	=	Women Portrait Illustrated Advertisement

Abstract

We know that marketing mix of both private and public organizations comprises mainly product, place, price and promotion. Difficulties are faced regarding product variety, quality, design, brand name, packaging, warranties and returns etc. Pricing factors like list price, discount, allowance, pay period, credit terms are also problematic in own organizations. Promotional activities are mainly advertising, sales promotion, public relations, salesmanship need to be well planned. Place difficulties are solved through covering easy channel assortments, good transport and inventory control. However, our nationalized organizations have chronic situation of net losses. As a result many of the units were denationalized after 1982. Even then their difficulties are not over. Private sector organizations have also problems in marketing their quality Products and services due to market economy and cost inefficiency, unfair competition and political instability. The major objectives of the study are: To examine how effectively the advertising agencies perform their activities towards raising marketing efficiency of private and public banking sector enterprises in Bangladesh, to judge the effectiveness of the companies advertisements on the basis of relationship existing between advertising experience and loan performance, to evaluate the impact of advertising expenses on the organization performance both by qualitative and quantitative approaches and to provide suggestions for developing marketing strategies regarding selection of advertising firms, using their services, monitoring their role towards the achievement of management goals of concerned enterprises.

In modern business world advertising industry plays vital role. It is a big business itself. It performs the functions of communication between producers and consumers. It builds brand image, consumer's awareness about products and services. At the moment the advertising industry employs thousands of people. Hence any research in this field is important. This study will provide students and

academicians with understanding of the advertising industry. It is expected by the researcher that the result of this study will help the company concerned to measure the effectiveness of its advertisement policy and judge the attitude of the customers towards the same. Moreover, it may guide the private and public company executives to allocate reasonable amount of budget for advertisements to be pursued in future and thus ensure better outcome of advertising policy in the form of better sales performance.

Various studies are reviewed and based on the review, the major hypotheses are that, the advertising expenditure of various media is not correlated with managerial performance indicators (i.e., deposit, loan and advances, investments, gross income, gross expenditure and net profit) for different banks, there is no variation in Managerial Performance Indicators like (Deposit, Loan and Advances, Investments, Gross Income, Gross Expenditure and Net Profit) among banks, there is no variation in advertising expenditure among the sample banks. Some other hypotheses based on primary data are detailed in the text.

The sample of the study covers 10 commercial Banks and 20 advertising agencies in Bangladesh. The study follows both primary and secondary data. Two sets of interview schedule are used. The analysis follows means values, Standard Deviation (SD), Coefficient of Variation (CV), Correlation, regression and Analysis of variance (ANOVA) to test the Hypotheses. Major findings of the study are that there is a correlation between the advertising expenditure of various banks and the indicators of the corresponding bank's managerial performance. Let us first consider UCB. We observe that the advertising expenditure is highly significantly positively correlated with deposit, the value of correlation coefficient is 0.963 with probability 0.008 followed by the loan and advances (the value of correlation coefficient is 0.936 with $p=0.019$). The advertising expenditure is also significantly correlated with gross income ($r=0.903$ with $p=0.036$) and gross expenditure ($r=0.895$ with $p=0.04$). The advertising expenditure is also significantly correlated with investment with 6% level of significant ($r=0.874$ with

$p=0.053$). There is no significant correlation observed between advertising expenditure and Net Profit for UCB.

We observe from the result of EBL that the advertising expenditure of various media is highly significantly positively correlated with deposit, ($r=0.967$ with $p=0.007$), loan and advances ($r=0.997$ with $p=0.000$), Gross Income ($r=0.989$ with $p=0.001$), and Net Profit ($r=0.968$ with $p=0.007$). The advertising expenditure of various media is also significantly positively correlated with Investment at 5% level of significance ($r=0.879$). The correlation coefficient between advertising expenditure of various media and Gross Expenditure cannot be computed due to non availability of data.

For PBL, the advertising expenditure of various media is significantly and positively correlated with Net Profit ($r=0.98$ with $p=0.003$) followed by Loan and advances ($r=0.93$ with $p=0.022$), Investment ($r=0.946$ with $p=0.015$), Gross Income ($r=0.922$ with $p=0.026$). The advertising expenditure of various media is significantly and positively correlated with deposit with 5% level of significance ($r=0.883$). There is a positive correlation between advertising expenditure of various media and Gross Expenditure is observed at 6.6% level of significance ($r=0.853$ with $p=0.066$).

We experienced from the results of JBL, the advertising expenditure of various media is significantly and positively correlated with loan and advances ($r=0.983$ with $p=0.003$) followed by Gross expenditure ($r=0.961$ with $p=0.009$), Gross Income ($r=0.959$ with $p=0.01$), deposit ($r=0.936$ with $p=0.019$) and Net Profit ($r=0.918$ with $p=0.028$). No significant correlation is observed for Investment with advertising expenditure of various media.

Incase of BAL, we get significant and positive correlation between the advertising expenditure of various media and loan and advances ($r=0.939$ with $p=0.018$) followed by deposit ($r=0.932$ with $p=0.021$), gross expenditure ($r=0.961$ with $p=0.029$), Gross Income ($r=0.911$ with $p=0.032$) and Investment ($r=0.900$ with

$p=0.037$). No significant correlation is observed between the advertising expenditure of various media and Net Profit ($p=0.141$).

From results of SBL we observe no significant correlation between the advertising expenditure of various media and different managerial performance indicators. Similar results are observed in SIBL. This could be another study to find out the reasons why the advertising expenditure of various media has no impact on various managerial indicators for SBL and SIBL.

Almost similar results are observed for MTBL. We observed significant positive correlation only between advertising expenditure of various media and gross expenditure ($r=0.894$ with $p=0.041$). Rests of the other managerial performance indicators have no significant correlation with advertising expenditure of various media.

A significant and positive correlation is observed between advertising expenditure of various media and Gross Expenditure ($r=0.981$ with $p=0.003$) for NBL followed by deposit ($r=0.985$ with $p=0.007$), Loan and Advances ($r=0.963$ with $p=0.008$) and Gross Income ($r=0.962$ with $p=0.009$). The significant correlation is observed between advertising expenditure for various media and Investment ($r=0.864$ with $p=0.059$) and Net Profit ($r=0.811$ with $p=0.096$) at 10% level of significance.

Finally, for MBL, we observed that the advertising expenditure of various media is significantly correlated with Gross Income ($r=0.991$ with $p=0.001$). Loan and advances ($r=0.986$ with $p=0.002$) Deposit ($r=0.985$ with $p=0.002$) and Gross Income ($r=0.985$ with $p=0.002$) are also significantly correlated with the advertising expenditure of various media. The significant positive correlation at 5% level of significance level is observed for Net Profit ($r=0.89$ with $p=0.043$) and Investment ($r=0.882$ with $p=0.048$) with the advertising expenditure for different media.

There are significant variations observed among banks for deposits ($p=0.00$), Loan and Advances ($p=0.00$), Investments($p=0.00$), Gross Expenditure ($p=0.00$) and Net Profit($p=0.012$) but no significant variation is observed for gross income ($p=0.251$) among banks.

We also observed significant variation ($p=0.00$) in advertising expenditure for various media among banks. It has been observed that internal and external factors considered in selecting the advertising media are significantly associated with environmental difficulties and controlling the difficulties at 10% and 5% level of significance respectively, and all other variables have shown the insignificant association among them. There has been found a significant association of target fulfillment technique with types of incentives, advertising technique and technique of selecting target at 10% level of significance respectively. In addition, advertising technique and technique of selecting target is significantly associated at 5% level of significance, source of Government patronization is significantly associated with demanded facilities at 5% level of significance and all other variables show insignificant association among them. The difficulties of expansion is significantly associated with the incentives given for early repayment of bill at 10% level of significance and all other variables show insignificant association among them. It has been observed that selection of marketing strategy is significantly associated with sources of competition and facing the competitors at 10% level of significance respectively. Moreover, source of competition has been found to be significantly associated with facing the competitors at 5% level of significance. However, all other variables in this study revealed insignificant association among them.

From overall analysis of both primary and secondary data, it can be concluded that sample organizations have nice managerial performance along with effective advertising programs and increasing expenditure over the period. Advertising agencies also played a vital role in raising the marketing efficiencies of private and public sector banks enterprises in Bangladesh. Major suggestions are that: Advertising should be done more frequently to draw the attention of the customers, evaluation of the existing advertising technique would be made for time to time to know its target and achievements. Advertising techniques used should be more impressive to the customers and it needs careful application of recently developed advertising techniques. More attention may be put on the competitors' advertisement, their limitations and success to fix up their own advertising strategy, advertising budget should be increased to incur more expenditure for customers' satisfactions, advertising agencies should go for more publicity to draw the attention of banks.

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Chapter One

Introduction

1.1 Prelude

Advertising agency is very popular for its unique services in modern world. In bridging producers and consumers, advertising agencies come with knowledge, expertise and efficiencies that companies do not possess within their own ranks. An effective advertisement has a direct impact in making marketer's sales efforts fruitful and profitable (Islam and Hossain, 1995)¹. An advertisement is said to be effective if it can motivate present and potential buyers to buy the product, service or idea advertised and thus to increase sales of the company significantly through incurring reasonable amount of expenses (Azad, 2007)². Though, sales performance of a company's products depends upon so many factors including prices, quality, packaging of the products, goodwill of the company, extent of the competition from other companies, and correct identification of the target market; but inference can not be drawn regarding the relationship between the above factors and sales performance since these can not be expressed in numerical form. So, it is still unknown that how much contribution advertising agencies can provide to companies regarding managerial performance through their activities and how can the business concerns increase their efficiency by availing of the advertisement opportunity through advertising agencies.

1.2 Statement of the Problem

Commercial Banks in Bangladesh have heavy competition in market due to lack of good entrepreneurs, congenial investment climate, heavy stuck up advances, non-cooperation of borrowers, diversion of funds, lack of awareness about banking

products etc. Customer service of commercial banks is also questionable due to competition among the different types of commercial banks.³ The need for promotional measures in commercial bank is enough for the satisfaction of customers.⁴ For this purpose there is a need for cooperation of the advertising agencies working in Bangladesh.⁵ As a result, reliable customers and entrepreneurs can be selected, effective project appraisals can be done, misuse of fund can be prevented and social awareness can be developed with the utmost involvement of advertising agencies, their sincere cooperation, long experience and corporate social responsibility.⁶

Marketing is typically seen as the task of creating, promoting, and delivering goods and services to consumers and businesses. Marketers are skilled in stimulating demand for a company's products, but this is too limited in view of the tasks marketers perform. Just as production and logistics professionals are responsible for supply management, marketers are responsible for demand management. Marketing managers seek to influence the level, timing, and composition of demand to meet the organization's objectives. Marketing managers face a host of decisions, from major ones such as what product features to design into a new product, how many salespeople to hire, or how much to spend on advertising, to minor decisions such as the exact wording or colour for new packaging.

We know that marketing mix of both private and public organizations comprises mainly product, place, price and promotion. Difficulties are faced regarding loan products variety, quality of services monitoring and supervisions. Pricing factors like interest rates commissions credit terms are also problematic in an organization. Promotional activities are mainly advertising, loan promotion, public relations, and monitoring need to be well

planned. Place difficulties are solved through covering easy channel of distribution of loans and services. However, our nationalized organizations have chronic situation of net losses. As a result many of the units were denationalized after 1982. Even then their difficulties are not over. Private sector organizations have also problems in marketing their quality loans Products and services due to market economy and cost inefficiency, unfair competition and political instability.

This study presents the ways and means as to tackle the problems of business organizations through active role of the advertising agencies in Bangladesh and controlling the environmental constraints.

1.3 Statement of Research Objectives

The major objectives of the study are:

- (i) to examine how effectively the advertising agencies perform their activities towards raising marketing efficiency of private and public sector banking enterprises in Bangladesh.
- (ii) to judge the effectiveness of the companies advertisements on the basis of relationship existing between advertising experience and loan performance.
- (iii) to evaluate the impact of advertising expenses on the organizational performance both by qualitative and quantitative approaches.
- (iv) to provide suggestions for developing marketing strategies regarding selection of advertising firms, using their services, monitoring their role towards the achievement of management goals of concerned enterprises.

1.4 Hypotheses

The following three hypotheses are made based on extensive review of related literature.

H₀₁: The advertising expenditure of various media is not correlated with managerial performance indicators (i.e., deposit, loan and advances, investments, gross income, gross expenditure and net profit) for different commercial banks.

H₀₂: There is no variation in Managerial Performance Indicators like (Deposit, Loan and Advances, Investments, Gross Income, Gross Expenditure and Net Profit) among the sample banks.

H₀₃: There is no variation in advertising expenditure among the sample banks.

Some other hypotheses based on primary data are detailed in findings and observations.

1.5 Significance of the Study

In modern business world advertising industry plays vital role. It is a big business itself. It performs the functions of communication between producers, service organizations and consumers. It builds brand image, consumer's awareness about products and services. At the moment the advertising industry employs thousands of people. Hence any research in this field is important. This study will provide students and academicians and policymakers with understanding of the advertising industry. It is expected by the researcher that the results of this study will help the company concerned to measure the effectiveness of its advertisement policy and judge the attitude of the customers towards the same. Moreover, it may guide the private and public company executives to allocate reasonable amount of budget for advertisements to be pursued in future and thus ensure better outcome of advertising policy in the form of better sales performance. With the global competition, the need for promotional measures has created the need for increasing role of advertising agencies.

1.6 Methodology of the Study

Methodology of the study comprises sample mix, nature and sources of data, preparation of data collection tools, pilot study, judging the reliability and validity of data and techniques of analysis to be followed.

1.6.1 Sample Mix

The sample of the study consists of 20 advertising agencies located in Dhaka City. Agencies are selected from different groups based on date of establishment. Ten commercial Banks like United Commercial Bank Ltd. (UCB), Eastern Bank Ltd. (EBL), Pubali Bank Ltd. (PBL), Sonali Bank Ltd. (SBL), Janata Bank Ltd. (JBL), Bank Asia Ltd. (BAL), Social Investment Bank Ltd. (SIBL), Mutual Trust Bank Ltd. (MTBL), National Bank Ltd. (NBL), Mercantile Bank Ltd. (MBL) are selected from the list of the beneficiaries of advertising agencies.

1.6.2 Nature and Sources of Data

The study is based on both primary and secondary data. The secondary data are the publications of the advertising agencies and other related bodies. Primary data are the opinion and ideas of the respondents collected through structured questionnaires.

1.6.3 Preparation of Data Collection Tools

Two sets of structured questionnaire are prepared one set for the advertising agencies, and another set for the executives of private and public sector enterprises.

1.6.4 Pilot Study

The reliability and validity of the structured questionnaire are verified through pilot study in one of the advertising agencies in Dhaka.

1.6.5 Techniques of Analysis followed

The following analyses are done:

- (i) Marketing effectiveness of the private and public sector enterprises are detailed through measuring customers' satisfaction, success in distribution, providing marketing information, implementation of marketing strategies and operational efficiency of the private and public sector units.
- (ii) Marketing efficiency indicators are interpreted through focusing loan forces efficiency, advertising efficiency, deposit promotion efficiency and distribution efficiency with special emphasis on the impact of advertising agency activities.
- (iii) Managerial efficiency indicators are presented through the variables like (i.e., deposit, loan and advances, investments, gross income, gross expenditure and net profit).
- (iv) Volume of advertising expenses changes there on during last 5 years.
- (i) Nature of activities of advertising agencies and their impact on growth and development of private and public sector organisations during last 5 years.
- (ii) Statistical technique like mean value, SD, CV, Correlation matrix, Chi-square test ANOVA have been followed to test the hypotheses.

1.7 Limitations of the Study

The major limitations of the study are as follows:

1. The study is limited to financial organizations like commercial Banks in Bangladesh.
2. Five years' information is used due to non-availability of the same.
3. This study includes only 20 advertising agencies working in Bangladesh mainly in Dhaka City.
4. Manufacturing organizations could not be included in the sample due to their reluctance in providing necessary information.

1.8 Chapter Plan

The thesis consists of six chapters. First Chapter Includes, Prelude, Statement of the Problem, Statement of Research Objectives, Hypotheses, Significance of the Study, Methodology of the Study and Limitations of the Study.

Chapter two contains review of relevant literature and research works done earlier in this field with critiques.

Chapter Three is devoted to theoretical and conceptual framework of the study comprising various concepts and definitions relating to Marketing mix, Marketing promotion, Promotion mix, Advertising, Advertising agency, Marketing Strategy and Planning, etc.

Chapter four presents growth and development of commercial banks in Bangladesh.

Chapter five deals with major findings, observations and testing of hypotheses of the study. This chapter presents the whole things in three different sections. Section one- Secondary data analysis and testing of the hypotheses. Section two- Analysis of opinions of the executives of advertising agencies and Section three- Analysis of opinions of private and public bank executives.

Chapter six deals with conclusion, suggestions and recommendation for further studies.

END NOTES

- ¹ Islam, Md. Anwarul and Hossain, Md. Afjal (1995), “Advertising Effectiveness and Sales Performance: a Case Study”, *Dhaka University Journal of Business Studies*, Vol. XVI, No. 2, pp. 201-210.
- ² Azad, Md. Rafique (2007), “Advertising Effectiveness of Cosmetics Product: A Study of Mousumi Industries in Bangladesh” *Rajshahi University Journal of Social Science and Business Studies*, Vol. 15, ISSN 1681-0716, pp. 221-229.
- ³ Ministry of Finance, Bangladesh Economic review, Government of Bangladesh, 2011, pp. 1-5.
- ⁴ Ministry of Finance, Resume of the activities of financial situations in Bangladesh, Government of Bangladesh, 2011, pp. 5-30.
- ⁵ Bangladesh Bank, Annual Report 2011, pp. 105-107
- ⁶ Ali, Ashraf (2000), *Banking Theory and Practice*, Abir Prokashani, Dhaka, pp. 45-49.

Chapter Two

Review of the Relevant Literature

2.1 Introduction

A number of researchers have done various works on the nature and effectiveness of advertisement prevailing in different business organizations. But not a single study has been done on such area in commercial banks in Bangladesh. The relevant studies done earlier have been reviewed here to find out the research gap as well as the appropriate tools and techniques followed by them, which might be feasible for carrying out the present study. Due references have been made for the purpose.

2.2 Review of the Relevant Literature

Shamsuddin, Md. & Sarker, Md. Omar Faruk (2005)¹, authored an article on “Evolution of Advertising Agencies and Their Role in the Economy of Bangladesh”. This paper is an attempt to analyze the growth of advertising agencies, their effects on economy in the context of Bangladesh. There is a mushroom growth of advertising agencies but only four of them are performing as full service agency. Most of the agencies are small and newborn, although, they are new born, they employ many people directly and indirectly. Advertising is an important source of income for various publishers, TV channels, and radio transmissions. For business agencies are performing the functions as, (a) writing the copy of advertisement for various classes of media and placement there on; (b) advisory activities such as, consumer research and strategy planning; (c) outdoor activities, and (d) fashion design and making thoughts. In between 1971-80, the credit facilities of newspapers, expansion of TV channels and in consequences of the efforts of some creative personnel give establishment of advertising industry’. In between 1981-90 advertising agencies started to perform market research

activities. In the 90s use of computer technology improved the quality of advertisement. At the moment, most of the young talents employed, in agencies are not fully satisfied, they are waiting for better job. There had been massive erosion of ethics and business norms.

In modern economy, where mass production and mass consumption are fundamental, advertising is indispensable in our everyday life. All business and non-business organizations use advertisement as an aid to communicate with their clients and audience. Advertising agencies are important for their performances in communication between producers and consumers, marketing research and strategy planning for business. A communication consultant must provide solutions that are comprehensive, ideas that are enduring, campaigns that are effective, and creates environment that is sustainable, and brands that become institutions. In' Bangladesh many advertising agencies have been established but few of them are performing as full service agencies. Authors have found 168 agencies. Most of them are small and newborn. There are also lacks in professionals, technology, rules and regulations. Executives of the agencies agree that tremendous progress has been made in the field of advertising but there has been massive erosion of ethics and business norms in this industry. Unfortunately there is too much that is untruthful, exaggerated, misleading, of poor taste, disparaging of competitors, and inconsiderate of readers, listeners, or viewers.

Rahman, Md. Habibur (1998)², had a study on “Advertisement Effectiveness of International Lux Soap and Aromatic 100% Halal Soap- A Comparative Study”. Advertising is one of the most important and complex areas of business decisions. As a communication process, it involves three important decisions that are to be made to develop a successful advertisement. These are- setting objectives, selecting the message and choosing the most appropriate media. Advertisement has three main objectives. These are to inform, persuade and remind. Its message would be for a target market in the manner and language it understands. And this

message to the target market must be delivered in such way that it reaches the target audience at the appropriate time to trigger the right purchase response. The effectiveness of the advertisement depends on whether it is capable or it has been capable of achieving the objectives it aims at. There are two ways to measure advertisement effectiveness. The first one is the pre-test of advertisement, done before running the advertisement while the second one is post-test of advertisement, which is done after the advertisement is run. There are five methods of pre-test such as common jury test, enquiry test, split-run test, sales area or sales result test, and rating scale or check list tests. The post-test has three methods such as recognition test, recall test (aided and unaided) and attitude or opinion tests. About 46% and 54% of respondents having income of Tk. 5001-10,000 are users of Aromatic and Lux respectively. And only 12% and 32% of respondents having income above Tk. 10000 are users of Aromatic and Lux respectively. This means that these two soaps are yet to be accepted by the buyers of higher income groups seems to be targeted by the advertisements. About the model in the advertisements, opinions of respondents (aged between 20-30 years) are: Good-27% Bad-22%, liked-26% and disliked- 5% in the case of Lux. Senior citizens did not like (50+ aged group) some of the activities of the model (2%). However they all liked the total ad presentation (12%). In the case of Aromatic 100% Halal soap, respondents (Aged between 20-30 years) think that models of the advertisement are: good 10%, Bad 9% and only 5% liked the total presentation. About ad message 10% liked. They all highly liked the soap making process. But Aromatic's main slogan 100% Halal soap- is only agreed by 18%. 'Lux is the beauty soap for the stars all over the world' was not believed by 47%. However 34% believed it to be so. 69% think that Lux is the most attractive one. 'Aromatic is 100% Halal soap' is believed by 29% and rejection of other Haram soap in the market supported by 60%. 'Aromatic is a very famous soap' is only agreed by 56% and disagreed by 22%. The finding of this study reveals that these two advertisements are not really effective to create a positive image in the minds of the audience. The perception of the audience is quite different from that the one these advertisements are trying to

create. In some cases, the audiences have opinions that are matter of serious concern for any advertisers. Some of these notions in the mind of the audience may be removed by reviewing the message and media used.

Islam, ABM Shahidul (1998)³, wrote an article on “Agencies’ Satisfaction in Advertising Agency-Client Relationships - An Empirical Investigation”. Advertising has become increasingly important to the manufacturers along with other promotional tools in a competitive market. Manufacturers generally advertise their products through advertising agencies that provide technical assistance and thus establish the relationship. Both parties are eager to maintain this relationship while there are major costs (in both time and money) involved in changing agencies or clients. Despite all their efforts sometimes they fail to maintain their relationship due to lack of satisfaction of counterpart along with other reasons. Therefore, the contention of this researcher is that an empirical study on perceived level of satisfaction in identifying the variables critical to advertising agency-client relationships (AACRs) will break a new ground. Advertising agency-client relationships (AACRs) can be considered as the relationships for developing a campaign program for which the client selects an agency and while the agency agrees to work for the client. The main essence of AACRs is that agencies should be capable of and committed in providing the services for which they are selected and clients should spell out clearly what quantity and quality of tasks they expect. In addition, clients should also cooperate with the agency in providing the brief and other necessary information and should pay the bill on time. According to Wackman et al., “The agency-client relationship is a system in which the climate of the relationship is central, both influencing and being influenced by the ways agency and advertiser personnel work together and the quality of the work they produce.”

Hoque, Serajul (1998)⁴, authored an article on “Promotion Strategies of Multinational Companies and Local Companies of Bangladesh: A Comparative Study”. Bata Shoe company (Bangladesh) Ltd. holds about 18% share of the total market. The company exports finished leather (50% of the total production) to

Canada, USA, France, Italy, UK, Japan, Germany, Hongkong, Thailand, Singapore, Middle East, Turkey, and India among other countries. The export items are men's casual shoes, sport footwear, and men's and ladies summer line (Sandals-Shippers etc.) for the Middle East markets. Bata uses advertising as the best tool for stimulating demand of its present and potential customers for shoes and footwear. The Company uses all available media for the advertisement of its products. These media include. i) Television, ii) Neon Sign, ii) Bill board, iv) News Papers, v) Magazines and vi) Radio. But advertising is also used to help sales promotion. The company also emphasizes on public relations to promote its products and to develop corporate image of the company. The public relations activities of Bata are:

- i. Organizing various sports events throughout the country is association with the National Sports Council.
- ii. Bata continues to play a constructive role in other aspects of the country, including through sponsorship of a wide range of events, such as Bata School Boys and Girls Handball Competition, the Bata School Chess Competition, Nationwide Power Cup Football Tournament for under 16's and many other events and activities.
- iii. There are some publications of the company to reach and influence their target markets. Such as annual reports, articles, and company newsletters and magazines like "*Bata Barta.*"
- iv. Bata organized a blood donation campaign in Dhaka University and Tongi, as a Polio Prevention Program under the Tongi Municipal Authority in previous years.
- v. Sometimes Bata serves favourable news about the company, its products and its peoples through the newspapers and periodicals.

Bata Company's corporate office gives every strategy. Bangladesh Bata just implement those. Every promotional step and suggestions given by corporate office, and are applied by every branch.

Pegasus Shoes Ltd. is a private limited company and it is a sister concern of Jamuna Group of Industries. Pegasus Shoes Ltd. (PSL) is a prospective shoe manufacturing company, which is successfully competing with the country's major shoe manufacturing multinational company Bata. In the shoe-market Bata is holding the first position and Pegasus is holding the second position. The company is engaged in producing shoes and sandals including ladies, gents and children's shoes. PSL has the only sales centre at Elephant Road in Dhaka owned by the company itself. The company distributes its products through dealers. There are 250 dealers and agents in the whole country. PSL, Pegasus shoes limited has divided the country into four zones for distribution namely Dhaka, Chittagong, Bogra and Khulna. In Dhaka Pegasus has 50 dealers and 25 retail agents. The company uses all available media for the advertisement of its products. These media include: (i) Television, ii) Radio, iii) Newspaper, iv) Magazine, v) Bill Board, vi) Sign Board, and vii) Leaflet etc. The Pegasus Shoes Ltd. has a good number of salesforce whose task is to increase the sales of Pegasus shoes. The company offers commission ranging from 17% to 20% for the dealers and retail agents.

Bata Adopts Better Promotional Strategies Because of the Following Reasons

- a. Bata is financially stronger than PSL. It can afford high promotion cost to undertake heavy promotional activities.
- b. Bata holds international image. It has to maintain and increase this image. Therefore, it adopts /better promotion strategies.
- c. Bata has to maintain an international standard of its products. To make sale of those products they have to use quality advertising and promotional activities.

- d. Bata is doing business in Bangladesh from the very beginning. But, most of the local companies have been incorporated in later periods. As a result, Bata achieved better goodwill compared to the local companies.
- e. After the entrance of the LCs in the market Bata is facing even more competition now with them. To survive and win the competition Bata adopts better promotion strategies compared to LCs.

Hasan, Syed Rashidul(1979)⁵, authored an article on “Consumer Response to Advertising and Attitude Towards Products”. Advertising is a powerful economic and social force. In planning an effective advertising, well-planned research is necessary. In Bangladesh, so far as we know no attempt has been made to test the advertisements after or before their exposure. This study has been aimed to know:

- a. What impact was left by the advertisements of two new products (Gold Flake filter tipped cigarettes and Feel Free sanitary towels) in the minds of our urban people after their exposure in the daily papers and magazines.
 - b. What were their opinions about the advertisements and also the suggestions to make the advertising more effective.
 - c. What media our urban people suggested for advertising of those products.
 - d. What the consumers thought about the quality of those products and the reasons of not adopting the products regularly.
- II. This survey followed the techniques of Attitude and opinions test and for this purpose 250 male persons were interviewed for gold flake cigarettes and 100 female persons were interviewed for Feel Free sanitary towels with the help of two separate questionnaires. The respondents were selected at random from Azimpur Union of Dacca metropolitan city.

- III. Out of 250 respondents, 180 smoked cigarettes and only 16 p. c. smoked “Gold Flake” regularly. In the case of sanitary towels, only 36 women out of 100 used the product and only 19 p. c. women used “Feel Free”. The habit of using sanitary towels apparently got relationship with education, age and family income and the smoking habit was found dependent on income of individuals.
- IV. Magazines and newspapers are the main sources of information about a new product to our urban dwellers. And it is evident from the survey that our womenfolk prefer magazines to newspapers to read. Our advertisers should be more careful about the concept of “two step flow of information”, as it has been seen that a sizeable number of respondents knew the name of those new products from their friends and Shopkeepers; and about 38 p.c. of the “at least one time user” of Feel Free stopped its use due to the suggestions by their friends and shopkeepers for not using this brand.
- V. Our advertisers are careful in selecting the advertising media but not expert so as to develop effective headlines, successful messages, and attractive illustrations. The rate of remembrance was seen to fall drastically as the advertisements were withdrawn from exposure. The advertisers should develop an appropriate schedule for the appearance of advertisements after the hammering campaign is ended. But our advertisers were seen to deny this universally accepted phenomenon.

Our respondents, both male and female, were seen to become absolutely irritated with the same illustrations used in a series of advertisements and suggested that the, advertisers should change the illustration from time to time. This finding is definitely an important lesson for our advertisers. So far as the ‘catch-words’ of advertisements are concerned, it can safely be concluded that complex headline particularly in English will not be effective here in Bangladesh. Of course, the use of simple and short English words, preferably in rhythmic form, in creating a headline might make a good impact on the minds of our urban people, but it is

more advisable that our advertisers should use Bengali words in developing successful headlines which might have a greater rate of remembrance.

Islam, Md. Anwarul and Hossain, Md. Afjal⁶, had an article on “Advertising Effectiveness and Sales Performance: A Case Study”. In modern marketing, advertising is the most effective tool of conveying marketer’s messages to the present and potential customers. An effective advertisement has a direct impact in making marketer’s sales efforts fruitful and profitable. As advertising is playing so important a role, the marketers should take proper care in making it effective through ensuring high degree of positive relationship between advertising expenses and sales performance. For this, the marketer should allocate right amount of advertising budget for effective advertisements to ensure reasonable sales performance. The present paper is the outcome of the study on “Advertising Effectiveness and Sales Performance: the Case of Kohinoor Chemical Company (BD) Ltd.” This paper is initiated to evaluate the advertising effectiveness through measuring degree of correlation between advertising expenses and sales performance of KCC Ltd. The study found that the advertisement of KCC Ltd. is less effective and adds little to its sales.

No matter where advertising costs are placed within the marketing budget, they must be paid before there can be a profit to the marketer. It is worth mentioning that the success of earning profit through company’s sales largely depends upon the effectiveness of the advertisement(s) made by it through various media. But the advertisements of KCC make very little contribution to its sales revenue or profit. While ‘considering effectiveness’ it is difficult to prove any short-term and one-to-one effects of advertising and it is not necessary to argue over detailed findings. Yet, the above cost-revenue analysis indicates that the advertisement of the company is not significantly effective and advertising expenditure brings little increase to sales. As opined by the executives of the company, the problems lies in quality of the advertisements and hence it demands for immediate measures to be taken for the improvement. The company should take corrective measures to

improve the quality of its advertisements according to the present day attitude of the market. In the concluding remarks, it is again recommended that the company should reorganize its advertising campaign so as to make the same attractive, acceptable, effective and helpful for the growth of the company's sales. An effective advertising campaign thus developed will also help the company to face other company's competition more effectively.

Bhattacharjee, Haripada (1991)⁷, wrote the article on "Advertising Practices of MNCs and Local Firms: A Survey of Leading Brand Advertisers in Bangladesh". Advertising can be understood as a form of communication which aims at bringing about some change in the behaviour of the target audience, particularly the potential buyers or nonbuyers towards the product or services advertised. The role of advertising in marketing communications is viewed by businessmen of ours with certain skepticism. A question is often raised as to whether we need to build up a system of comparative advertised branded-products before basic problems of the masses are met. Although a plethora of academic publications are available regarding the role played by advertisements, there is little empirical research concerning comparative advertising practices in Bangladesh. The present paper was an attempt to compare a variety of advertising practices of leading brand advertisers in Bangladesh. Despite less sophisticated advertising practices in Bangladesh, "marketers must take note of the general lack of appreciation regarding the role of advertising and should take positions appropriate to the situation.

There is little empirical research concerning comparative advertising practices in Bangladesh. Yet it is clear that even before considering country's total market transaction, it is important to ensure that the internal marketing operation of the country functions effectively. One area of much significance is that involving the use and practice of advertising research information. Although annual advertising costs of larger firms in Bangladesh comprise a big amount, the advertising practices which increase profit has received little scrutiny. The result of this study

has provided the perceptions of marketing managers of larger business firms in Bangladesh concerning the attitudes and behaviour toward advertising that they practiced. A degree of commonality and some differences were found in the advertising practices among the advertisers of this purposive sample. The Bangladesh-owned firms consistently displayed less interest in promotion than did the foreign-owned firms. The demonstration effects of the communications efforts of the foreign-owned firms, however, seem to have stimulated the local firms to pay more attention to promotion. Despite less sophisticated advertising practices in Bangladesh, it can be expected that the efficiencies of mass communication be more fully utilised by the business community in the future as economic development takes place.

Azad, Syed Abul Kalam (1988)⁸, had a study on “Deception in Advertising”. Advertising, which started some three thousand years before Christ, has grown slowly and steadily into a big business. As science and technology develops more and more products flood the market, sometimes creating stiff competition. Advertising comes handy in promoting products and scoring an edge against a competitor. A wide variety of advertising is currently being used-Newspapers, Radio, TV, Billboard, Direct Mail are some of the media while there is nothing wrong with honest over-the board advertising. Unscrupulous and deceptive advertising is increasing at an alarming rate, which has thrown the consumer into a vulnerable corner. There are various ways in which deceptive advertising works, often side tracking laws that have been formulated to counter it. The government of different countries are preparing to curb these advertising, but the best remedy is still the awareness among consumers and a united front of the consumers.

By going through all these facts about deceptive advertising we came to the conclusion that the practice of deceptive advertising is increasing day by day. Consumers are being used as a tool in the disgraceful mission of advertisers to earn money. The money spent each year in the USA on advertising is seven to ten times the cost of research. These dollars are going from consumers’ accounts, and even

then consumers have been deceived by being fed false information by the advertisers. So in a way we can say that consumers are paying them to be deceived. Consumers are totally confused as to what they should do to protect themselves from deceptive advertisers. A number of trade commissions have been formed, like the US Federal Trade Commission and Food and Drug Commission, to monitor the advertising messages. Even some consumer protection agencies have also been formed to protect consumers' interest against marketers. But even then we can see that the practice of deceptive advertising is increasing. The only way to protect the consumers from the Flood of deceptive advertising is, therefore to acquire knowledge of the product one buys. Even though the court's thinking has changed consumers still have to follow the concept of the "Buyer Beware" They should be cautious enough and informed enough to save themselves from deceptive advertising. They have to gain knowledge from whatever sources they can, and they should not restrict that information for themselves but instead should promote information to other consumers. Consumers have to form a combined force against advertisers to protect themselves and force the advertisers to give them true information, as this is the only way out.

Islam, ABM Shahidul (1998)⁹, wrote an article on "The Practice of Relationship Marketing Strategies (RMS) in Advertising Agency-client Relationships (AACRs) - An Exploratory Research". The paper empirically examines the practice of relationship marketing strategies (RMS) in advertising agency-client relationships (AACRs). In the absence of adequate research on relationship marketing theory within the advertising field, the author draws upon the literature in marketing, management and advertising. Explaining the potentiality of the application of RMS in maintaining the long-term relationship between an advertising agency and a client, the paper reports the exploratory research findings of a case which link theory and practice. Using qualitative research method techniques a case study is conducted in examining the practice of RMS in AACRs. A big agency and one of its major clients constitute the case. The paper specifically examines the RMS suggested by Berry (1983) and the conceptual framework on AACRs offered by

Islam (1997). Thus, analysis of data and the empirical findings are presented in the light of the practice of the strategies of relationship marketing such as core service strategy, relationship customization, service augmentation, relationship pricing and internal marketing. In the process of data analysis it has been explored how the RMS contribute to maintain and enhance the relationship between an advertising agency and a client. It has been found that all the strategies of relationship marketing clearly can contribute in maintaining a long-term relationship between agency and client. Finally, research implications are outlined for the future researchers, the practitioners and the policy makers concerned in this area.

Following the discussion of the strategies of relationship marketing from the perspective of AACRs, the paper discusses the research issues for empirical investigation. In order to conduct the exploratory research, the qualitative method of research is used explaining the processes and reasons of selection of the case, techniques of interviews, method of data collection, selection of interviewees, and the techniques of data analysis. Finally, analysis of data and the empirical findings are presented in the light of the practice of the strategies of relationship marketing such as core service strategy, relationship customization, service augmentation, relationship pricing and internal marketing. In the process of data analysis it has been explored how the *RMS* contribute to maintain and enhance the relationship between an advertising agency and a client. It has been found that the strategies of relationship marketing clearly can contribute in maintaining a long-term relationship between agency and client. Thus, Islam's (1997) conceptual framework on advertising agency-client business practice is valid and justified. Although the RMS are explored in a single case, the contention of the author is that there are number of contributions of the study. The future researchers interested in this area may verify and establish the suitability of the RMS in maintaining AACRs in a larger sample size. However, in addition to above research implications of this paper, there is practitioners' and policy makers' implications. In maintaining the business relationship the managers of other advertising agencies and clients can consider and implement the strategies

suggested in the relationship marketing theory. The policy makers may also find some inputs in offering the guideline in improving the business relationship between two parties.

Alam, Ahmed Fakhru and Rahman, Md. Mizanur (1997)¹⁰, authored an article on “Students’ Attitudes Towards Advertising in Bangladesh”. Advertising-the most visible marketing tool-receives an undue amount of criticism from most of the sectors. While still respecting advertising as a selling tool, businessmen of ours are increasingly uneasy about other aspects, such as its truthfulness and social impact. This is a principal finding of a survey recently conducted on 220 students by the students of Marketing Department, Dhaka University. Views on advertising’s power, responsibilities, ethics, influence on consumers are presented in this article. Some suggestions are also put forward to curb some sort of distortion and exaggeration in advertisement as well as to make the advertising worthwhile, meaningful and informative. It is especially designed to provoke thoughts about the issues at stake.

Most of the advertisements in Bangladesh are not up-to-the-mark. Misrepresentation, exaggeration, distortion, bluntness etc. have become the common characteristics of advertisement of Bangladesh. Unhealthy competition prevailing in business area instigates business people to adopt misleading advertisements to earn undue amount of profit. General people are rampantly victimized by these advertisements being induced to make purchase. Respondents have very little positive attitude towards these advertisements. Advertising agency people and company’s advertising department people need to be sincere regarding the application of innovative techniques and meeting consumers’ expectation to make the advertisement appealing and worthwhile. But in all cases, ethical practice is inevitable. In this regard, the role of government is vital. Whatsoever measures may be suggested or steps taken by the civil people or concerned quarters ultimately everything will be in vain, if government does not come forward with helping hands. Because government itself has got the right to form necessary code of ethics (if needed) and logistic support to put these into practice.

Solaiman, Md. and Meher, Md. Shawquatul (1998)¹¹, wrote the article on “Marketing Mix Practices in Small-Scale Industrial Sector of Bangladesh - A Study on Some Selected Industrial Concerns in Chittagong”. The small-scale industrial concerns of Bangladesh are not financially sound to equip with the optimal level of marketing mix blends. In connection with the product policy it appears a weak scenario of product planning, quality control, branding and packaging of the produces of sample SSI concerns. The pricing policy is found inconsistent, distribution system inefficient and the promotional aspect is being neglected or less utilised in the case of SSI concerns. Because of unorganised, unplanned and inefficient efforts due to malpractices in the market place some consumer deception activities are also performed. These could be improved through systematic planning and policy making, proper training of the concerned manpower, using group marketing, adoption of effective pricing system, development of infrastructural facilities, effective communication net-work and utilisation of modern approaches, It is expected that through the development of SSI concerns, the total economic atmosphere of a country like Bangladesh could be improved dramatically but the hindering elements are to be ironed out first.

Islam, Md. Anwarul and Alom, Md. Mahabub (2009)¹², had a study on “Impact of Public Relations and Advertising on Marketing/Promotion Activities: A Comparative Analysis”. Advertisement is one of the most popular media for marketing of products all over the world. Companies allocate and spend huge amount of money on advertisement to inform and attract customers. But advertising is losing its effectiveness because of growing advertising clutter, the increasing number of channels, the availability of zapping mechanisms, and reduced watching of television by certain groups. In promoting the products or services as well as companies concerned, the major challenge today is getting people’s attention. As a result, market experts are considering other methods of getting consumer attentions. Now consumers are pressed for time, and many work hard to avoid advertising messages. Companies are facing challenges to find new ways to capture consumer’s attention and public relations can play a growing role

within the marketing promotional mix to build and maintain brands. Consumers are now learning about products and brands through means other than advertising and in this context public relations are gaining momentum. Even public relations can establish and maintain a positive image of the company among its various stakeholders. This reality is consistent with our perception that public relation is an important part of the Integrated Marketing Communication(IMC) process, contributing in its own way but also in a way consistent with marketing goals. This study attempts to find out comparative position of public relations on marketing promotion activities through descriptive research. The results show that Comprehensive Public Relation (CPR) program is more cost effective to reach the target audience with cost-effective way than advertising. Therefore, it is concluded that companies should pay attention to practice public relations and reduce as well as shift their budget from advertising to public relations for creating and enhancing their image and reputation.

The present study focuses on comparative position of public relations against advertising in terms of their impact on marketing promotion activities. The most important fact revealed by this study is that, investing on PR help the organizations to achieve its objective effectively and smoothly. The impact of globalization on PR practice and education can be next in terms of new competencies required. The three major forces of globalization: the New Economy, the Communication Revolution and the Network Society can influence the potential role of PR. In this new era, PR are facing many challenges such as ethics and reputation, need for tailored approaches, creativity, increased specialization, globalization, research/results orientation, technology, minority recruitment decreased sexism & education. In spite of all limitations, PR can overcome job insecurity, lack of credibility, encroachment by people with nonpublic relations backgrounds, lack of leadership, few minority practitioners, mastering new technologies lack of understanding by upper management. PR campaigns can be effective through such as logos, slogans, pictures, colours and designs, by Radio, Films & Television, Libraries & Books, Media, Satellite Television, Education Publications, Electronic

Information, and Exhibitions. The electronic media and interpersonal communication as well as traditional media were put in use for conducting PR programmes. But Companies overspend on advertising and under spend on public relations.

Rahaman, Mohammad Mizenur, Ferdousi Farhana and Islam, Md. Rabiul (2008)¹³, had a study on “A Comparative Study between Productivity of Online Advertising and Traditional Advertising”. World is moving towards the technology and technology is considered as a key of the success of digitized and globalize business world. In the stiff competition, some business experts committed to differentiate their products or services while some other focus to cost minimization. Whether the business level strategy of any organization to cost minimization or to product differentiation, we can't avoid the role of advertising as marketing strategy to increase customer awareness, customer loyalty about the organization's products or services. Online advertising is the most common phenomenon among the modern technological promotional tools. As online advertising increases the productivity and decreases the cost, it has tremendous importance in cost minimizing and in reaching to global customers in comparing with traditional advertisement. This paper articulates the facts how online advertisement is superior to traditional advertisement in considering cost and time especially to class customers.

The main purpose of this study is to assess the relative productivity of the online advertising in developing country like Bangladesh. Specifically the objectives of the study are to:

- measure productivity of online advertising;
- measure productivity of traditional advertising;
- make a comparison between online and traditional advertising;
- investigate the potentiality of online advertising in third world countries; and
- recommend action plan for increasing click in online advertising.

This paper is prepared based on both primary and secondary data. Primary data were obtained through a sample survey conducted on manager of some local online ad media and manager of different cable systems. Interviews were conducted on them with the help of semi structured questionnaire. Sources of significant secondary information included the sales data, Newspaper, different magazines, journals, articles, publications and website. Random samplings were applied for the data collection purpose.

Azad, Md. Rafique (2007)¹⁴, had a study an article on “Advertising Effectiveness of Cosmetics Product: A Study of Mousumi Industries in Bangladesh”. Measuring effectiveness of advertising means measuring the performance of an advertisement. Every company would like to inform about their product and through huge sales to increase the market share. Though the increasing tendency of market share is the function of many variables like attributes, quality, packaging, competitive environment, advertisement and so on. Advertisement is the heart of modern marketing system. However, the effectiveness of advertisement depends on whether it has been capable of achieving the objectives it aims at i.e. achieving desired response from the target market. There are two ways to measure advertisement effectiveness. The first one is the pre-test of advertisement while the second one is post-test of advertisement. The study applied post-test method to determine and measure the relative efficiency of two advertisements. One is the advertisement of cute shampoo and another is advertisement of sunsilk shampoo. In this study, both advertisements have been compared on the basis of consumer response. The study finds that consumer’s overall perception regarding the advertisement of cute shampoo has significant difference from that of the advertisement of sunsilk shampoo. The results of this study deserve special attention for the marketers, policy makers, researchers and executives of the industry in Bangladesh.

The research has tried to find out the factors that affect cosmetics products advertisement and compared between cute shampoo’s advertisement and sunsilk

shampoo's advertisement on the basis of consumer evaluation and belief. For that, mean, standard deviation, t-test and regression have used. The research result conclude that, overall consumer attitude towards Cute shampoo's Advertisement is not so good and difference between Cute shampoo's and sunsilk shampoo's are significant under every dimensions such as model. Slogan, jingle, appeal, illustration and layout. From the above discussion it can be concluded that the company should take some corrective measures to enhance their quality of advertisement which will lead to better advertisement effectiveness. However, to increase the effectiveness of advertisement the company should follow the following recommendations:

1. The company should select attractive Model for their advertisement. Because, attractive model can attract customer easily and it can be good for their advertisement.
2. Slogan should reflect the actual message of the Advertisement,
3. The company should take more care to Advertisement Appeal so that Appeal can draw more attention of the target audience.
4. Total advertisement portion should be allocated in a balance proportion among the product attribute, slogan, model, use criteria etc so that it convey the message to target audience efficiently.
5. Jingle should be more melodious and charming.
6. Company should take care to advertisement illustration so that illustration can be more attractive.
7. From the study, it is found that 3 factors affect more on advertisement effectiveness of toiletries product. So the company should more careful about these factors (model, slogan and appeal) while designing and implementing their advertisement program.

Besides these, company should increase its advertisement budget and give more importance to advertisement program. To make their advertisement more effective the company can take consumer opinion before launching and advertisement program.

Ahmed, S.M. Sohel (2011)¹⁵, wrote an article on “Historical Perspective and Evaluation of Advertising Firms in Bangladesh”. Advertising has become & part of the economic & social fabric of a nation. It provides information about the product, service, ideas etc. It influences the choices we make. A descriptive framework has been made in order to understand the history of advertising in Bangladesh, categories of advertisement, advertising prices of different mediums, major clients of advertisement in our country, and legal aspect of advertising in Bangladesh. This study adopts with qualitative in nature. This research enables researchers to understand the history, trends and influential aspect of an advertisement in our country. After all these research will unveil the overall trends and quality of advertisement in Bangladesh.

Advertising is the most difficult and challenging task of a firm. It is difficult to say that when and where advertising firms started their business in Bangladesh. Whatever Bitopy, East Asiatic, (Asiatic) started their business in 1967. Other firms entered into the market after independence (1971). Advertising firms in Bangladesh are not well organized. So it is hard to collect data from these firms. People of Bangladesh are well known to Above Line Category Advertisement (Newspapers, magazines, radios, televisions and satellite channels). Below Line Category advertisement is a new concept in Bangladesh. Few people are familiar with the consent of event management, in house advertising, at point of purchase etc. In Bangladesh price of advertisement depends on popularity of channels. Bangladesh government is the main client of print media on the contrary multinational companies bear advertisement than private national companies. Legal aspect is totally controlled by the Ministry of Information and Ministry of Health. Demand for advertisement has increased. In our country most of the

advertisements are emotion based than creative (GP's Adv). Maximum advertising companies pay more attention on product than the benefits and experiences are produced by the goods (Banglalink's Adv). Many advertising firms represent fake information in their advertisement (fair & lovely). In our country advertising is not pre and post tested by customers. They try to do link between product and advertisement. They forget that they should do link among publicity, product attributes, benefits, values, culture, personality, and customer. If we want to get retrieve from it, we need to acquire both theoretical and practical knowledge about it. If the students get modern lab facility from university then they will be able to produce effective advertisement. And this industry will be more attractive for career development. So each business faculty should introduce advertising laboratory for gathering practical knowledge. And that is expected to all of us. As it is a potential industry in Bangladesh.

Ahmed, S.M. Sohel (2011)¹⁶, authored an article on "Departmental Structure & Functions of Advertising Agency in Bangladesh". Advertising is an expanding and important component in the context of any organization. It is a part of marketing strategy that an organization should apply in order to increase the consumer interest and thereby gain on market share. In Bangladesh advertising agencies are not well organized. Three advertising firms named Bitopy, East Asiatic and Interspan were established in 1967. Now the total numbers of advertising agencies are almost seven hundreds. Yet they are more competitive than previous. And new employment opportunity has been created & they have been performing in more professional manner. So it is important to know the structure of each department and functions of advertising agency. This study adopts with qualitative in nature. From the research, oilier researchers and policy makers will get an insight about the departmental structure and functions of advertising agencies in Bangladesh.

Name of the department varies from firm to firm. Few firms in our country consist of the above mentioned six departments. Some firms have client service, creative designing, copy writing, strategic, human resource department with accounts and

administrative departments. As a result of the growing needs and the fierce competition of the market, the promotional activities of an organization need to be more focused towards segment to which the goods or services are produced. Advertising agencies perform several types of complex activities in corporate, business and social platforms. They do the challenging job with the help of various departments. And each department is committed about their job. Each advertisement firm ensures integrated marketing and total quality management through their work. As they know the main purpose of an advertisement is to inform, persuade and remind customer with generating new ideas as the market is competitive. From this research it is really clear that each department is equally important for accomplishing their tasks to obtain the desired goal that is clients' satisfaction; and clients' success depends on how efficiently and effectively an agency performs its work.

Bhattacharjee (1984)¹⁷ examined the "Consumers' Attitudes towards Women Portrait Advertisements". He made a survey conducted on 140 consumers. He revealed that the use of women portrayals in commercial advertisements produce no distinctive results in the minds of consumers in forming opinion and to enable them to recall of product name, rather the respondents termed the women portrait illustrated advertisement (WPIA) as "stereotyped and lacking realism". Data revealed that WPIA of a product gives impression of inferiority and respondents tend to forget WPIA products more frequently. Since ours is a traditional conservative society, the main attribute in advertisement copy should be correct association of illustration with product which fits to our mental set up. WPIA should be used only after the product is well established in the market, just for giving soothing effects to the memory of a person who is already aware of the product for further recall.

Meher (1989)¹⁸ conducted a study on "Role of Advertising Firms in Marketing: A Case Study of Some Firms in Chittagong". The study followed a case study approach in selected advertising firms operating in Chittagong. The issue focused

in the study is primarily to determine the extent to which these advertising firms are assisting in promotional programme. The study reveals that the amount of investment of capital in these firms is low and they provide services which include advertising agency and media consultancy. TV has been confirmed as the most effective media for consumer items, despite its high cost.

Rahman (1998)¹⁹ examined “The Advertisement Effectiveness of International Lux Soap and Aromatic 100% Halal Soap - A Comparative Study”. The findings of this study reveal that these two advertisements are not really effective to create a positive image in the minds of the audience. This study surveyed 100 respondents selected randomly from different parts of the Dhaka city. The sample design and selection was not scientific as well as the study was not methodically clear.

Bhattacharjee (1991)²⁰ conducted a study on “A variety of Advertising Practices of Leading Brand advertisers in Bangladesh”. The result of this study has provided the perceptions of marketing managers of large business firms in Bangladesh concerning the attitudes and behaviour towards advertising that they practiced. Although annual advertising costs of larger firms in Bangladesh comprise a big amount the advertising practices which increased profit has received little scrutiny. The limitation of this study is that 38 respondent where interviewed covering 19 multinational subsidiaries and 19 local competitors. No hypothesis testing was there to arrive at the objectives.

Schumann, W. David, Hathcote, M. Jan, and West, Susan (1991)²¹ in their study on “Corporate Advertising In America: A Review Of Published Studies On Use, Measurement, and Effectiveness.” *Presents a comprehensive literature review of corporate advertising in America with the objective of addressing certain key questions. The review summarizes results from a number of survey type studies as well as corporate case studies and presents certain methodological flaws and reported concerns. In general, the literature appears to reflect that corporate advertising has been successful in promoting image, products and services, and*

company position statements (issue and advocacy) to a variety of audiences. The review concludes with an agenda for future research.

This review has attempted to assess the research on corporate advertising in an effort to profile its current state. The knowledge base was drawn from a small number of extensive surveys as well as a larger set of corporate case studies. Together these studies reveal several interesting aspects of corporate advertising, including its evolution, its use, its measurement, its effectiveness, and its potential.

Although corporate advertising appears to be an effective persuasive tool, concerns over its use are still apparent. Sachs (1981) reports that executives are troubled by the lack of creativity and the lack of consensus among market researchers as to what constitutes effectiveness. The ANA study (1988) revealed that budgeting, media cost increases, and campaign accountability were sources of concern to their sample of executives. In addition, a number of writers (Colford 1986; Heath and Nelson 1985; Waltzer 1988) have noted possible complications involving federal regulations. For example, Heath and Nelson review advertising case law and applicable regulatory decisions by the FTC, FCC, and the IRS. Colford warns of tax laws that may restrict tax deductions for corporate advertising. He notes that a number of companies have been able to have the treasury department underwrite the cost of corporate ads that promote company advocated positions (including lobbying efforts against government policies).

To add to these concerns, advocacy/issue advertising has come under considerable criticism from consumer protection groups. Ralph Nader (1983) has questioned the wisdom of “allowing corporate money machines to dominate the communications highways to the public...” Nader cites the “Mobil Information Center” television spots and the company’s use of editorial-type ads in the *New York Times* as deceptive means of attempting to influence the public. He questions “how far should the First Amendment embrace commercial speech, and what protection should consumers be accorded?” Nader believes that not only should the consumer demand closer scrutiny from the FTC and the Treasury Department, but

shareholders should examine the cost involved in these promotions and be allowed to vote on the use of such campaigns. In a recent *Journal of Advertising* article, Cutler and Muehling (1989) further expound on this issue by discussing legal issues, providing a boundary framework for advocacy advertising, and presenting an agenda for future research on the topic.

The profile of corporate advertising presented in this review and the concerns noted above reflect a number of unanswered questions that should be addressed. As proposed in the introduction, it is expected that in the future corporations will have to better communicate their societal contributions and socio/economic responsibilities to the public. Issues including gender equality, environmental protection, and global competition have already been brought before the public. Companies associated negatively with such concerns are placed in a position where immediate response to the public becomes a necessity. Corporate advertising serves as a highly attractive vehicle for facilitating such communication. It can deliver the message, it can persuade, and it can reach large segments of the public in a relatively short time span. However, it is still unclear how, when, and why corporate advertising works. With this expected increase in corporate advertising for public communication, and a clear desire to make such efforts as cost efficient as possible, questions concerning corporate advertising deserve immediate research attention.

In terms of effectiveness, one might first ask if corporate advertising works in the same manner as product advertising? Is the promotion of brand image similar to the promotion of corporate identity? Is the public influenced in the same way? With the underlying goal of the corporate advertising as creating or reinforcing favorable public opinion (towards the company or towards the position the company espouses), researchers can borrow from the frameworks provided by attitude theorists. For example, researchers might begin their exploration by applying a Hovland-type structure (Hovland, Jans and Kelley 1953) to test aspects of persuasion (i.e., target audience, message, source, and channel). This structure has

long provided attitude researchers with a framework for exploring the mediators of effective communications. Such an investigation might proceed along two very different lines within advertising: the creative angle and the managerial focus.

Research Issues Involving Creative Aspects: Little of any research emphasis has been put on the creative side of corporate advertising. Focusing on the creative elements of corporate advertising seems appropriate in light of the increased costs for production and media placement. By employing the present conceptualization of corporate advertising as presented in this paper, questions addressing the art of establishing, altering, or maintaining corporate identity should take primary focus. As an example, image enhancement will most likely be dependent on the positive associations that can be presented through advertising. Are the positive associations that best promote company identity facilitated through verbal or visual stimuli or a combination of both? Are there certain words or verbal forms (e.g. humor, brief scenarios) that are more or less effective in creating desired associations? When will a spokesperson be effective? What type of source is appropriate (e.g., Reid, Soley & VanderBergh 1981; Salmon et al. 1985)? How will a company that is negatively associated with a social or environmental issue (e.g., Exxon and the Alaska oil spill) best reverse its image. What creative strategies work best to reverse public opinion?

Research on the creative side should also focus on specific forms of message persuasion. Many companies find themselves with a need to advocate a position (e.g., against government regulation, against foreign competition). What types of creative message strategies will be effective in persuading the target audience to agree with the position offered by the company? In the case of position advocacy, are fear appeals or threats more effective than constructive messages? Should a spokesperson presenting the company's position be internal (e.g. the CEO of the company) or would an external spokesperson (e.g., a respected Celebrity) be more influential?

Research Issues Involving Managerial Factors: A number of interesting managerial issues have been raised in this review and can be studied within

Hovland's framework. For example, the results of the financial studies suggest that the opinions of financial investors (the target audience) are particularly susceptible to influence. How susceptible are they? Under what economic conditions might they be most susceptible? Can corporate advertising take advantage of temporal economic shifts?

In the decades to come, it is apparent that management will have to respond to certain public concerns. These include company policies concerning certain social (e.g., equal pay for women, the roles of women on the job and handling of dangerous materials) and environmental issues (e.g., waste management control, transportation and storage of toxic chemicals, and bio-degradable packaging). It is clear that as public interest groups put increased pressure on business and industry to be more responsive, the need to promote such activities in order to 'establish, alter, or reinforce corporate identity' will be paramount. It is expected that corporate advertising will play an increasing role in facilitating corporate promotional efforts. Media decisions and target segmentation strategies will be of critical importance to a campaign's success. What criteria will be used to establish media selection in light of the increased choices available and spiraling media costs? What channels will be best suited for these corporate identity presentations? What proportion of campaign attention should be directed at the stock holder versus the customer? Will each need separate forms of corporate advertising?

As reported in this review, companies tend to decrease the use of corporate advertising during periods of economic recession. Is this a wise strategy or should companies strive to promote their identity during these economically difficult times?

Finally, there are a number of research issues having to do with measurement of effectiveness. Measurement systems have included techniques that assess awareness, attitudes, behavior intentions, and actual behavior. As measurement techniques evolve, so must methodologies. In this review a number of studies did not employ a point of comparison, thus making the findings uninterpretable. Future research attempts to measure effectiveness should address a priori the issue

of standards of comparison. Comparisons may take the form of control samples, past or concurrent campaign effectiveness results, or even comparison to specific quantitative objectives set by management. Without such comparisons, interpretation of results will usually be subject to question.

In sum, this review has attempted to provide the reader with a look into the world of corporate advertising. Despite problems with methodology, increased advertising costs, public criticism concerning the ethics of advocacy/issue advertising, and executive worries about effectiveness, corporate advertising appears to be growing, expanding into new mediums, creating new forms, and seeking new audiences to influence. One needs to look no further than foreign competition to note how corporate advertising is expanding. As the potential for a ‘Buy America’ movement within the U.S. increases, foreign companies have increased their corporate advertising targeted directly at the American consumer (Weathersby 1988). All in all, corporate advertising appears to be a thriving institution in America.

Schultz, E. Don and Kitchen J. Philip (1997)²² prepared a paper on “Integrated Marketing Communications in U.S. Advertising Agencies: An Exploratory Study” This paper reviews the development of the concept of Integrated Marketing Communications (IMC) in terms of its theoretical foundations through an exploratory study of IMC within a judgment sample of U.S. advertising agencies (total estimated billings-\$20.4 billion). The paper considers the arguments advanced from both academic and practitioner sides in relation to what IMC is and whether it offers significant value to advertising agencies and their clients in the rapidly changing communications market space leading toward the next millennium. From this study, it is clear that compensation, measurement, and IMC development in terms of execution and implementation of integrated programs appear to be the key areas for future research. This is to be expected in any emerging field and IMC certainly appears to be that in the United States. The measurement issue seems to

be particularly important. While agency executives believe IMC has value, measurement, which would justify these “gut feelings,” appears to be critical to the development of the area. If there is no evidence that an IMC approach is better than or more effective than the traditional approaches agencies have been using, it is likely clients and agencies both will and should challenge the need for such IMC programs. Thus, measurement would appear to be a key element for future research.

The second major area for additional research is that of how clients and agencies can or should work together to develop and implement an IMC program. Clients apparently believe, and agencies agree, that the client must drive the integration process. Yet, having one group drive the process creates major issues for the agency. How do and how should clients and agencies work together in this new communication arena? That appears to be a critical question.

Finally, in theory building, an agreed-upon and agreeable definition of the subject is critical. Given the responses to the agree/disagree question on the IMC definition we supplied, it does not appear there is widespread agreement on the Schultz definition. A mean score of 6.31 does not give that definition resounding support. Thus, one of the major issues for the academic community, if IMC is to develop a theory base, is to develop a more acceptable or relevant definition. Until that is done, we will likely find ourselves continuing to disagree on what IMC is and how we might practice it.

Wilkie, L. William and Farris, W. Paul (1975)²³ completed a study on “Comparison of Advertising: Problems and Potential” Although not new, comparison advertising has only in the last few years become prevalent enough to provoke growing interest and controversy. The subject is of concern to many groups—consumer organizations, the advertising industry, government bodies—and, of course, to individual marketers. The question arises as to whether comparison advertising is, indeed, a powerful marketing tool; in this regard, there

are many interesting issues that require further consideration. The purpose of this article is to present the contexts for these issues and to propose some fruitful avenues for investigation.

Comparison advertising has recently generated considerable interest on the part of marketers, regulators, and advertising strategists. This article has attempted to provide an overview of the practice: ranging from its historical roots, through ethical, legal, and code controversies, to its potential as a strategic marketing tool.

The marketing potential of comparison advertising rests on the likely impact of comparison ads in terms of their effects on the consumer audience. Drawing from concepts of the behavioral sciences, the nature of such effects was explored in some detail. The overall conclusion— admittedly speculative—is that comparison ads do seem to offer a powerful tool for the marketer, and they certainly warrant increased research attention. Some specific research hypotheses were presented as representative of priority directions and capable of providing valuable insights. We appreciate the support and encouragement of the Marketing Science Institute, the American Association of Advertising Agencies' Educational Foundation, and Professor Stephen A. Greyser (Harvard Business School and Marketing Science Institute). A research program aimed at empirical tests of the issues raised in this article is currently in progress at the Marketing Science Institute.

Vidale, M.L. and Wolfe, H.B. (1957)²⁴ developed a paper on “An Operations-research Study of Sales Response to Advertising” This paper presents the results of studies for major industrial concerns on the sales response to advertising. A simple model of the interaction of advertising and sales is described that is consistent with the results of controlled experiments performed on a large number of products and several media. The model is based on three parameters: Sales Decay Constant, Saturation Level, and Response Constant. It has proved useful for analyses of advertising campaigns and for allocations of advertising appropriations.

In summary, they wish to stress the following points:

1. When carefully designed and executed, advertising experiments give results that are both reliable and reproducible. The degree of accuracy attainable is, however, considerably smaller than would be considered acceptable in many other fields of research. Product advertising gives quick results; the pre-testing of proposed product advertising campaigns, therefore, is especially attractive.
2. The response of sales to advertising varies widely from product to product, but some generalizations are possible. The response of individual products to an advertising promotion may be characterized by two parameters: Response Constant and Saturation Level. A third parameter, the Sales Decay Constant, gives the rate at which customers are lost.
3. A mathematical model of sales response, based on these three parameters, has proved useful in the analysis of advertising campaigns. By means of this model one can compute the quantities needed to evaluate and compare alternate promotional campaigns.
4. A knowledge of sales response to advertising for each product permits one to evaluate the return that can be expected from capital invested in advertising for each product. With this information it is then possible to select profitable advertising programs and to estimate the optimum total size of the advertising budget.

Quandt, E. Richard (1964)²⁵ had a study on “Estimating the Effectiveness of Advertising: Some Pitfalls in Econometric Methods” The attempt to estimate the effectiveness of advertising by means of standard econometric models often fails because (i) data are contaminated, (ii) the preconditions for the applicability of the statistical model are not met, (iii) the underlying economic model is defective. These sources of difficulties are discussed in detail, some suggested ways of avoiding the difficulties are examined, and the future of such approaches is assessed.

In principle numerous other things could be tried. Cross-sectional and time-series models could be pooled. Other statistical techniques, such as canonical correlation, could be employed. More variants of more models could be tested. Yet none of this seems very encouraging.

Complete pessimism is not justified. One may note in particular some relatively quite successful studies—of a different variety, however. Some useful results have even emerged from the econometric studies discussed above. From the time series study actual numerical allocations of advertising budgets have become feasible for four regions. For some other regions it has been determined with some confidence that increasing returns to advertising prevail, thus suggesting to The Firm a policy of more detailed study of the relevant regions. The findings of diminishing returns in some and increasing returns in other districts makes good sense to staff members of The Firm familiar with the histories of the districts.

But it is fairly clear that the determination of sales, by district, territory or time period, is a complex affair which cannot be successful without much more detailed and accurate data and without more sophisticated models. Not only are the data contaminated in one way or another, but they are so lacking in detail that some potentially highly important parts of a general model have to be completely discarded—such as competitive interactions. It is not even clear that the superposition of all the difficulties discussed above has not resulted in rendering an econometric approach completely inapplicable.

There are perhaps some ways out of the difficulties, but none of them is inexpensive. Several things must be tried, preferably simultaneously. Among these are (1) a complete overhaul of the data-gathering methods and facilities of The Firm—yielding accurate, if not necessarily exhaustive, data. (2) A sampling approach involving direct investigation of households on a cross-sectional as well as time series basis, possibly connected with a laboratory situation in which consumers are exposed to a controlled variety of circumstances. (3) A systematic reexamination of the problems of model formulation, leading to a greater variety of more

sophisticated economic models. More than anything, we need to turn back, perhaps, to more classical methods of statistics and experimental design. It is possible that the conceptual and practical contamination of data and confounding of models can be avoided by subjecting approximately randomized sets of retail outlets to varying treatments and applying analysis of variance techniques to the results which could then more properly be thought to come from carefully designed experimental situations. These proposals and others like them involve and raise perhaps as many problems as they solve. It is clear, however, that without a great deal of experimentation and improvement of the type suggested above, the standard statistical and econometric methods cannot yield truly satisfactory answers.

Mehta Abhijlasha (2000)²⁶ wrote an article on “Advertising Attitudes and Advertising Effectiveness” Print advertising performance is influenced by consumers’ attitudes toward advertising in general. Respondents with more favorable attitudes toward advertising recalled a higher number of advertisements the day after exposure and were more persuaded by them. The implications are discussed here.

The above the findings have significant implications for advertisers, agencies, and advertising researchers. First, the research reminds us that, to be effective, advertising is something people should like looking at, believe, and find utility with keeping them up-to-date about products and services. Advertising that is entertaining, informative, and truthful promotes consumers to like advertising in general and believe in its value. Overall positive attitudes to *advertising*, in turn, render specific advertising messages to be better received and more effective among consumers. By keeping this in mind as they develop new executions, advertisers and agencies will combat negative attitudes toward advertising and improve response to *all* advertising.

In the meantime, since the results of the study show that different types of people view advertising differently, and on different dimensions than conventional demographic or usership criteria, they focus attention on the complexity of the

interaction that takes place between the advertising stimuli and its audiences They demonstrate from yet another perspective the value that research can play in helping gauge the nature of that response.

Andy C Pratt (2006)²⁷ organized a paper on “Advertising and creativity, a governance approach: a case study of creative agencies in London.” *This paper explores the processes of restructuring in the UK advertising industry. Its core concern is with changes in advertising practice in creative advertising agencies. It explores how creativity is manifest as ‘peer regard’. It shows how there has been a shift of power between ‘creative’ and ‘media buying’ functions as a result of the demise of the ‘commission system’ in the last 25 years. The paper highlights a changing governance of advertising practice that involves both formal regulation and economic governance in and across firms. The paper argues that creativity is better seen as an effect rather than a cause of particular advertising practices. The paper concludes that the ‘creative governance’ of the UK advertising industry has favoured a close-knit and co-located community of firms. A change in this form of governance could change this pattern.*

This paper has argued that there are two identifiable themes in the recent restructuring of the advertising industry in Britain in the last 25 years. The first is the common theme of macro-scale restructuring and internationalization. The second is a micro scale re-organization based on project-based enterprises. The complex interaction and adjustments were viewed through the lens of governance. Governance not only provided a template for the meshing of the micro- and the macro-, but also alerted us to localised ‘effects’: in the London case that of ‘creative advertising’. I sought to caution about the directionality of causality, challenging the norm of stating that local creativity is the explanation of the form of advertising.

A critical shift in governance of the advertising industry can be identified in the UK, that of the demise of the integrated FSA and the rise of the independent (functionally specialised) agency. This structural change has been driven by the

economic pressure to cut costs, and to be transparent and accountable, by the advertisers. However, this is not the whole story, in tandem there has been a change in the governance of the agencies to facilitate the establishment of media planning and selling functions. Thus governance is conceived of as a meshing of self-regulation, indirect regulation (in this case broadcast regulation), as well as local market norms of creativity. I have argued that much of the attention both academic and trade press related has focused on the independents' rise to fame, as well as their creative success.

However, a significant, but less reported, story concerns the rise of the (sole function) media agencies. The rise of the media agencies themselves was dependent upon regulatory and governance change in the field of broadcasting. In the case of the UK this has led to what was once a fragmented and difficult to manage media market (structured by the regional franchises of independent TV broadcasters) being amalgamated into a bigger national market. This complex matrix of economic pressure, local markets, and territorial legal and regulatory norms has delivered a number of organisational outcomes and created a particular focus of UK advertising on competition via 'creative' output. The paper points to the variety of forms of 'markets' depending on historical forms of legal control, economic structure, relationship of agencies and the dominant organisational forms. In the UK the dominance of the FSA and the high cost structure that it facilitated led to competition being of a creative variety, and, the creation of an audience expectation of 'creative' adverts. Whilst many of the market structures have shifted to what might be regarded as a more normal 'price competition' advertisers and the agencies are stuck with a cultural lag, where by consumers expect creativity.

From the advertisers point of view the 'creative' advertising system has been fuelled by a high cost environment, a lack of transparency and accountability. This particular mode of governance has created the need for close and frequent relationships between the advertiser and the agency to negotiate the content of

adverts and campaigns. In order to be more creative agencies have needed to gain trust (and autonomy) of advertisers. In part, physically close linkages and frequent contacts achieve this; in other part it is sustained by reputation. Reputation is a significant form of micro governance within the advertising industry. The industry itself organises many awards for 'creativity' that acts as a showcase for their product. However, interviews pointed to the significant role that such awards, as well as a more everyday 'learning by watching others', plays in the organization and development of a particular taste, or fashion, amongst creative teams.

The training and career structure of advertising was shown to be based upon learning on the job, and on frequent moves of employment. In part this necessity placed a tight-knit locational form on the industry. This has also led to much individual rivalry and poaching of stars for 'dream teams'. Within the career structure of advertising directors there was shown to be a significant driver for personal autonomy and fortune; filtered through a desire to remain a practitioner and to avoid becoming a 'suit'. This structure facilitates the 'churn' of small agencies that has been characteristic of the UK industry.

One can make a significant case for the complex matrix of historical forms of agencies in the UK, the changing market structure (that is fragmented), technological change (new channels for TV), as well as organisational shifts (in part regulated or governed by the industry), and regulation (broadcast regulations regarding the form and content of adverts) as well as consumers (as an 'educated' market) as producing a particular cultural and economic form of UK advertising. This is a form that does not export well to other markets or nations.

The UK advertising industry is dominated, but not exhausted by, London. Regional agencies are sustained by regional markets (regional newspapers, TV and radio); national campaigns are dominated by the London agencies. Part of the tension here is that the London advertising village sets the rules; regional agencies are, structurally, always going to be parochial.

The close coupling of agency organisation and labour markets has been propagated in a climate of a constant refinement of what is a ‘creative’ advert. A keen element of ‘peer regard’ has become vital for practitioners in order to respond rapidly to minute changes in style. This is supported by an active social world in and outside of work, as well as the social relationships facilitated by multiple job movements. As noted above, all this is facilitated by a co-location of agencies. The old adage of ‘keep you friends close, and your enemies loser still’ might describe he pattern.

A summary of public Response studies (in chronological order by category)

Author	Company/Data	Purpose	Methodology	Results
Winters, L. ²⁸	Chevron 1977	To overcome negative feelings towards the oil industry and Chevron	Employed dinosaur animation campaign	Overcame hostility towards the industry and chevron
Staff Public Relations Journal ²⁹	TRW 1979	To establish public identity	Experimental design involving 10 major markets and a control	Corporate reputation ranked good to excellent in 40%-60% of target market
Zetti, E. ³⁰	ITT 1983	To explain company’s diverse mission	Awareness test	Awareness rose 65% Three-fourths of those believed ITT was a technology leader
Cooper, W. ³¹	Chessie and Seaboard Railroad 1985	To track recognition factor	Changes in investor’s awareness	Recognition factor increased from 17% to 47% (1981-1984)
Fitch ³²	Biose Cascade	To invite public scrutiny of lumber operations	Number of consumer responses	Responses totaled over 7,000 for one ad
Maier, K. ³³	PPG Industries 1985	To promote corporate identity and boost image	Survey	Significant improvement on measures of recall of and attitude toward company
Selwitz, R. ³⁴	Beatrice 1985	To promote corporate name	Experimental design involving before and after surveys	After promotion recognition increased by 6 times
Selwitz, R. ³⁵	Irving Trust	To promote reputation as a major money lender		
Fisher, A. ³⁶	Pontiac 1986	To attract young buyers by		

Author	Company/Data	Purpose	Methodology	Results
		sponsoring rock concerts		
Fisher, A ³⁷	Dow	To improve public image		
Fisher, A ³⁸	NCR	To increase public awareness using celebrity spokesperson		
Hartigan and Finch ³⁹	GTE 1986	To inform public of solution strategy		Enhanced perception
Libresco, J ⁴⁰	Effectiveness Study (General) 1986	To measure initial impact of corporate ads on image	in-person, in-office interviews. Sample ads of clients and competitors shown	
Staff National Underwriter ⁴¹	Insurance information institute 1987	To improve image of insurance industry	Before and after focus group interviews	Campaign considered effective
Winter, L. ⁴²	Chevron 1988	To overcome negative feelings among a subset of the population (VALS: inner-directed)	Telephone survey to assess campaign effectiveness	Positively altered attitudes and purchasing behavior
Chemical week staff ⁴³	Grace 1981	To inform investors of company diversity	Telephone	Effective in changing attitudes
Zetti, E. ⁴⁴	Gruman Corp. 1983	To change company image from traditional to contemporary		
Zetti, E. ⁴⁵	Singer 1983	To inform public of high technological advancements	Starch Readership Awareness Test	Ad recall scored well
Botwinick, P. ⁴⁶	Barrons Independent Survey 1984	General research to determine what persuades what persuades target audiences	Survey	60% considered successful if awareness increases
Fitch, E. ⁴⁷	Boise Cascade 1985	To address environmental community concerns		Investment company viewed advances favorably (53%)
Maier, K. ⁴⁸	Midland-Ross 1985	To improve investor opinion	Survey of investors	Increases in investor inquiries, requests for information, and stock purchases

Author	Company/Data	Purpose	Methodology	Results
Furman, P. ⁴⁹	Farley Ind. 1987	To promote Mr. Farley's inquiries by potential employees		Increased work ethic and increase employee morale
Marketing and Media (Staff) ⁵⁰	Dow 1981	To overcome negative publicity of Love Canal	Attitude survey, before and after campaign	Improved attitudes in Dow and non-Dow households
Zetti, E. ⁵¹	Manville 1983	To reassure customers after asbestos lawsuit		
Selwitz, R. ⁵²	American Express 1985	To increase donations toward restoration of the statue of liberty (Goodwill)		Raised \$1.7 million by donating a penny for each American Express transaction
Selwitz, R. ⁵³	Manville 1985	To alleviate public concerns of serious financial problems		
Selwitz, R. ⁵⁴	Proctor and Gamble 1985	To denounce rumors of company's association with Satanism		Received fewer calls concerning rumor
Fishers, A. ⁵⁵	Coors 986	To counter a boycott by the AFL-CIO		
National Underwriter ⁵⁶	American International Staff Group (AIG) 1987	To increase corporate image by sponsoring presidential Candidate interviews		
Based on Marvin M. Gropp's presentation "A cause for Concern" ⁵⁷	Alcoa 1979	To explain importance of aluminum and Alcoa to America's economic future	Survey	65% held favorable attitude to Aluminum Ind. 90% held favorable attitude to Alcoa
Based on Marvin M. Gropp's presentation "A cause for Concern" ⁵⁸	Arco 1979	To encourage public to think and act on National issues	Request of ideas	65,000 readers responded
Based on Marvin M. Gropp's presentation "A cause for Concern" ⁵⁹	Metropolitan Life 1979	To provide public with life saving and health information	Response rate requested	11 Million reply cards

Author	Company/Data	Purpose	Methodology	Results
Based on Marvin M. Gropp's presentation "A cause for Concern" ⁶⁰	Penwalt 1979	To promote worthiness of profit	Salesmen's positive account reception	
Based on Marvin M. Gropp's presentation "A cause for Concern" ⁶¹	Shell 1979	To share automotive expertise with consumers	Request for additional booklets and information	500,000 letters of comment and appreciation
Dietrich, B. ⁶²	International Paper 1984	To provide tips on reading and writing	Requests	1,000 letters per day, 18 Million reprints
Dietrich, B. ⁶³	United Bank in Austin 1984	To support local police	Letters	
Dietrich, B. ⁶⁴	United Technologies 1984	To pay to mothers	Starch Indicators	14,617 reprint requests
Dietrich, B. ⁶⁵	W.R. Grace 1984	To be viewed as conerend citizens	Request	50,000 calls for booklet describing deficit, first month
Maier, K. ⁶⁶	Smith-Kline 1985	To gain support for the company's position against the government	Surveys comparing recallers to non-recallers of the campaign	Recallers 71% more likely to side with company, 67% more likely to write congress
Poltrack ⁶⁷	Business Roundtable 1985	To educate the public on the dangers of the deficit of the deficit	Responses to the campaign	Over 900,000 reader responses were received by Reader's Digest
Fox ⁶⁸	Monsanto 1986	To educate various populations as to the value of chemicals	Surveys	Found a positive effect on customers and users of chemicals

Source: Journal of Advertising Publishes by M.E. Sharpe, Inc., America.

Critique of prior studies:

What ever studies done earlier do not show any focus on advertising effectiveness of commercial banks and role of advertising agencies in Bangladesh. Practically this research gap motivated the researcher to select such an interesting and pioneering as well as exploratory study for an in depth analysis of the advertising effectiveness through the promotional role of advertising agencies working in Bangladesh.

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Chapter Three

Conceptual Framework of the Study

3.1 Introduction

This chapter highlights the multidimensional aspects of different theories and concepts used by popular researchers as available in existing stock of knowledge. More emphasis has been given on the basic terms and concepts used in this study as per the objectives and hypothesis.

3.2 Definitions of Marketing

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler and Armstrong: 1997)¹. Marketing is a total business activities designed to plan, price, promote and distribute want-satisfying products to target markets to achieve organizational objectives (Stanton J., 1994)². The major functions of marketing are buying, selling, transportation, warehousing, financing risk taking, standardization and grading etc.

3.3 Definitions of Marketing Management

Kotler (1991)³ Marketing management is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. Boyd (2002)⁴ marketing management is the process of analyzing, planning, implementing, coordinating and controlling programs involving the conception, pricing, promotion and distribution of products services and ideas designed to create and maintain beneficial exchanges with target markets for the purpose of achieving organizational objectives.

3.4 Marketing Mix

Stanton, Etzel and Walker (1994)⁵ defined marketing mix as a combination of the four elements – product, pricing structure, ‘distribution system, and promotional activities – used to satisfy the needs of an organization’s target markets(s) and, at the same time, achieve its marketing objectives. The set of controllable tactical marketing tools – product, price and promotion – that the firm blends to produce the response it wants in the target market (Kotler and Armstrong: 1997)⁶. A set of marketing tools work together to affect the market place, such as product, price place, and promotion.

3.5 Promotion Mix

The specific mix of advertising, personal selling, sales promotion, and public relations a company uses to pursue its advertising and marketing objectives (Kotler and Armstrong: 1997)⁷. The combination of personal selling, advertising, sales promotion, public relations and publicity that is intended to help an organization achieve its marketing objectives (Stanton, Etzel and Walker, 1994)⁸. Within this definition there are also four tools of promotional mix and advertising is an important tool of promotional mix.

3.5.1 Advertising

Many scholars have defined advertising in different ways. Lwin and Atkinson (2002)⁹ defined advertising in their books, ‘Clue less advertising’: “Advertising as a key ingredient of promotional management using paid media space to convey a message, while clients and advertising agency practitioners view it simply as a means to communicate to consumers.” Kotler says in his different books that “Advertising is any paid form of non personal presentation of promotion of ideas, goods and services by an identified sponsor.”

The productivity and contribution of advertising during the past forty years is impressive. It has revealed much about human behavior and the influence of communication. Wells, Burnett and Moriarty (2000)¹⁰ suggested that all types of

advertising demand the creative, original messages that are strategically sound and well carry out. In the future, measures of advertising effects and effectiveness will need to explicitly recognize the more active role of the consumer in the communications process (Pavlou and Stewart, 2000)¹¹.

Grossman & Shapiro (1984)¹² were the first to identify the role of advertising in matching consumers with products. In their setting, advertising conveys full and accurate information about product characteristics. Heterogeneous consumers, who have no source of information other than advertising, seek to purchase the product that best matches their tastes. The past decade has witnessed the development of information and communication technologies that enable easy and rapid interaction between customer and advertiser. As a result, advertisers are increasingly relying on various modes of interactive technology to advertise and promote their products and services. From a consumer's perspective, an advertisement may not motivate further action if it is not perceived to be relevant to his or her current needs, but unique qualities of the advertisement might make it effective and result in brand building (Wang et. al, 2002)¹³.

Advertising is bringing a product (or service) to the attention of potential and current customers. It is focused on one particular product or service. Advertising is an investment of one's business' future. Steuart Henderson Britt passionately believed in advertising. "Doing business without advertising is like winking at a girl in the dark. You know what you are doing, but nobody else does." The advertising agency's mantra is: "Early to bed, early to rise, work like hell, advertise." (Kotler, 2003)¹⁴.

The advertising is used to inform, persuade, remind, or reinforce a purchase decision. With a new product, company wants to inform and/or persuade. With an old product, company wants to remind. With some products just bought, company wants to reassure the purchaser and reinforce the decision.

Advertisement is needed for various reasons. They may cover:

- To draw the attention of the ultimate customers.
- To attract the customers from the competitors.
- To inform, persuade and remind them about the companies offering.
- To increase the sales as well as to increase the company share.
- To enhance the company profit.
- To obtain sustainability in the competitive business arena.

Advertising is almost everywhere in our daily lives. Its form and roles are both contested and admired. Many advertisers and agencies believe that advertising creates “magic in the market place”. Most of the advertisers not just once want to create magic in the marketplace by reaching you where you live, and play, but many times they convince you to buy their products. The evidence of growth in advertising is all around us, in the mail, in newspaper, in magazines, on television, on the radio, at the movies, on buses and trains, on matchbook covers, on billboards, even on parking meters (Russell and Lane, 1996)¹⁵.

The total field of advertising has many components (Sandage 1967)¹⁶. Advertising comprises (a) research of consumers, the product or service to be advertised and the market to be ‘cultivated (b) strategy planning in terms of objectives, costs, types of message and media, (c) tactical decisions in regard to budget allocations, media selection, and timing and (d) advertisement construction with attention given to copy writing, art, layout and production.

3.5.2 Functions of Advertising

Shimp (2000)¹⁷ describes, the functions of advertising: (i) informing (ii) persuading (ii) reminding (iv) adding value and (v) assisting other company efforts.

Informing: Advertising makes consumers aware of new brands, educates them about brand features and benefits, and facilitates the creation of positive brand images. Because advertising is an efficient form of communication, capable of reaching mass audiences at a relatively low cost per contact, it facilitates the introduction of new brands and increases demand for existing brands, largely by increasing consumers' top of mind awareness (TOMA) for established brands in mature product categories.¹⁸ Advertising performs another valuable information role—both for the advertised brand and the consumer—by teaching new uses for existing brands. This practice, termed usage expansion advertising, is typified by the following illustrations:¹⁹

- Campbell's soup, which is typically eaten for lunch and during other informal eating occasions, was advertised as being suitable for eating during formal family dinners or even at breakfast.
- Gatorade, which originally was used during heavy athletic activity, was advertised for use to replenish liquids during flu attacks.
- Special K, a breakfast cereal, was advertised for afternoon or late-night snacking.

Persuading: Effective advertising persuades customers to try advertised products and services. Sometimes the persuasion takes the form of influencing primary demand—that is, creating demand for an entire product category. More frequently, advertising attempt to build secondary demand, the demand for a specific company's brand. Consider Gillette's introduction of the Mach3 razor in 1998. Gillette invested nearly three-quarter of a billion dollars to develop the Mach3, and corporate success (including maintaining very attractive stock price) demanded huge sales volume in order to garner a good return on the investment in Mach3. Gillette executives knew they would have to advertise heavily to convince consumers that the Mach3 was worth its relatively high price. Accordingly plans were made to spend \$300 million on global advertising.²⁰ The Mach3 may turn out

to be less successful than intended, but the advertising support Gillette executives put behind the brand gave it every opportunity to succeed.

Reminding: Advertising keeps a company's brand fresh in the consumer's memory as typified in the Opening Vignette that described the anti-impotence pill, Viagra. When a need arises that is related to the advertised product, past advertising impact makes it possible for the advertiser's brand to come to the consumer's mind as a purchase candidate. Effective advertising also increases the consumer's interest in a mature brand and thus the likelihood of purchasing a brand that otherwise might not be chosen.²¹ Advertising, furthermore, has been demonstrated to influence brand switching by reminding consumers who have not recently purchased a brand that the brand is available and that it possesses favorable attributes.²²

Adding Value: There are three basic ways by which companies can add value to their offerings: innovating, improving quality, or altering consumer perceptions. These three value-added components are completely interdependent.

Innovation without quality is mere novelty. Consumer perception without quality and/or innovation is mere puffery. And both innovation and quality, if not translated into consumer perceptions, are like the sound of the proverbial tree falling in the empty forest.²³

Advertising adds value to brands by influencing consumers' perceptions. Effective advertising causes brands to be viewed as more elegant, more stylish, more prestigious, and perhaps superior to competitive offerings. Effective advertising, then, can lead to increased market share and greater profitability.²⁴

Assisting Other Company Efforts: Advertising is just one member of the marketing communications team. Advertising is at times a scorer that accomplishes goals by itself. At other times advertising's primary role is as an assister that facilitates other company efforts in the marketing communication

process. For example, advertising may be used as a vehicle for delivering sales promotions such as coupons and sweepstakes and attracting attention to these sales promotion tools.

3.5.3 Types of Advertising Media

The Major types of advertising media can be divided into the 13 principal classes listed below:

1. Magazine and Newspapers space
2. Motion pictures
3. Outdoor (posters, signs, skywriting etc.)
4. Direct mail
5. Store signs
6. Novelties (calendars, blotters, etc.)
7. Radio
8. Television
9. Cards (car, bus, etc.)
10. Catalogues
11. Directories and references
12. Programs and menus
13. Circulars²⁵

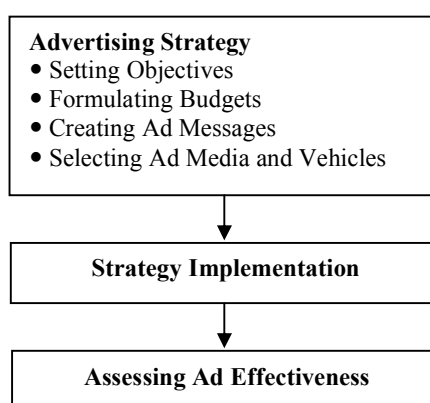
3.5.4 The Advertising Management Process

A completed advertisement, such as a television commercial or a magazine ad, results from the collective efforts of various participants. Four major groups are involved in the total advertising process: (1) companies and other organizations that advertise—such as Procter & Gamble, McDonald's, the U.S. government, and so on; (2) advertising agencies—such as Ogilvy and Mather, J. Walter Thompson, and Tokyo-based Dentsu—that are responsible for creating and placing ads for

their clients; (3) advertising production companies—that is, independent businesses that photograph, film, and otherwise produce advertisements; and (4) advertising media—including newspapers, television, and so on.

Although the advertising industry involves a number of collective efforts, the following discussion is restricted to the first group, the advertisers themselves. The discussion of the advertising-management process is based on the framework in Figure 3.1, which consists of advertising strategy formulation, strategy implementation, and efforts to assess advertising effectiveness.

Figure 3.1: The Advertising Management Process²⁶



3.5.5 Advertising Strategy

Advertising strategy involves four major activities like Setting Objectives, Formulating Budgets, Creating Ad Messages and Selecting Ad Media and Vehicles.

3.5.6 Strategy Implementation

Strategy implementation deals with the tactical, day-to-day activities that must be performed to carry out an advertising campaign. For example, whereas the decision to emphasize television over other media is a strategic choice, the selection of specific types programs and times at which to air a commercial is a tactical implementation matter. Likewise, the decision to emphasize a particular brand benefit is a strategic message consideration, but the actual way the message is delivered is a matter of creative implementation.

3.5.7 Assessing Advertising Effectiveness

Assessing effectiveness is a critical aspect of advertising management—only by evaluating results is it possible to determine whether objectives are being accomplished. This often requires that baseline measures be taken before an advertising campaign begins (to determine, for example, what percentage of the target audience is aware of the brand name) and then afterward to determine whether the objective was achieved.

3.5.8 Setting Advertising Objectives

Advertising objectives are goals that advertising efforts attempt to achieve. Setting good advertising objectives is possibly the most difficult task of advertising management yet these objectives provide the foundation for all remaining advertising decisions.²⁷ There are three major reasons why it is essential that advertising objectives be established *prior to* making decisions regarding message selection and media determination, which are the guts of an advertising program.²⁸

1. Advertising objectives are an expression of *management consensus*. The process of setting objectives literally forces top marketing and advertising personnel to agree on the course that a brand's advertising will take for the following planning period as well as the tasks it is to accomplish for a specific brand.
2. Objective setting *guides* the budgeting, message, and media aspects of a brand's advertising strategy. Objectives determine how much money should be spent and provide guidelines for the kinds of message strategy and media choice needed to accomplish a brand's marketing communications objectives.
3. Advertising objectives provide *standards* against which results can be measured. As will be detailed later, good objectives set precise, quantitative yardsticks of what advertising hopes to accomplish. Subsequent results can then be compared with these standards to determine whether the advertising accomplished what it was intended to do.

3.5.9 Who, What, Where, When, and How Often?

Several categories of advertising objectives guide advertising strategy. These categories can be framed in terms of the following questions: *who? what? where? when? and how often?*²⁹

Who? The most basic consideration underlying advertising-strategy formulation is the choice of target market. Objectives related to the who question specify the target market in terms of its basic needs to which the brand appeals and its defining features—that is, its demographics, psychographics, geodemographics, or other characteristics that influence choice behavior. Two advertisements from the breakfast cereal category illustrate the choice of target market. Consider first the advertisement for Kellogg's Special K cereal. This ad obviously is targeted primarily at young women who are concerned with their physical appearance. Consumers in the target group to which Special K appeals are mostly in the age group 16–35, are concerned with their sex appeal and image, and are socially active.³⁰ By comparison, the advertisement for Quaker Oats is aimed at middle-aged males who are robust yet concerned with their health. The target for Quaker Oats is not all middle-aged men but is limited primarily to those who have an above-average educational level and who are responsive to health appeals.

What? The *what* question involves two sets of considerations: (1) what emphasis? and (2) what goals? The emphasis issue relates to the features and benefits to be emphasized and the emotions to be evoked when advertising a brand. For example, whereas Kellogg's Special K cereal appeals to the desire for a slim and attractive appearance, Quaker Oats appeals to the need for wholesome eating so as to preserve a long, healthy, and active life.

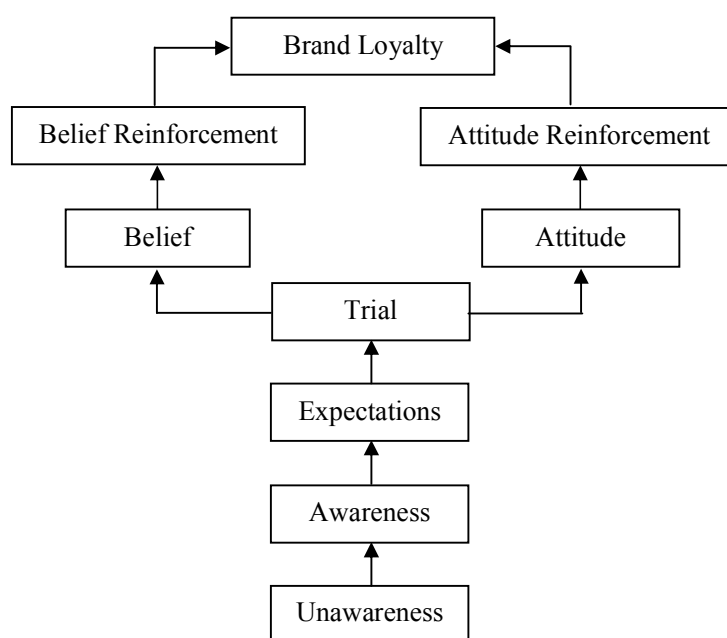
The *goals* issue deals with the specific communication or sales objectives that need to be accomplished at the present stage in a brand's life cycle. Advertising may be designed to accomplish several goals: (1) to make the target market aware of a new brand, (2) to facilitate consumer understudying of a brand's attributes and its

benefits compared to competitive brands, (3) to enhance attitudes and influence purchase intentions, (4) to invite product trial, and (5) to encourage repeat purchase behavior. We will discuss goal objectives in more detail shortly.

Where? When? How Often? Which geographic markets need to be emphasized, what months or seasons are best, and how often should the brand be advertised are additional issues that need to be addressed when setting advertising objectives.

Although advertising practitioners must take all of the preceding categories into consideration when setting objectives, subsequent attention focuses exclusively on defining the goals. This is because other considerations are all situation specific, but the goal issue is relevant to all situations and brands.

Figure 3.2: A Hierarchy Model of Advertising Works³¹



Which Is More Important, Advertised Information or Personal Experience?

When consumers are passive learners of information (as typically is the case with purchase decisions in most product categories), a true attitude (that is, something more than an expectation) results only after one has acquired direct, or firsthand, experience using a product. A true attitude typically follows rather than precedes

product usage experience. In other words, actual usage experience (eating a food product, drinking a beverage, using a camcorder, watching a movie, or bathing with Oil of Olay) is extremely informative and convincing, whereas merely learning from advertising about how a product is supposed to taste or perform is far less revealing. As “proof,” answer this question: “Which do you trust more, an advertisement that says a certain brand of food will taste good or your tongue’s feedback regarding how good the food tastes?” Personally, my tongue has been a very reliable source of information for many years. I don’t recall it ever misleading me. I trust it completely. I don’t have this same confidence in advertising. It is not that I find most advertisements to mislead or deceive, but, rather, that I simply have more faith in my own sensory experiences than I do in someone else’s opinion. In sum, the tongue knows with certainty, whereas advertisers can only conjecture! (Of course, *tongue* is used here in an inclusive sense to capture all sensory receptors that are applicable to gauging the specific product benefits that are relevant to the circumstances of a particular buying situation.)

3.5.10 Requirements for Setting Good Advertising Objectives

An advertising objective is a specific statement about a planned advertising execution in terms of what that particular advertisement is intended to accomplish. That goal is based on the current, or anticipated, competitive situation in the product category and the problems that the brand must confront or the opportunities that are available for it to seek.

The specific content of an advertising objective depends entirely on the brand’s idiosyncratic situation. Hence, it is not feasible to discuss objective content without current details (such as market research information) about the advertising context.

Objectives Must Include a Precise Statement of Who, What, and When:

Objectives must be stated in precise terms. At a minimum, objectives should specify the target audience (who), indicate the specific goal—such as awareness level—to be accomplished (what), and indicate the relevant time frame (when) in which to achieve the objective.

Objectives Must Be Quantitative and Measurable: This requirement demands that ad objectives be stated in quantitative terms so as to be measurable, as are the hypothetical objectives given for Rembrandt mouth rinse. A nonmeasurable objective for Rembrandt would be a vague statement such as “Advertising should increase consumers’ knowledge of product features.” This objective lacks measurability because it fails to specify the product features for which consumers are to possess knowledge.

Objectives Must Specify the Amount of Change: In addition to being quantitative and measurable, objectives must specify the amount of change they are intended to accomplish.

Objectives Must Be Realistic: Unrealistic objectives are as useless as having no objectives at all. An unrealistic objective is one that cannot be accomplished in the time allotted to the proposed advertising investment.

Objectives Must Be Internally Consistent: Advertising objectives must be compatible (internally consistent) with objectives set for other components of the marketing communications mix. It would be incompatible for a manufacturer to proclaim a 25 percent reduction in sales force size while simultaneously stating that advertising’s objective is to increase retail distribution by 20 percent. Without adequate sales force effort, it is doubtful that the retail trade would give a brand more shelf space.

Objectives Must Be Clear and in Writing: For objectives to accomplish their purposes of fostering communication and permitting evaluation, they must be stated clearly and in writing so that they can be disseminated among their users and among those who will be held responsible for seeing that the objectives are accomplished.

3.5.11 Assessing Advertising Effectiveness

Enormous efforts have been made by members of the advertising community to ascertain which measures of advertising best predict advertising effectiveness. Particularly notable is a major study, called the Copy Research Validity Project

(CRVP), that was funded by the Advertising Research Foundation to assess which of 35 different measures best predict the sales effectiveness of television commercials.³² Although representing a heroic effort, results from the CRVP are both inconclusive and controversial.³³ Probably the only definitive conclusion that can be made is that no one measure is always most appropriate or universally best. Each brand-advertising situation requires a careful assessment of the objectives that advertising is intended to accomplish.

3.5.12 Measures of Recognition and Recall

After exposure to an advertisement, consumers may experience varying degrees of awareness, the most basic of which is simply noticing an ad without processing specific executional elements. Advertisers intend, however, for consumers to need specific parts, elements, or features of an ad and associate those with the advertised brand.³⁴ Recognition and recall both represent elements of consumers' memories for advertising information, but recognition measures, which can be equated with multiple-choice test questions, tap a more superficial level of memory compared to recall measures, which are similar to essay questions.³⁵

Advertising research consists of media and message research. Media research measures audience composition and size for media vehicles as a basis for determining ratings.

Message-based research evaluates the effectiveness of advertising messages. Dozens of techniques for measuring advertising effectiveness have evolved over the years. The reason for this diversity is that advertisements perform a variety of functions and multiple methods are needed to test different indicators of advertising effectiveness.

Testing are used to measure preference shifts to advertising. The impact of advertising on actual purchase behavior is assessed with single-source data collection system.

No single advertising-effectiveness measurement technique is ideal, nor is any particular technique appropriate for all occasions. The choice of technique should depend on the specific objective an advertising campaign is intended to accomplish. Moreover, multiple measurement methods are usually preferable to single techniques in order to answer the diversity of questions that are typically involved in attempts to assess advertising effectiveness.

3.6 Advertising Agency

Shimp (2000)³⁶ has defined, advertising agencies as, “The organizations that are responsible for creating and placing ads for their clients.” He further stated, advertising agencies can provide great value to their clients when agencies develop highly effective and profitable advertising campaigns. Sandage (2002)³⁷ advertising agencies have been defined as “independent businesses composed of creative and business people who develop, prepare, and place advertising in media for clients seeking to find customers for their goods & services”. He further stated, “Planning and executing successful advertising campaigns call for people who have specialized knowledge and skills; who are well informed in all aspects of marketing and consumer behavior; who are sensitive to people and communication; who know the media and markets; and who are skilled writers, artists, television producers, researchers, and managers. The organization that brings such people together in a single business enterprise is the advertising agency. Dirksen (1964)³⁸ an advertising agency is—

1. an independent business organization
2. composed of creative and business people
3. who develop, prepare and place advertising in advertising media
4. for sellers seeking to find customers for their goods and services.

An agency may do things related to advertising and to help make the advertising succeed, but if the agency does not prepare and place advertising, it is not an advertising agency.

Hence, it can be said that advertising agency is an organization, having knowledge, expertise and efficiencies, devoted to create fruitful advertising campaign for advertisers.

The growth of advertising has been associated with the development 'of a specialized type of institution known as the advertising agency. The first advertising agents, about the middle of the nineteenth century, were space brokers for media. At that time newspaper editors were anxious to obtain advertising revenue but had no contacts with out-of-town advertisers. The first agents recognized this situation as an opportunity for rendering an economic service. They purchased or contracted for "white space" from media and contacted advertisers in distant areas, selling the space in units suited to the requirements of advertisers. Gradually the agents began to give advice and assistance to advertisers who were seeking specialized counsel in the preparation of their copy. In time the agents developed new methods and techniques and offered new services. Eventually the advertisers rather than the media became the clients of the agents.

Today the advertising agency is a service organization composed of advertising specialists, and it shares the responsibility for advertising activities with the advertising departments of clients. It is believed that advertising agencies now assist in the creation and direction of more than 90 per cent of all national advertising, more than one-half of sectional advertising, and a considerable amount of local advertising from 3,279 to 7,720. A large per cent of total agency business, however, is accounted for by a limited number of large agencies, most of which a/e located in New York City.

3.6.1 Functions of Advertising Agencies

Various types of functions performed by the advertising agencies.³⁹ Major functions are listed below:

1. Planning and preparing the advertising copy.
2. Buying advertising space.
3. Budgeting the appropriation for the various departments in the store, and checking expenditures against it.

4. Checking the results of advertising efforts.
5. Correlating the general merchandising policies of the store with the individual departments.
6. Maintaining contact with representatives of media.
7. Making marketing analyses.
8. Planning the promotional program.
9. Keeping in touch with the advertising agency.
10. Advising the agency on company policies.
11. Handling the publicity releases.
12. Planning advertising policy.
13. Working closely with the advertising agencies.
14. Planning and supervising the advertising budget.
15. Supervising preparation of the advertising.
16. Checking on the effectiveness of the advertising.
17. Preparing the catalogues, publicity records, and the like.
18. Deciding on the selection of media.

Each of these companies is faced with a different type of market situation, and as a result, has developed an advertising organization which it believes is best for its particular situation.

3.6.2 Performance of Advertising Agency

Advertising agency is an organization performing bridging activities between producers and consumers through media.⁴⁰ Advertising agencies create most of the advertisement and are the core of the advertising industry. They perform activities relating development, production and placement of advertisement in newspaper or magazine or on television or radio or any other outdoor media.

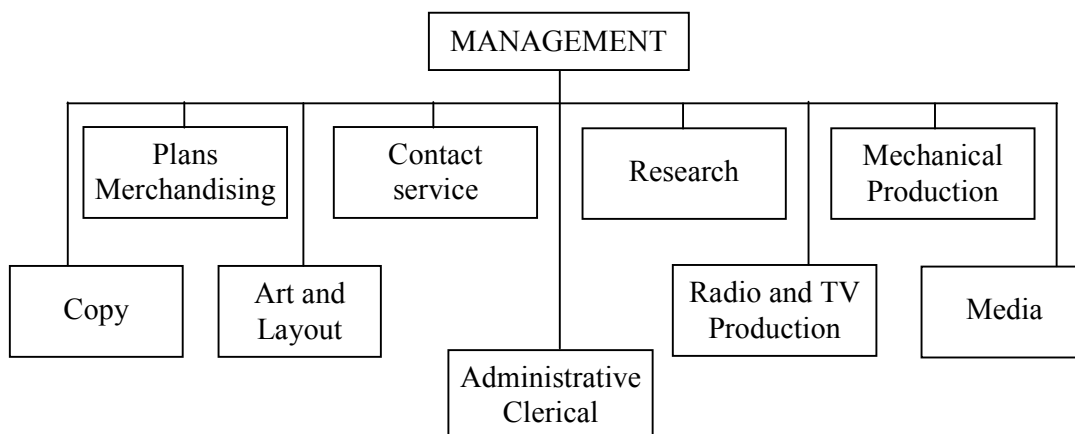
They also perform social marketing activities, like public awareness about health care, primary education, family planning each of which related to public welfare. At the moment, advertising agencies in Bangladesh perform the following functions:-

- (a) Copy writing and media service: Production advertisement for audio, audiovisual and press media, selection and evaluation of media, placement of advertisement in media.
- (b) Advisory, activities: Including marketing research, strategy planning, product innovation, brand building and brand launches, market entry strategies.
- (c) Outdoor activities: Including production and placement of hoarding, bill boards, signs etc.
- (d) Fashion design and idea thereon.

3.6.3 Need for Agencies

Even the largest advertisers who maintain elaborate advertising departments find that there are several good reasons for using advertising agencies. First, the agency is independent of the advertiser and has an outside objective viewpoint which it can bring to bear on important decisions. Second, the agency has broad experience which results from its work with a number of clients having different products, selling in various markets, using various channels of distribution, and employing numerous types of media. Third, it must do a satisfactory job in order to hold the account. It is constantly alert to opportunities because it realizes that the advertiser can change agencies easily. If an advertiser developed an advertising department capable of performing all agency services, such a department would be part of the organization and could not be disposed of easily. Fourth, the agency may spread the cost of certain technical services over a number of accounts. The payroll costs of advertising production specialists and marketing research experts is less than it would be if each advertiser had a staff comparable in skills to that of the agency. A fifth important reason is that all or a large part of the agency's service may not cost the advertiser anything. This is true because agencies obtain a substantial part of their revenue from media commissions which are not available to advertisers who buy space or time direct from media.

Figure 3.3: Organization of a Typical Advertising Agency



Source: Advertising Principles and Problems (Dirksen and Kroeger)

3.6.4 Major Characteristics of Advertising Agency

1. The advertising agency develops new business.
2. The agency reduces the hazards of advertising, and thereby the mortality rate in the medium's business.
3. The agency advocates the idea of advertising.
4. The agency creates the advertising messages which are an essential element in the sale of the space or time which media wish to sell. This is the conversion of white space or blank time into advertising influence.
5. The agency develops and improves advertising techniques, and thereby increases the productivity of advertising.
6. The agency simplifies the medium's credit operations and reduces the costs of these operations.
7. The agency carries the cost of credit losses.
8. The agency simplifies and reduces the medium's cost in the mechanical preparation of advertising.
9. The agency reduces the medium's cost in following up advertising schedules to meet publication or broadcasting deadlines.⁴¹

3.6.5 Basic Principles in Agency-client Relationship

Since advertising agencies render professional service adapted to each client's needs, there is much flexibility and variation in the working agreements between agencies and their clients.⁴²

Nevertheless, several basic principles have been established by custom and through trial and error.

1. When an agency undertakes to handle the advertising for a product or service, it usually is understood that the agency will refrain from handling at the same time the advertising for another advertiser of a directly competing product or service without the client's consent. In turn, the client generally agrees not to engage a second agency to handle part of the advertising of the product or service without the first agency's consent.
2. The agency customarily secures the client's approval of all expenditures connected with his advertising.
3. The client is obligated to pay promptly the agency's bills for publication space and broadcasting time. It is a fundamental principle that the client must pay the agency in time for the agency to pay media by their due dates.

It is not a function of agencies to finance the advertising of their clients, since any extensive financing of clients by agencies would involve so large an amount of capital as to shut out of the agency business people with high talent but modest funds—people whose creative work might do much to increase the volume and success of all advertising.

4. The agency regularly passes on to its client any cash discounts allowed by media, on condition that the client pay the agency's bill by the discount date.

3.6.6 Ethical Standards of the Agency Business

Some of the standards of practice of advertising agencies are defined in contracts between agencies and media, some in agencies' agreements with their clients.⁴³

In addition, advertising agencies have established for themselves, through the A.A.A.A., a general code of good conduct called Standards of Practice of the American Association of Advertising Agencies. Included in the Standards is the A.A.A.A. Copy Code, jointly adopted also by the Association of National Advertisers and the Advertising Federation of America. It reads as follows:

Advertising Copy

The advertising agency should not recommend, and should discourage any advertiser from using, and advertising of an untruthful, indecent or otherwise objectionable character, as exemplified by the following copy practices disapproved in a code jointly adopted by the American Association of Advertising Agencies and the Association of National Advertisers, and also by the Advertising Federation of America:

- a)* Fuse statements or misleading exaggerations.
- b)* Indirect misrepresentation of a product, or service, through distortion of details, or of their true perspective, either editorially or pictorially.
- c)* Statements or suggestions offensive to public decency.
- d)* Statements which tend to undermine an industry by attributing to its products, generally, faults and weaknesses true only of a few.
- e)* Price claims that are misleading.
- f)* Pseudoscientific advertising, including claims insufficiently supported by accepted authority, or that distort the true meaning or practicable application of a statement made by professional or scientific authority.
- g)* Testimonials which do not reflect the real choice of a competent witness.

3.6.7 Role of the Advertising Agency

Advertising agencies perform various functions for clients, including creative designs and media selection. Full-service agencies offer a range of advertising services, including marketing research, sales promotion, and marketing planning. A typical basis of compensation is a 15 percent fee on media expenditures. For example, \$1 million of advertising provides a commission of \$150,000, which is paid by the media direct to the agency.⁴⁴

Agency Relationship

The normal basis of operation between a corporate client and the agency is a cooperative effort. The client briefs the agency on the marketing strategy and the role of advertising in the marketing program. In some instances agency executives may be involved in the development of the marketing strategy. The better the agency understands the company's marketing program, the more effective the agency can be in providing advertising services. The agency may assign one or more personnel full-time to an account with a large advertising budget.

Agency Compensation

The traditional method of compensation of the agency has been the 15 percent commission on media expenditures. Most agencies today operate on some type of commission arrangement, though the arrangement may involve a commission for media placement and a separate arrangement for other services. For example, media placement would receive a 5 percent commission, whereas other services associated with the advertising would yield an additional 10 percent. These changes in the original 15 percent commission are the consequence of advertising specialists (e.g., media buying) offering reduced fees.

Some companies have worked out flexible payment arrangements with their agency. The agency may keep a record of its costs and the client pays for the services it requires. Payment may be greater or less than the traditional 15 percent commission. In some arrangements agencies may share cost savings with the client.

Industry Composition

Large, full-service agencies like Dentsu in Tokyo and Young and Rubicam in New York account for the dominant portion of billings. Nonetheless, the small agencies have created pressures for change throughout the industry. Concerns of clients about arbitrary commission rates and lack of flexibility in client services have led to placing business with small specialty agencies providing media buying, creative design, and other services. There are many local and regional agencies that serve small- and medium-sized clients.

Problem Areas

A company does not like for an agency to serve clients competing in the same industry. The agency needs access to sensitive information (e.g., sales by product line or by geographical area) in order to effectively serve the client. The customer is hesitant to share confidential information when the agency has clients who are viewed as competitors. In the case of large accounts, normally, agencies do not work with competing clients. Achieving this objective is more difficult in working with companies that have smaller advertising budgets. It is important when selecting an agency to determine who its clients are and what sort of policies the agency follows concerning serving clients that compete.

3.7 Advertising Industry

Shimp (2000)⁴⁵ states that advertising industry involves a number of collective efforts of the groups involved in the total advertising process. These groups are (1) companies and other organizations that advertise; (2) advertising agencies such as Asiatic MCL Ltd.; (3) advertising Production companies involved in photograph, film etc such as Dhoni Chitra Ltd. And (4) advertising media-including newspapers, television and so on.

3.8 Marketing Efficiency

Marketing efficiency is the process by which product: and services reach the consumers from the producers with maximum benefits and minimum costs to

satisfy the needs of the consumer.⁴⁶ Marketing efficiency refers to the combination of the details of the individual that are summed up as follows:

3.8.1 Sales-Force Efficiency

Sales manager; need to monitor the following key indicators of efficiency in their territories:

- Average number of calls per salesperson per day
- Average sales call time per contact
- Average revenue per sales call
- Average cost per sales call
- Entertainment cost per sales call
- Percentage of orders per 100 sales calls
- Number of new customers per period
- Sales-force cost as a percentage of total sales

3.8.2 Advertising Efficiency

Many managers believe it to be almost impossible to measure what they are getting for their advertising expenses; but they should try to keep track of at least the following statistics:

- Advertising cost per thousand target buyers reached by media vehicle;
- Percentage of audience who noted, saw, or associated and read most of each print ad
- Consumer opinions on the ad content and effectiveness
- Before and after measures of attitude towards the product
- Number of inquiries stimulated by the ad
- Cost per inquiry

3.8.3 Sales-Promotion Efficiency

Sales promotion includes dozens of devices for stimulating buyer's interest and, product trial. To improve sales-promotion efficiency, management should record the costs and sales impact: of each promotion. Management should watch the following statistics:

- Percentage of sales sold on deal
- Display costs per sales dollar
- Percentage of coupons redeemed
- Number of inquiries resulting from a demonstration

3.8.4 Distribution Efficiency

Management needs to search for distribution economies in inventory control, warehouse locations, and transportation modes. It should track such measures as;

- Logistics cost as a percentage of sales
- Percentage of orders filled correctly
- Percentage of on-time deliveries
- Number of billing errors

3.9 Marketing Effectiveness

A company's, or division's marketing effectiveness is reflected in the degree to which it exhibits the five major attributes of a marketing orientation: customer philosophy, integrated marketing organization, adequate marketing information, strategies orientation, and operational efficiency.

3.10 Managerial Efficiency

The major indicators of managerial efficiency are ROI (Return on Investment or in other word, percentage of net profit: to capital employed and value added to the economy in the form of salary and wages, interest on capita, taxes and dillies (Contribution to the National Exchequer) and operating surplus of the public sector.

3.11 Marketing Strategy and Planning

The market-oriented organization understands buyers' need and wants and effectively combines and directs the skills and resources of the entire organization to provide high levels of satisfaction to its customers. We will describe and illustrate the steps in developing marketing strategy. Finally, we will discuss how the marketing plan is prepared.⁴⁷

3.11.1 Deciding how to compete

We examine the critical responsibility of management vision in selecting a competitive strategy and discuss how companies gain competitive advantage.

3.11.2 Strategic Vision

Strategic vision involves decisions by the top management of a company about where to compete, when to compete, and how to compete. It may also involve deciding not to compete. These decisions require knowledge of market needs and trends, competition, and the strengths (and weaknesses) of the organization.

3.11.3 Finding Competitive Advantage

Companies obtain competitive advantage by offering superior value to the customer through (1) lower prices than competitors for equivalent benefits and/or (2) unique benefits that more than offset a higher price.⁴⁸ Several important considerations enter into achieving customer satisfaction and gaining competitive advantage.⁴⁹

1. The process should be customer-focused.
2. Analysis of needs/wants (requirements) should look at groups of buyers with similar preferences.
3. Opportunities for advantage occur when gaps exist between what customers want and competitors' efforts to satisfy them.
4. Opportunities are created by finding buyers' requirements which are not being satisfied.
5. Customer satisfaction analysis should look for the best opportunities for the organization to create superior value.

3.11.4 Business Strategy and Marketing

The chief marketing executive's business strategy responsibilities include (1) participating in strategy formulation and (2) developing marketing strategies that follow business strategy priorities. Since these two areas are closely interrelated, it is important to examine marketing's role and functions in both areas to gain more insight into marketing's responsibilities and contributions. Peter F. Drucker describes this role as follows: Marketing is so basic that it cannot be considered a separate function (i.e., a separate skill or work) within the business, on a par with others such as manufacturing or personnel. Marketing requires separate work, and a distinct group of activities. But it is, first, a central dimension of the entire business. It is the whole business seen from the point of view of its final result, that is, from the customer's point of view.⁵⁰

3.11.5 Strategic Marketing

Strategic marketing is defined as the analysis, strategy development, and implementation activities in selecting market target strategies for the product-markets of interest to the organization, setting marketing objectives, and developing, implementing, and managing the marketing program positioning strategies designed to meet the needs of customers in each market target.⁵¹

Strategic marketing is a market-driven process of strategy development, taking into account a constantly changing business environment and the need to achieve high levels of customer satisfaction. Strategic marketing focuses on organizational performance rather than the traditional concern about increasing sales. Marketing strategy builds competitive advantage by combining the customer-influencing strategies of the business into an integrated array of market-focused actions. Strategic marketing links the organization with the environment and views marketing as a responsibility of the entire business rather than a specialized function.

Because of marketing's boundary orientation between the organization and its customers, channel members, and competition, marketing processes are central to the business strategy planning process.⁵²

3.11.6 Marketing Situation Analysis

Marketing management needs the information provided by the marketing situation analysis to guide the design of a new strategy or to change an existing strategy. The situation analysis is conducted on a regular basis after the strategy is underway to guide strategy changes.

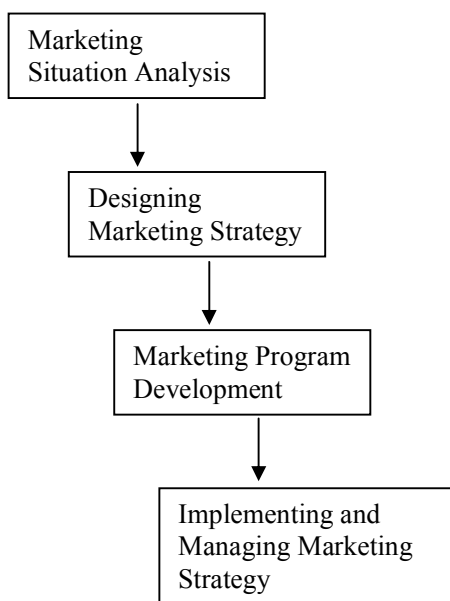
Analyzing Markets and Competition: Markets need to be defined so that the right buyers and competition are analyzed. For a market to exist, there must be people with particular needs and wants and one or more products that can satisfy these needs. Also, the buyers must be both willing and able to purchase a product that satisfies their needs and wants.

Market Analysis: A product-market consists of a specific product (or line of related products) that can satisfy a set of needs and wants for the people (or organizations) willing and able to purchase it. We use the term product to refer to either a physical good or an intangible service. This definition matches people or organizations with a particular set of similar needs and wants to a product category that can satisfy those needs and wants.

Analyzing product-markets and forecasting how they will change in the future are vital to business and marketing planning. Decisions to enter new product-markets, how to serve existing product-markets, and when to exit from unattractive product-markets are critical strategic marketing choices. Our objective is to identify and describe the buyers, understand their preferences for products, estimate the size

and rate of growth of the market, and find out what companies and products are competing in the market.

Figure 3.4: The Strategic Marketing Process



Source: Strategic Marketing (Cravens)

Analyzing Competition: Evaluation of competitors' strategies, strengths, limitations, and plans is also a key aspect of the situation analysis. It is important to identify both existing and potential competitors. Typically, a few of the firms in the industry comprise the organization's key competitors. Competitor analysis includes evaluating each key competitor. The analyses highlight the competition's important strengths and weaknesses. A key issue is trying to figure out what the competition is likely to do in the future.

Segmenting Markets: Market segmentation looks at the nature and extent of diversity of buyers' needs and wants in a market. It offers an opportunity for an organization to focus its business capabilities on the requirements of one or more groups of buyers. The objective of segmentation is to examine differences in needs and wants to identify the segments within the product-market of interest. Each

segment contains buyers with similar needs and wants for the product category of interest to management.

Continuous Learning about Markets: One of the major realities of achieving business success today is the necessity of understanding markets and competition. Sensing what is happening and is likely to occur in the future is complicated by competitive threats beyond traditional industry boundaries.

3.11.7 Designing Marketing Strategy

The situation analysis identifies market opportunities, defines market segments, evaluates competition, and assesses the organization's strengths and weaknesses. This information plays a key role in designing marketing strategy, which includes market targeting and positioning analysis, building marketing relationships, and developing and introducing new products.

Market Targeting and Positioning Strategy: Marketing advantage is influenced by several situational factors including industry characteristics, type of firm (e.g., size), extent of differentiation in buyers' needs, and the specific competitive advantage(s) of the company designing the marketing strategy. The essential issue is deciding how, when, and where to compete, given a firm's environment.

Market Target Strategy: The purpose of market targeting is to select the people (or organizations) that management wishes to serve in the product-market. When buyers' needs and wants vary, the market target is usually one or more segments of the product-market. Once the segments are identified and their relative importance to the firm determined, management selects the targeting strategy. This decision is the focal point of marketing strategy since targeting guides the setting of objectives and developing a positioning strategy. The options range from targeting most of the segments to targeting one or a few segments in a product-market.

Positioning Strategy: The marketing program positioning strategy is the combination of product, channel of distribution, price, and promotion strategies a firm uses to position itself against its key competitors in meeting the needs and wants of the market target. This strategy is also called the “marketing mix” or the “marketing program.” The positioning strategy seeks to position the product in the eyes and mind of the buyer and distinguish the product from the competition.

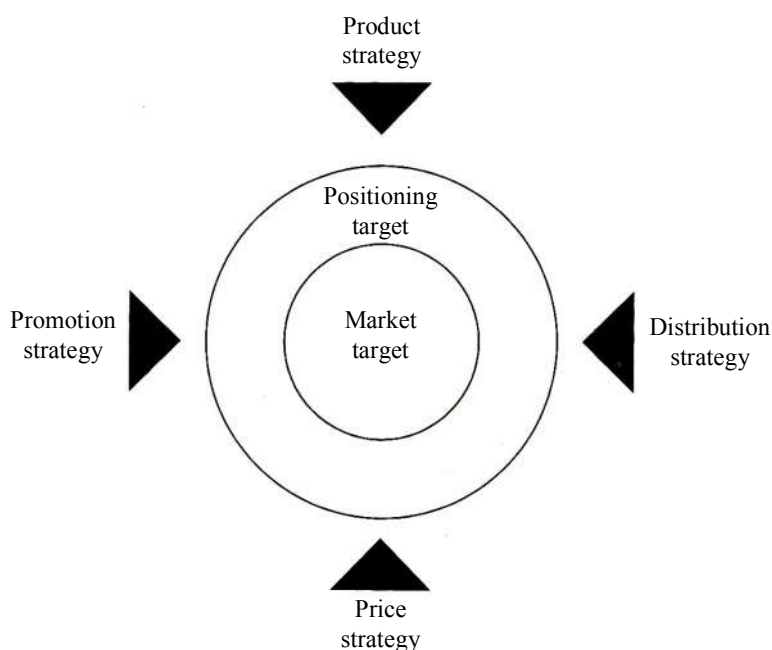
Marketing Relationship Strategies: Marketing relationship strategies seek to achieve high levels of customer satisfaction through collaboration of the parties involved. Marketing relationship partners may include end-user customers, marketing channel members, suppliers, competitor alliances, and internal teams. The driving force underlying these relationships is that a company may enhance its ability to satisfy customers and cope with a rapidly changing business environment through partnering.

New-Product Strategies: New products are needed to replace old products because of declining sales and profits. Strategies for developing and positioning new market entries involve all functions of the business. Closely coordinated new-product planning is essential to satisfy customer requirements and produce products with high quality at competitive prices. New-product decisions include finding and evaluating ideas, selecting the most promising for development, designing marketing programs, market testing the products, and introducing them to the market.

3.11.8 Marketing Program Development

Market targeting and positioning strategies for new and existing products guide the choice of strategies for the marketing mix components. Product, distribution, price, and promotion strategies are combined to form the positioning strategy selected for each market target. The relationship of the positioning components to the market target is shown in Figure 3.5.

Figure 3.5: Positioning Strategy Development



Source: Strategic Marketing (Cravens)

The marketing mix decisions help implement the positioning strategy. The objective is to achieve favorable positioning while allocating financial, human, and production resources to markets, customers, and products as effectively and efficiently as possible.

Product/Service Strategy: Management needs the following information on current and anticipated performance of the products (services) to guide the product strategy decisions.

1. Consumer evaluation of the company's products, particularly their strengths and weaknesses vis-à-vis competition (i.e., product positioning by market segment information).
2. "Objective" information on actual and anticipated product performance on relevant criteria such as sales, profits, and market share.⁵³

Distribution, Price, and Promotion Strategies: One of the major issues in managing the marketing mix is deciding how to blend together the components of the mix. Product, distribution, price, and promotion strategies are shaped into a coordinated plan of action. Each component helps to influence buyers in their positioning of products. If the activities of these mix components are not coordinated, the actions may conflict and resources may be wasted. For example, if the advertising messages for a company's brand stress quality and performance, but salespeople emphasize low price, buyers will be confused and brand image may be affected.

Distribution Strategy: Market target buyers may be contacted on a direct basis using the firm's sales force or, instead, through a distribution channel of marketing intermediaries (e.g., wholesalers, retailers, or dealers). Distribution channels are often used in linking producers with end-user household and business markets. Decisions that are made include the type of channel organizations to use, the extent of channel management performed by the firm, and the intensity of distribution appropriate for the product or service.

Price Strategy: Price also plays an important role in positioning a product or service. Customer reaction to alternative prices, the cost of the product, the prices of the competition and various legal and ethical factors establish the extent of flexibility management has in setting prices. Price strategy involves choosing the role of price in the positioning strategy, including the desired positioning of the product or brand as well as the margins necessary to satisfy and motivate distribution channel participants. Price may be used as an active (visible) component of marketing strategy, or, instead, marketing emphasis may be on other marketing mix components (e.g., product quality).

Promotion Strategy: Advertising, sales promotion, the sales force, direct marketing, and public relations help the organization to communicate with its customers, cooperating organizations, the public, and other target audiences. These activities make up the promotion strategy, which performs an essential role in positioning

products in the eyes and minds of buyers. Promotion informs, reminds, and persuades buyers and others who influence the purchasing process. Hundreds of billions of dollars are spent annually on promotion activities. This mandates planning and executing promotion decisions as effectively and efficiently as possible.

3.11.9 Implementing and Controlling Marketing Strategy

Marketing strategy implementation and control consists of: (1) preparing the marketing plan and budget, (2) implementing the plan, and (3) managing and controlling the strategy on an ongoing basis.

Marketing Plan: The typical marketing plan includes details concerning targeting, positioning, and marketing mix activities. The plan spells out what is going to happen over the planning period, who is responsible, how much it will cost, and expected results (e.g., sales forecasts). We discuss the preparation of the marketing plan in the next section.

Implementation Strategy: The marketing plan includes action guidelines for the activities to be implemented, who does what, the dates and location of implementation, and how implementation will be accomplished. Several factors contribute to implementation effectiveness, including the skills of the people involved, organizational design, incentives, and the effectiveness of communication within the organization and externally.

Evaluation and Control of Marketing Performance: Marketing strategy is an ongoing process of making decisions, implementing them, and gauging their effectiveness over time. In terms of its time requirements, strategic evaluation is far more demanding than planning. Evaluation and control are concerned with tracking performance and, when necessary, altering plans to keep performance on track. Evaluation also includes looking for new opportunities and potential threats in the future. It is the connecting link in the strategic marketing planning process shown in Figure 3.4. By serving as both the last stage and the first stage

(evaluation before taking action) in the planning process, strategic evaluation assures that strategy is an ongoing activity.

Rubbermaid Inc. offers an interesting insight into evaluation and control. After more than a decade of superior performance, the company experienced problems in 1995.⁵⁴ Sales slowed down and profits declined. Increases in the costs of resin used in plastic products triggered price increases to retailers. This irritated retailers, who reduced Rubbermaid's shelf space. The already slow consumer demand for housewares was further impacted by higher retail prices. Rubbermaid's management implemented cost reductions, speeded up new-product introductions, and increased promotions to consumers to move results closer to expectations.

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Chapter Four

Growth and Development of Commercial Bank in Bangladesh

4.1 Introduction

Commercial Banks in Bangladesh consisting of state own commercial banks, private commercial banks, foreign commercial banks, etc. play a vital role in development our economy. Details of the banking picture are presented below to focus the trends of their performance.

4.2 Arab Bangladesh Bank Limited¹

AB Bank Limited, the first private sector bank in Bangladesh was incorporated on 31st December 1981. The bank started its operation on April 12, 1982. AB Bank has 83 Branches across the country, one foreign Branch in Mumbai, a wholly owned Finance Company in Hong Kong in the name of AB International Finance Limited, one representative office in Myanmar and an Exchange House in London, UK. To facilitate cross border trade and payment related services the Bank has correspondent relationship with over 220 international banks of repute in 58 countries.

AB Bank started its operations in 1982 as Arab Bangladesh Bank Limited. The Bank chose to re-brand it's identity as AB Bank Limited and launched its new logo on November 14, 2007. The Bank embarked on a campaign to bring about a fresh approach in the financial world in sync with its new logo symbolising bonding and trust. AB is recognized as the customers' choice, catering to the demand of its discerning clients. AB Bank is committed to the nation to take a lead in the Banking sector through not only its strong financial position, but innovation of products and services.

The Corporate Banking Division of the bank provides full range of banking solutions to meet Corporate Customers' requirements. The broad spectrum of products and services backed by proven, modern technologies include long and

short term finances for working capital, project finance, Trade services, Off-shore.lending.etc. AB Bank has a specialist Structured Finance Team who arrange and underwrite finance solutions including Debt and Equity Syndication for financial sponsors, management teams and corporate.

Corporate Social Responsibility (CSR)

AB Bank is committed to the cause of the society. As a responsible corporate body, the Bank has been playing a significant role in CSR activities to help underprivileged people of the society. AB Bank extends its generous assistance to a number of projects covering Education, Health Care, Natural Disaster, Sports and persons with disabilities. Bank's commitment to the society is to redress human sufferings and to improve quality of life through responsible and ethical business practices. The Bank has a dedicated platform to carry on its philanthropic activities commonly known as AB Foundation.

4.3 Agrani Bank Limited²

Agrani Bank Limited is a public limited company. A leading commercial bank with 867 outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas Exchange Houses and hundreds of overseas Correspondents, came into being as a with a view to take over the business, assets, liabilities, rights and obligations of the Agrani Bank which emerged as a nationalized commercial bank in 1972 immediately after the emergence of Bangladesh as an independent state. The authorized capital of the Bank was BDT 8 billion against which the paid up capital was BDT 2.4 billion.

Agrani Bank's principal activities are to provide all kinds of commercial banking and to carry on the remittance business. The bank has 7 Circle offices, 30 Divisions in head office, 52 zonal offices and 867 branches including 10 corporate and 40 AD (authorized dealer) branches. The corporate and AD branches are authorized to deal in Foreign exchange business. In the FYO8-09, the bank generated an operating

income of BDT 14.98 billion and net profit was BDT 2.65 billion. The Bank has two wholly-owned subsidiaries namely Agrani Exchange House (Pvt.) Ltd in Singapore and Agrani Remittance House SDN, BHD in Malaysia.

4.4 Al-Arafah Islami Bank Limited³

Al Arafah Islami Bank Limited was registered as a private limited company on June 18, 1995 under the regulation of Bank Companies Act, 1991. The Bank's authorized was BDT 2.5 billion with paid up capital of BDT 1.7 billion.

AI-Arafah Islami's main activity is to provide an interest-free shariah banking service and rendering all types of commercial banking services. The Bank has 60 branches and a total of 1,296 employees as recorded on December 31, 2009. In the FY09, the Company generated total operating income of BDT 2.6 billion followed by EBIT of BDT 1.72 billion. The Bank's basic EPS for the year was BDT 47.75.

4.5 Bangladesh Development Bank Limited⁴

Bangladesh Development Bank (BDBL), a state-owned commercial bank (formed through the merger of Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha) was incorporated on November 16, 2009 as a public limited company BD& was formally inaugurated in January 03, 2010. In the FY09. the Bank's authorized capital was BDT 10 billion, the paid up capital was BDT 4 billion. The shares of the Bank are listed with DSE and CSE.

Bangladesh Development Bank provides commercial banking as well as financial and technical assistance to strengthen the private and public sector industrial base of the country. It prioritizes export oriented/export linkage industrial units, efficient import substitution, joint ventures, commercialization of local technology and promotion of agro-based industry. The Bank operates with three zonal and 17 branch offices where 781 people are employed.

4.6 Bank Asia Limited⁵

Bank Asia Limited is a scheduled commercial Bank in the private sector established on November 27, 1999 by a group of successful entrepreneurs of the country with basic objective of bringing high quality service in the banking sector and actively participating in the growth and expansion of the national economy. In its journey, Bank Asia set a milestone by acquiring the Bangladesh operations of the Bank of Nova Scotia of Canada and Muslim Commercial Bank Ltd. (MCB) of Pakistan. In the year 2003, the bank went public and its shares are listed both the DSE and CSE.

After 11 years of operation, today Bank Asia is a diversified business house to satisfy diversified needs of clients. Bank Asia now provides financial services in the areas of Corporate Banking & Syndicated Loans, Trade Financing, Small and Medium Enterprise Finance, Micro Finance, Consumer Finance, Agriculture Financing, Islamic Banking, Off-Shore Banking, Remittance, Treasury Operations, and Brokerage Service. Bank Asia is also offering a range of credit card products to its clients under the logo of Master Card and VISA. The Bank Also has two subsidiary companies. One is for brokerage businesses and another one is an exchange company.

4.7 BASIC Bank Limited⁶

BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) registered under the Companies Act 1913 on the August 2, 1988, started its operations from the January 21, 1989. It is governed by the Banking Companies Act 1991. The Government of Bangladesh took over 100 percent ownership of the Bank on June 4, 1992. Thus the Bank is state-owned. However, the Bank is not authorized nationalized; it operates like a private bank as before. In the FY09, the authorized capital of the Bank was BDT 2 billion and paid up capital BDT 1.45 billion.

BASIC Bank is a blend of development and commercial bank. The Bank stipulate that 50 percent of loan able funds shall be invested in small and cottage industries

sector. The Bank offers term loans to industries especially to small-scale enterprises, full-fledged commercial banking service including collection of deposit, short term trade finance, working capital finance in processing and manufacturing units and financing and facilitating international trade, technical support to Small Scale Industries (SSIs), micro credit to the urban poor through linkage with Non-Government Organizations (NGOs). In the FY09, total operating income was BDT 2.2 billion followed by EBIT of 1.5 billion. The Bank's basic EPS for the year was BDT 4459.

4.8 Brac Bank Limited⁷

Traditionally, banking in Bangladesh has been for the mid to large sized businesses or the professionals in jobs. Ironically, more than $\frac{3}{4}$ th of the economy is out of the reach of formal banking. BRAC Bank, being the youngest bank, took a step to break this tradition of banking and tapped into the true suburb entrepreneurial initiatives. More than half of BRAC Bank's lending is for this small and medium enterprises- popularly known as SME'. The model innovated was simple: mobilize funds from the urban market towards lending at semi-urban and rural. These businesses are the dreams and achievements of individual Bangladeshis. The bank had to break away from traditional banking, had to develop new ways to assess credit proposals and to reach these people who rarely access a bank outside metro areas, but the journey proved a success.

Today, BRAC Bank is country's largest and world's 4th largest SME Bank, a phenomenon recently being replicated across the industry as there is an increasing numbers of individuals or entities who are taking SME loans. In a market where traditional banking support was inadequate, these SMEs could find a partner. BRAC Bank has disbursed over 1450 billion Taka worth of SME loans in just 10 years and in has made more than 320,000 dreams come true! BRAC Bank renders a full-array of banking services, not only SME financing. The bank is considered a leading one in retail services with the largest plastic-base (over half a million customers of the bank carry a debit or credit card to access their everyday banking

needs), the 3rd largest private-sector remittance distributor, and the 7th largest bank in terms of fund-under-management in the country. The team at the bank attributes this growth to its customers, mostly individual ones. The recent years, hence, has been focused on service excellence. The bank now defines its customers as guests. It ran a “Joy of Banking” campaign where ‘guests’ and the front-line managers who welcome the guests were portrayed in the humble, simple and honest communication.

For the specific SME segment, the bank also came up with innovative solutions, such the ‘Prapti Account’ which offers interest in a current account (traditionally, current accounts do not offer any interest). It has also introduced the largest collateral free loan facility styled “Durjoy”. Now BRAC Bank offers collateral free loan up to Tk. 25 Lac to the SME segment for speeding up the SME growth of the country.

4.9 Dhaka Bank Limited⁸

Dhaka Bank Limited (DBL)- a Bangladeshi bank that draws inspiration from the country’s rich cultural diversity and heritage adopts standards in delivering service. Imbued with a passion for projecting Bangladeshi heritage in delivering products and services with technological excellence, it set the pace for DBL’s journey since its inception in 1995. The Bank started its commercial operation on July 05, 1995 with an authorized capital of BDT billion and paid up capital of SOT 100 million. The paid up capital of the Bank stood at BDT 2.65 billion as on March 31, 2010. The total equity (capital and reserves) of the Bank as on March 31, 2010 stood at Tk 6.03 billion.

The Bank has 54 Branches, 4 SME Service Centers, 5 CMS Units, 2 Offshore Banking Unit across the country and a wide network of correspondents all over the world. The Bank has plans to open more Branches in the current fiscal year to expand the network.

With 15 years inculcating corporate excellence as core values, DBL has consistently steered course of success in establishing a financial house of corporate repute. In 2010, the bank earned several accolades in terms of achieving industry Key Performance Indicators: maintained Capital Adequacy Ratio at 10.09% (well above BASEL II compliance ratio of 9%) on Risk Weighted Assets (31/12/2010 RWA base of \$ 1.26 billion Taka equivalent), improved ROA to 2% (from 1.29% in 2009), reduced NPA ratio to below 5%. Supported by strong Credit Rating (CRAB) continuing to be at A1, it substantiates DBL's performance and potential as a well positioned bank in Bangladesh for more than a decade.

4.10 Dutch-Bangla Bank Limited⁹

Dutch-Bangla Bank Limited (DBBL) was set up as a joint venture between Bangladesh and Netherlands. The Bank was incorporated as a public limited company under the Companies Act 1994 and obtained license from Bangladesh Bank on July 23, 1995. In the FY09, the authorized capital of the bank was BDT 4 billion against paid up capital of BDT 1.5 billion. The Bank's shares are listed with OSE and CSE.

DBBL's main activity is to provide commercial banking services. The Bank became fully automated by establishing the Electronic-Banking Division in 2002 to undertake rapid automation and bring modern banking services into this field. The Bank carries out its services through 700 ATM and 79 branches throughout the country. In the FY09, DBBL's total operating income was BDT 4.8 billion followed by EBIT of BDT 2.7 billion. The Bank's basic EPS for the year was BDT 75.85.

4.11 Eastern Bank Limited¹⁰

To become the most valuable brand in the financial services in Bangladesh, Eastern Bank Ltd. (EBL) began its journey in 1992. Over the years EBL has established itself as a leading private commercial bank in the country with undisputed leadership in Corporate Banking and a strong Consumer and SME growth engine. EBL's ambition is to be the number one financial services

provider, creating long- lasting value for our stakeholders and above all for the community we operate in by transforming the way we do business and by delivering sustainable growth.

Bangladesh Banking Sector has grown from strength to strength over the past one decade and is fiercely competitive, especially in the Consumer Banking segment. EBL offers a wide range of depository, loan and card products to cater virtually for every customer segment. From Student Banking to Priority Banking to Platinum card EBL has almost all banking products in its repertoire. The product basket is rich in content featuring different types of Savings and Current Accounts, Personal Loans, Debit Cards, Credit Cards, Pre-paid Cards, Internet Banking, Corporate Banking, SME Banking, Investment Banking, Treasury & Syndication services. The customers are served through a network of 49 Branches, 74 ATMs and 5 Kiosks countrywide. EBL has its presence in 11 major cities and towns in the country including Dhaka, Chittagong, Sylhet, Khulna, Rajshahi & Cox's Bazar.

EBL is known for its product innovation in the market. During the past five years. EBL introduced 12 new-to-Bangladesh financial products and services. EBL Matribhumi- the bundle product for expatriate Bangladeshis, insurance covered monthly savings scheme, VISA corporate cards, remittance card and mobile-based remittance solution are just a few of them. On the SME banking window EBL offered customer- friendly and groundbreaking products like EBL Uddom and EBL Mukti. At present, EBL Consumer, SME and Corporate Banking units are capable of handling every kind of customer financial needs. In EBLs journey to excellence, a great achievement has been added. Centralised Trade Operations of EBL has achieved Quality Management Systems Certificate as per ISO 9001:2008 Standard. EBL is the first Bangladeshi Bank to achieve this recognition for its commitment to quality delivery. The crowning glory of EBL's commitment to perform with passion has been winning the Best Financial Institution 2010, the best coveted award of the country at the DHL-Daily Star Bangladesh Business Award 2010.

4.12 Export Import Bank of Bangladesh Limited¹¹

EXIM Bank Limited (Export Import Bank of Bangladesh Limited) was incorporated on June 2, 1999 as a private sector banking company under the Companies Act 1994 and commenced operation on August 3, 1999. The Bank floated public issue of shares on. 2004. In the FY09, the Banks authorized capital was BOT 3.5 billion against paid up capital of BDT 2.68 billion. The Bank's shares are listed with OSE and CSE.

EXIM bank converted all its conventional banking operation to Shariah Islami banking services in July 2004. The Bank provides services through 52 branches all over the country with manpower of over 1400 personnel. The Bank has affiliation with 26 foreign banks. EXIM bank's investments include loans and advances, government treasury bills, prize bonds, shares and debentures. In the FY09, the total operating income was BDT 4.4 billion followed by EBIT of BDT 3.1 billion. The Bank's total asset for the year was BOT 86.21 billion. The Bank's basic EPS for the year was BDT 50.21.

4.13 International Finance Investment and Commerce Bank Limited (IFIC)¹²

IFIC Bank Limited was incorporated in 1976 with a joint venture with Bangladesh's government. Subsequently, it was converted into a full-fledged commercial bank in 1983. In the FY09, the Bank's authorized capital was 5.35 billion against paid up capital of 1.74 billion. The Bank's shares are listed with DSE and CSE.

IFIC Bank's main activity is to provide commercial banking service. It has around 87 branches all over the country and more than 2,100 personnel. Apart from the local business, it has a joint venture with Nepal, operating 17 branches under the name Nepal Bangladesh Bank Limited (NBBL). In Oman, IFIC has 12 exchange houses named OIELLC. It also has significant international linkage with Pakistan,

operating under the name NDLC-IFIC Bank Limited in Lahore and Karachi. In the FY09, IFIC Bank's operating income was BDT 3.72 billion whereas the EBIT was BDT 1.96 billion. The Bank's basic EPS for the year was BDT 51.58.

4.14 Islami Bank Bangladesh Limited¹³

The people of Bangladesh are deeply committed to Islamic way of life as enshrined in the Holy Qur'an and the Sunnah. Naturally, it remains a deep cry in their hearts to fashion and design their economic lives in accordance with the precepts of Islam. The establishment of Islami Bank Bangladesh Limited (IBBL) as a joint venture bank on March 13, 1983 is the true reflection of this inner urge of its people, which started functioning with effect from March 30, 1983. This Bank is the first of its kind in South East Asia. IBBL is committed to conduct all banking activities on the basis of Islamic Shariah. In doing so, it has unveiled a new horizon and ushered a new ray of hope towards realising a long cherished dream of the people of Bangladesh for conducting their banking transactions in line with what is prescribed by Islam. Established with the patronage and equity participation of Islamic Development Bank (IDB) and some other Islamic banks, financial institutions, government bodies and eminent personalities of the Middle East and the Gulf countries along with some local institutions and businessmen, Islami Bank Bangladesh Limited has by now attained the unique position of a leading private commercial bank in Bangladesh and a model financial institution in the Islamic banking world.

To establish Islamic banking through the introduction of a welfare oriented banking system and also ensure equity and justice in the field of all economic activities, achieve balanced growth and equitable development through diversified investment operations particularly in the priority sectors and less developed areas of the country. To encourage socio-economic uplift and financial services to the low income community particularly in the rural areas.

4.15 Jamuna Bank Limited¹⁴

Jamuna Bank Limited (JBL) is Banking Company, registered under the Companies Act, 1994. The Bank started its operation from 3rd June 2001 with following vision & mission. “Vision- To become a leading banking institution and to play a significant role in the development of the country. “Mission - The Bank is committed to satisfying diverse needs of its customers through an array of products at a competitive price by using appropriate technology and providing timely service so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional work-force. The sponsors are reputed personalities in the field of trade, commerce and industries. The Bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The Management of the bank constantly focuses on understanding and anticipating customer’s needs. The scenario of banking business is changing day by day, so the bank’s responsibility is to device strategy and new products to cope with the changing environment.

At present the Bank has 67 real-time centralized online banking branches (Urban & Rural) throughout the country having smart IT-Backbone. Besides these traditional delivery points, the bank has wide ATM network of its own sharing ATM with other partner banks & consortium throughout the country.

JBL has diversified business under the broad categories of commercial and investment banking. The commercial banking business activities of the bank encompasses a wide range of products & services including deposit products, corporate products, SME, retail, card, international trade finance, treasury function, foreign remittance & NRB banking, Islamic banking products, etc. We are also the active player in the capital market through Jamuna Bank Capital Management Limited, Jamuna Bank Securities Limited and Treasury Division. JBL is a Govt. nominated “Primary Dealer” to deal the Govt. bond & securities on behalf of Govt. The Bank has an Off Shore Banking Unit and obtained licenses for

setting up owned Exchange Houses in different locations abroad. These Exchange Houses will start operation within the shortest possible time.

4.16 Janata Bank Limited¹⁵

Janata Bank Limited is a state owned commercial bank which was incorporated as public limited company on May 21, 2007 as per Companies Act 1994. It took over the business of then Janata Bank with all its assets, liabilities, rights, power, privileges and obligations on a going concern basis through a vendor agreement signed between the Peoples Republic of Bangladesh and Janata Bank limited on November 15, 2007 with a retrospective effect from July 1, 2007. All of the activities are governed by the Bank Companies Act 1991. In the FY09, the authorized capital was BDT 3.2 billion against paid up capital of BOT 1.6 billion.

Janata Banks main activity is to provide commercial banking services. The principal activity of its subsidiary is to carry on the remittance of foreign currency to Bangladesh. The Bank has opened NRB branches in UAE and Italy to render exclusive services to Non-Resident Bangladeshi & Janata Bank provides services through 847 branches all over the country. In the FY09, the Banks total asset was worth BDT 293.66 billion. In the same year; the total operating income was BDT 13.69 billion followed by EBIT of BDT 8.57 billion. The Banks basic EPS for the year was BOT 78.02.

4.17 Mercantile Bank Limited¹⁶

Mercantile Bank Limited was incorporated in 1999, as a public limited company, under the Companies Act 1994. The bank entered the capital market in 2003. In FY09, the authorized capital in FY09 was BOT 8 billion against which the paid up capital was BDT 2.15 billion. The Bank's shares are listed with both DSE and CSE.

Mercantile Bank's main activity is to provide commercial banking service. The bank operates in the areas of commercial banking, retail banking, SME banking, corporate banking, foreign exchange transaction banking. It offers products and services like monthly saving scheme, family maintenance deposit scheme, double

benefit deposit scheme, consumer credit scheme, house building loan scheme and SME Loan. The bank has a network of 50 branches and 3 SME service centers all over Bangladesh. In FY09, the bank's total operating income was BDT 3.49 billion which is increased by 23% followed by EBIT of BDT 1.91 billion. The Bank's basic EPS for the year was BDT 37.41.

4.18 Mutual Trust Bank Limited¹⁷

Mutual Trust Bank Limited was incorporated on September 29, 1999 under the Companies Act 1994 as a public company limited by shares. In the FY09, the authorized capital was BDT 3.8 billion against paid up capital of BDT 1.7 billion. MTB provides commercial banking service. The Bank carries its activities through its Head Office along with 44 branches, 10 SME Service Centers and eight brokerage houses. The Bank carries out international business through a global network of foreign correspondent banks. The Bank has a total manpower of 841. In the FY09, MTB's total operating profit was BDT 2.5 billion followed by EBIT of BDT 1.6 billion. In the FY09, the Bank had some significant achievement as operational highlights, like 22% increase in number of branches followed by complete 100% increase in the number of SME service Centers and brokerage houses compared to the previous year. The Bank's basic EPS for the year was BDT 46.46.

4.19 National Bank Limited¹⁸

National Bank Limited was incorporated as a public limited company on March 15, 1983. The Bank obtained its license from Bangladesh Bank for carrying out banking businesses on March 22, 1983. In the FY09, the authorized capital was BDT 7.45 billion against paid up capital of BOT 2.85 billion. The Bank's shares are listed with DSE and CSE.

NBL's commercial banking business activities encompasses a range of services like deposits, loans, discounting bills, conducting money transfer, foreign exchange transactions and performing other related services. In the FY09, the total

number of branches including SME Centers was 131 with 2,960 employees. The Bank has an extensive network of drawing arrangements within 37 exchange companies located in 13 countries. In the FY09, NBL registered total operating income of BDT 6.55 billion followed by EBIT of BDT 3.41 billion. The Bank's basic EPS for the year was BDT 72.74.

4.20 National Credit and Commerce Bank Limited¹⁹

National Credit and Commerce Bank limited (NCCBL) was incorporated in Bangladesh as a public limited banking company on May 17, 1993 with 16 Branches to carry on all kinds of banking business in and outside Bangladesh. Its share is listed with Dhaka and Chittgong Stock Exchanges as a publicly traded company. The total capital and reserves of the bank of the stands at Tk. 10272.34 million as on December 2010. NCCBL has diversified business under broad category of commercial banking and investment banking. The commercial banking business activities of the bank encompasses a wide range of products and services including Deposit products, Corporate products, SME and Trade Products, Card Products and Remittance Services. Apart from commercial banking NCCBL is also an active player in the capital market through a subsidiary company and a Primary Dealership of various Govt. approved securities.

At present NCCBL has 81 branches with a dedicated team of 1604 personnel. Moreover NCCBL's customers have access to a vast network of own and shared ATM⁵ spanning all major locations of the country, 06 more branches will open in 2011. The Bank earned a satisfactory result during the year 2010, which contributed in continuing our steady growth in respect of all major indicators namely Deposit, Advance and Profit. During the year the operational profit reached BDT 4100.21 million recording a 30.68% growth compared to previous year. Growth in Deposit and Loans & Advance were also commendable with BDT 67961.24 million and 63230.14 million respectively. Financing in SME & Agricultural sector continued to be a priority and has encouraged to plan further

expansion of branches in the urban and semi-urban areas. The bank is also well focused in serving the NRBs and handled a remittance volume of USD 176.50 million in 2010. Partnering with TMSS, a reputed NGO under RPCF project of DFID, UK has contributed to the extension of the bank's remittance services to far-flung areas of Bangladesh.

NCCBL has always given due importance to its responsibility to the society and has been actively participating in various CSR activities under the banner of NCC Bank Foundation established in 2007. It has been offering scholarships to meritorious students, distributing books and computers to educational institutions in remote areas of the country, providing relief to victims of flood and other natural calamities and patronizing important sports events and the like.

4.21 One Bank Limited²⁰

One Bank Limited is a private commercial bank incorporated in Bangladesh and commenced operation on July 14, 1999 by obtaining license from Bangladesh Bank. The Bank went into IPO in 2003. In the FY09, the authorized capital was BDT 4.15 billion against paid up capital of BDT 1.55 billion. The Bank's shares are listed with OSE and CSE. One Bank's main activity is to provide commercial banking services. The Bank conducts the services through 39 branches and around seven booths. In the FY09, One Bank's total operating income was BDT 2.62 billion followed by EBIT of BDT 1.68 billion. The Company's basic EPS for the year was BDT 46.63.

4.22 Prime Bank Limited²¹

Prime Bank Limited focuses on a wide range of financial products and services. It includes commercial banking (corporate, SME, agriculture, retail banking and credit cards) in both conventional and Islamic modes. It operates through 95 branches and 15 SME branches. The merchant and investment banking activities are conducted through its subsidiaries Prime Bank Investment Limited (PBIL) and

Prime Bank Securities Limited (PBSL). The off-shore banking is carried out through three offshore banking units in Dhaka EPZ, Chittagong EPZ and Adamjee EPZ. The remittance facilities to expatriate Bangladeshis are conducted through its exchange houses in Singapore and UK, local NGOs and commercial banks.

The bank has ATM network of 48 ATMs across the country along with around 1,100 shared ATMS. The bank offers full-scale real-time online banking through its world-class technology platform Temenos T24. The bank has ATM cards (VISA and Master Card), debit cards (Master) and introduced Internet Banking, SMS Banking and Phone Banking. The bank has Bill pay machine I Kiosk in its distribution network. PBL has established correspondent banking relationship with 621 banks in 58 countries around the world. The bank has an agreement with Asian Development Bank (ADB) under its TFFP Program.

4.23 Pubali Bank Limited²²

Pubali Bank Limited is the largest Commercial Bank in Private Sector arena in Bangladesh which has Completed 50 years of its existence on 19th May, 2009. It provides mass banking services to the customers through its 400 Branch network all over the country. This Bank has been playing a vital role in socio-economic, industrial and agricultural development as well as in the overall economic development of the country. Pubali Bank Limited was established in 1959 as Eastern Mercantile Bank Ltd. sponsored by some reputed businessmen in the then East Pakistan. In 1972, after liberation the Bank was nationalized as Pubali Bank. In 1983, the Bank was incorporated as a public limited company in the name of Pubali Bank Limited with a vision to be the best private commercial bank in Bangladesh.

The principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches in Bangladesh. The activities consist of services including mobilizing deposits, providing Loans and Advances, conducting money transfer, SME Loan, Lease Financing, CLS Loan, Retail

Banking, handling of Foreign Remittance, Foreign Exchange Business/transactions and providing related services. Pubali Bank Ltd has several NOSTRO accounts in USA, UK, Germany, Japan, Canada, Switzerland, Singapore, India, Pakistan, Nepal and Bhutan. The Bank has been conducting Foreign Exchange business through the Foreign Correspondents and undertaking transaction/settlement through NOSTRO A/c maintaining with all required standard with reputation. At present, the bank has tied up with 59 Exchange Companies including 2 Banks around the globe for remittance business.

4.24 Rajshahi Krishi Unnayan Bank²³

Rajshahi Krishi Unnayan Bank was incorporated in 1986. In the FY09, the Bank's authorized capital was BDT 7.5 billion against paid up capital of BUT 5.7 billion. Rajshahi Krishi Unnayan Bank (RAKUB) is a state-owned bank with a regional approach. The Bank emerged as the government's plan of intensive care for agriculture of the Rajshahi division, to provide livelihood to 35 million people of the area. The region is comparatively less developed, but has strong potential in the agricultural sector. Along with giving agricultural credit, RAKUB provides deposit banking services through 365 brandies. The Bank's functions also include financing agri-business and agro-based industries and poverty alleviation programs. In the FY09, RAKU B's total operational income was BUT 930 million.

4.25 Rupali Bank Limited²⁴

Rupali Bank Limited (RBL) was incorporated as public limited company on December 14, 1986 under Companies Act 1994. In the FY09, the Bank's authorized capital was BDT 7 billion against paid up capital of BDT 1.2 billion. The Bank's shares are listed with DSE and CSE. Rupali Bank's main activity consists of commercial banking service. It operates through 492 branches all over the country. In the FY09, the total operating income was BDT 4 million, indicating a growth of 44.5% followed by EBIT of BDT 2.09 billion, an increase of 83.28%. The Bank's basic EPS for the year was BDT 133.48.

4.26 Sonali Bank Limited²⁵

Sonali Bank Limited (SBL) was incorporated on June 03, 2007 as a public limited company. Subsequently, the bank took over the undertaking and business of Sonali Bank of the Peoples Republic of Bangladesh and the SBL effects from July 1, 2007. It is now a fully state owned largest commercial bank of Bangladesh. In the FY08- 09, the bank authorized capital was BDT 10 billion against paid up capital of BDT 9 billion. SBL operates its services through 1182 branches including two overseas branches at Kolkata and Siligury in India as on December 31, 2008. The bank provides a comprehensive range of commercial banking services along with Government treasury functions as an agent of Bangladesh Bank. SBL has a subsidiary company named Sonali Exchange Co. Inc (SECI) and it is an associate of Sonali Bank UK. Ltd. SBL earned turnover of BDT 12.6 billion. In the FY08, the loans & advances had increased by BDT 24.84 billion and an amount of BDT 6.860 billion had been disbursed as agriculture loan, which was the highest ever disbursement. In the FY08-09 the Bank's basic EPS was BDT 25.68.

4.27 Southeast Bank Limited²⁶

Southeast Bank Limited is a commercial bank in the private sector established under the Bank Companies Act 1991 and incorporated in Bangladesh as a public limited company to carry out its banking business. In the FY09, the authorized capital was BDT 10 billion against paid up capital of BDT 3.42 billion. The Bank's shares are listed with DSE and CSE. Southeast Bank's activity is to provide commercial banking services. It operates through 51 branches, 10 SME Service Centre and five branches of Islamic banking, but no overseas branches as on December 31, 2009. In November 2009, the bank signed Money Transfer Agreement with "National Exchange Company srl, Italy". The Bank also received "Certificate of Merit" (Banking Sector) from Institute of Chartered Accounts of Bangladesh (ICAB) for Best Published Accounts and Report 2008. In the FY09, the total operating income was BDT 5.85 billion followed by EBIT of BDT 4.61 billion. The Bank's basic EPS for the year was BDT 54.64.

4.28 Standard Bank Limited²⁷

Standard Bank Limited (SBL) was incorporated on May 11, 1999 as a public limited company. It started its commercial operation on June 3, 1999. The bank went for the public issue of shares in 2003. In the FY09, the authorized capital was BUT 8.8 billion against paid up capital of BDT 2.64 million. The Bank's shares are listed with DSE and CSE. SBL provides the commercial services that include accepting deposits, providing loans, discounting bills, conducting money transfer and foreign exchange transactions. Its other related services are safe keeping, issuing guarantees and acceptances and letter of credit. The operations are provided through 41 branches, six SME/Krishi branches, two Islamic banking windows, one Merchant banking wing and also one Overseas Exchange House around the country. In the FY09, the total operating income was BDT 2.19 million followed by EBIT of BDT 1.53 billion. The Bank's basic EPS for the year was BUT 29.24.

4.29 The City Bank Limited²⁸

The City Bank Limited was incorporated on March 27, 1983 and commenced their banking services in the same month with their first branch at B. B. Avenue Branch in the capital, Dhaka city. In the FY09, the Bank's authorized capital was BDT 1.7 billion against paid up capital of BDT 1.57 billion. The Bank's shares are listed with DSE and CSE. The City Bank's main activity is to provide commercial banking service. It manages its business and operation vertically from the Head Office through four distinct business divisions namely Corporate & Investment Banking; Retail Banking (including Cards); SME Banking; and Treasury & Market Risks. In the FY09, the Bank had 87 online branches and 14 SME business centers and 10 SME service centers spread across the country, including a full-fledged Islami banking branch. The City Bank is the first bank in the country to have issued Dual Currency Credit Card. In the FY09, the total operating income was BDT 4.3 billion followed by EBIT of BDT 2.2 billion. The Bank's basic EPS for the year was BDT 52.11.

4.30 The Premier Bank Limited²⁹

The Premier Bank Limited incorporated as a banking company on June 10, 1999 under the Companies act 1994. Bangladesh Bank, the Central Bank of Bangladesh, issued its banking license on June 17, 1999 under Banking Companies Act 1991. In the FY09, the authorized capital was BDT 6 billion against paid up capital of 2.24 billion. The Premier Bank's main activity is to provide commercial banking services. Its services include SMS Banking, Online Banking, Islamic Banking, International Services, ATM services and other value added services through its 38 branches and five SME service centers. In the FY09, the Bank's total operating income was BDT 2.45 billion, marking an increase of 13.41% from the previous year, while the EBIT stood at BDT 1.39 billion. The Bank's basic EPS for the year was BDT 48.54.

4.31 Trust Bank Limited³⁰

Trust Bank Limited (TBL) is a scheduled Commercial bank established under the Bank Companies Act, 1991 was incorporated on September 17, 1999 as a public limited company. The banks authorized capital was BOT 5 billion against which the BDT 1.8 billion. The shares are listed with both DSE and CSE. TBL provides commercial banking services like deposit banking, loans & advances, export, import, financing national & international remittance facilities. It also operates merchant banking, Islami Banking, Retail Banking and SME Financing Services. The services are provided through 42 branches and 4 SME Service Centers throughout the country. 60% of the share capital is sponsored by the Army Welfare Trust. In the FY09, the total operating income was BDT 2.46 billion followed by EBIT of BDT 1.35 million. The Bank's basic EPS for the year was BDT 33.06.

4.32 United Commercial Bank Limited³¹

United Commercial Bank Limited was incorporated in June 26, 1983. The Bank started its commencement in June 27, 1983. It is a public limited company and its shares are listed with both DSE & CSE. In the FY09, the Bank's authorized capital

was BOT 1 billion against which the paid up capital was BDT 299.20 million. UCBL's main activity is to provide commercial banking service. Presently, the Bank has a country-wide network of 109 branches. It also has 296 correspondents covering 57 important countries in all the continents of the world which is continuously expanding to meet the growing cross-border banking needs of the customers. In the FY09, total assets of the Bank were BDT 90.49 billion. In the FY09, the total operating income was BDT 5.1 billion followed by EBIT of BDT 3.1 billion. The Bank's basic EPS for the year w BDT311.79.

4.33 Uttara Bank Limited³²

Uttara Bank Limited was a nationalized bank in the name of Uttara Bank under the Bangladesh Bank order in 1972. It was formerly known as the Eastern Banking Corporation Limited. The Bank started operation on January 2, 1965 and started listing its shares in 1983. Uttara Bank Limited was incorporated as a banking company on June 29, 1983 and obtained business commencement certificate on August 21, 1983. In the FY09, the authorized capital was BDT 3.2 billion against paid up capital of BDT 1.6 billion. Uttara Bank's main activity is to provide commercial banking services. Its operations include Retail Banking, SME Banking, Corporate Banking and Syndicate Banking and other services. In the FY09, the Bank's total asset was worth BDT 71.94 billion. The Bank operates through 211 branches all over the country with a total manpower of over 3291. In the same year, the total operating income was BDT 4.60 billion followed by EBIT of BOT 2.51 billion. The Bank's basic EPS of the year was BDT 69.19.

END NOTES

- ¹ Dun & Bradstreet Rating Agency Bangladesh Limited (2010), Bangladesh's Top 500 Companies, pp. 1-20.
- ² Agrani Bank Limited, Annual Report 2010.
- ³ Al-Arafah Islami Bank Limited, Annual Report 2010.
- ⁴ Bangladesh Development Bank Limited, Annual Report 2010.
- ⁵ Bank Asia Limited, Annual Report 2010.
- ⁶ BASIC Bank Limited, Annual Report 2010.
- ⁷ Brac Bank Limited, Annual Report 2010.
- ⁸ Dhaka Bank Limited, Annual Report 2010.
- ⁹ Dutch-Bangla Bank Limited, Annual Report 2010.
- ¹⁰ Eastern Bank Limited, Annual Report 2010.
- ¹¹ Export Import Bank of Bangladesh Limited, Annual Report 2010.
- ¹² International Finance Investment and Commerce Bank Limited, Annual Report 2010.
- ¹³ Islami Bank Bangladesh Limited, Annual Report 2010.
- ¹⁴ Jamuna Bank Limited, Annual Report 2010.
- ¹⁵ Janata Bank Limited, Annual Report 2010.
- ¹⁶ Mercantile Bank Limited, Annual Report 2010.
- ¹⁷ Mutual Trust Bank Limited, Annual Report 2010.
- ¹⁸ National Bank Limited, Annual Report 2010.
- ¹⁹ National Credit and Commerce Bank Limited, Annual Report 2010.
- ²⁰ One Bank Limited, Annual Report 2010.

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- ²¹ Prime Bank Limited, Annual Report 2010.
- ²² Pubali Bank Limited, Annual Report 2010.
- ²³ Rajshahi Krishi Unnayan Bank, Annual Report 2010.
- ²⁴ Rupali Bank Limited, Annual Report 2010.
- ²⁵ Sonali Bank Limited, Annual Report 2010.
- ²⁶ Southeast Bank Limited, Annual Report 2010.
- ²⁷ Standard Bank Limited, Annual Report 2010.
- ²⁸ The City Bank Limited, Annual Report 2010.
- ²⁹ The Premier Bank Limited, Annual Report 2010.
- ³⁰ Trust Bank Limited, Annual Report 2010.
- ³¹ United Commercial Bank Limited, Annual Report 2010.
- ³² Uttara Bank Limited, Annual Report 2010.

Chapter Five

Testing of Hypotheses, Major Observations and Findings

Part-I

Testing of Hypotheses

This Chapter consists of three major sections narrating the testing of hypotheses based on secondary data, opinion survey of bank executives and executives of advertising agencies (Primary data). The components of secondary information are arranged in different tables and diagrams following a good sequence.

Table 5.1: Descriptive statistics of Deposits for different banks (in Tk.)

Indicators	Banks	Mean	Std. Deviation	Minimum	Maximum
Deposits	JBL	227132.2000	40905.63815	182947.00	286567.00
	PBL	73001.2440	21363.00582	46675.93	98850.50
	NBL	65561.1880	24817.66535	40350.87	102471.83
	MBL	51176.3220	16627.91005	33332.65	75629.14
	UCB	46417.2000	20736.06881	24559.00	77730.00
	EBL	42602.8000	10478.61435	30092.00	56425.00
	BAL	34212.3160	14465.68913	18500.07	54832.82
	MTBL	33812.3520	10401.67615	22264.05	45846.31
	SBL	33578.3340	5094.84408	27707.90	40615.15
	SIBL	19318.2100	3128.12952	16170.51	24099.82

Source: Annual reports of sample banks

From the above table of descriptive statistics for deposits of different banks we observe that JBL has maximum deposit on average (227132.20) with standard deviation 40905.638. Maximum deposit is observed Tk. 286567.00 and minimum Tk. 182947.00 for JBL followed by PBL, NBL, MBL, UCB, EBL, BAL, MTBL, SBL and SIBL respectively. Minimum standard deviation is observed for SIBL.

The mean plot and line diagram of Deposits for different banks are given below:

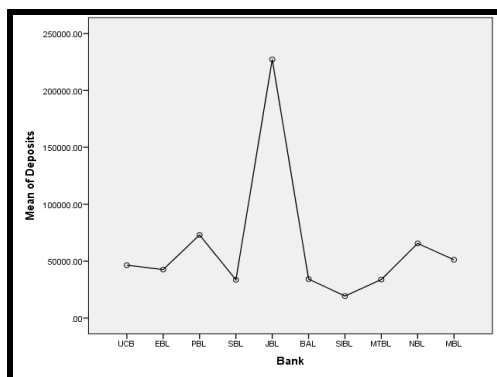


Figure 5.1: Mean Plot of Deposit of different Banks

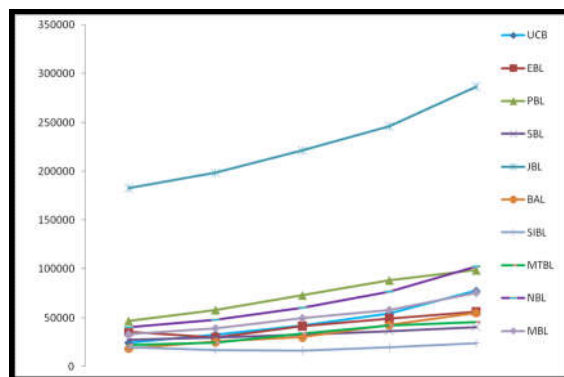


Figure 5.2: Line diagram of Deposit of different Banks

Table 5.2: Descriptive statistics of Loan and Advances for different banks (in Tk.)

Indicators	Banks	Mean	Std. Deviation	Minimum	Maximum
Loans & Advances	JBL	159292.4000	40501.18501	121200.00	225732.00
	PBL	63206.7020	19200.84973	40386.65	89106.21
	NBL	55396.6680	24134.40197	32709.68	92003.56
	MBL	43362.5220	15482.70726	26842.14	66377.70
	EBL	40581.4000	13047.07146	26008.00	58607.00
	UCB	38003.0000	16285.57254	20211.00	61692.00
	BAL	31765.0680	13268.46646	17869.84	50267.92
	MTBL	28672.8280	8452.16771	18591.52	39676.12
	SBL	23191.5120	1767.85676	20634.76	25402.25
	SIBL	15937.7180	2586.69331	12887.30	19951.30

Source: Annual reports of sample banks

From Table of descriptive statistics for Loan and Advances we observe that JBL ranked first followed by PBL, NBL, MBL, EBL, UCB, BAL, MTBL, SBL and SIBL respectively. Minimum standard deviation is observed for SBL.

The mean plot and line diagram of Loan and Advances for different banks are given below:

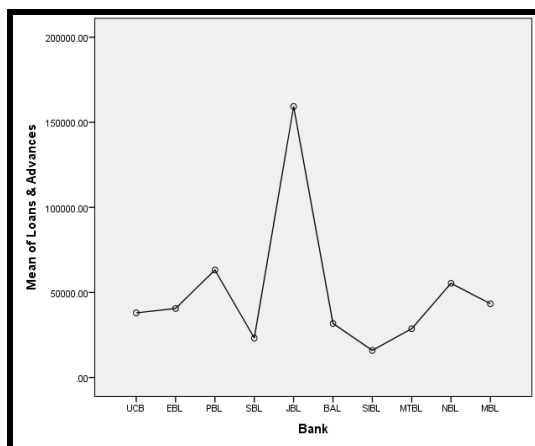


Figure 5.3: Mean Plot of Loan and Advances of different Banks

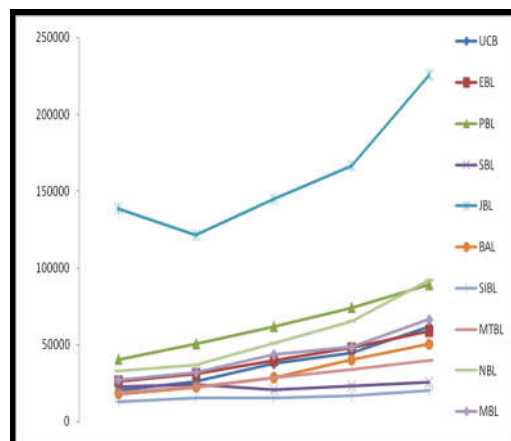


Figure 5.4: Line diagram of Loan and Advances of different Banks

Table 5.3: Descriptive statistics of Investment for different banks (in Tk.)

Indicators	Banks	Mean	Std. Deviation	Minimum	Maximum
Investments	JBL	53703.6000	17514.18900	24785.00	72533.00
	NBL	12092.9780	7551.92820	6239.38	24993.32
	PBL	9519.8620	4836.72742	4982.10	16516.39
	MTBL	8252.1220	3537.00575	3956.53	12943.29
	MBL	7874.9000	2337.75824	5407.90	10937.20
	EBL	6661.0000	2611.01197	3457.00	9827.00
	UCB	6208.6000	2367.28754	2877.00	9346.00
	BAL	5120.3320	2909.40483	2256.28	9663.10
	SIBL	482.8180	306.92691	.06	853.46
	SBL	.0000	.00000	.00	.00

Source: Annual reports of sample banks

In case of Investments, JBL again ranked first followed by NBL, PBL, MTBL, MBL, EBL, UCB, BAL, and SIBL respectively. No investment occurred for SBL. Minimum standard deviation is observed for SIBL which is 306.927.

The mean plot and line diagram of Loan and Advances for different banks are given below:

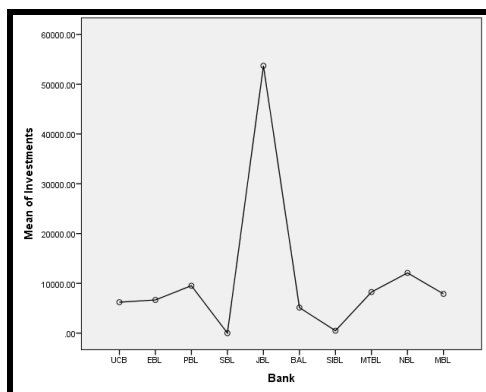


Figure 5.5: Mean Plot of Investment of different Banks

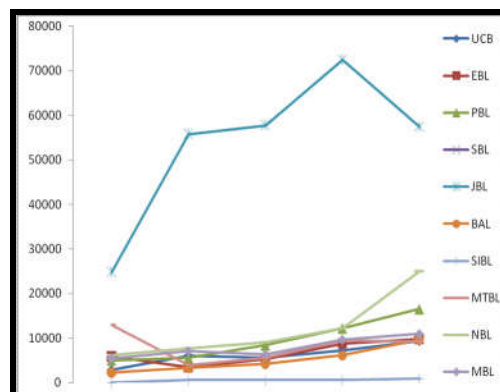


Figure 5.6: Line diagram of Investment of different Banks

Table 5.4: Descriptive statistics of Gross Income for different banks (in Tk.)

Indicators	Banks	Mean	Std. Deviation	Minimum	Maximum
Gross Income	MTBL	25580.2200	52136.45323	1284.86	118834.00
	JBL	22080.8000	5579.83828	16272.00	30614.00
	PBL	9016.7420	2888.35373	5494.49	12828.53
	UCB	6149.6000	2612.19119	3188.00	9540.00
	NBL	6074.5200	2368.78090	3674.32	9616.14
	MBL	5593.0080	1682.39029	3498.67	7669.42
	BAL	3905.9380	1748.49014	1804.37	6247.49
	SBL	2329.4540	689.01633	1429.02	3256.59
	EBL	2208.8000	1173.24239	1134.00	3992.00
	SIBL	.0000	.00000	.00	.00

Source: Annual reports of sample banks

Highest average Gross Income observed for MTBL is Tk. 25580.22 followed by JBL, PBL, UCB, NBL, MBL, BAL, SBL and EBL respectively. No gross income data is found for SIBL.

The mean plot and line diagram of Loan and Advances for different banks are given below:

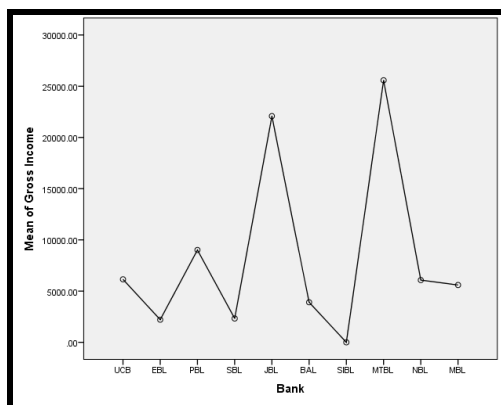


Figure 5.7: Mean Plot of Gross Income of different Banks

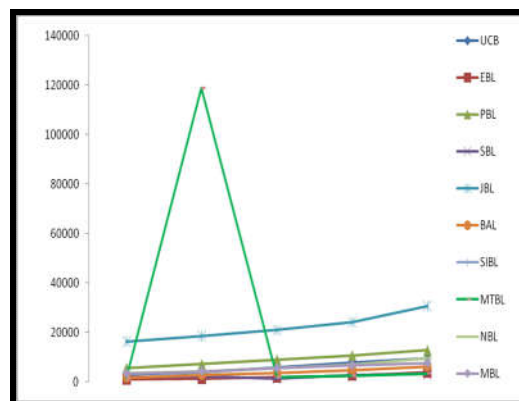


Figure 5.8: Line diagram of Gross Income of different Banks

Table 5.5: Descriptive statistics of Gross Expenditure for different banks (in Tk.)

Indicators	Banks	Mean	Std. Deviation	Minimum	Maximum
Gross Expenditure	JBL	14722.0000	2477.34979	12059.00	18577.00
	PBL	5512.2620	1603.59484	3684.43	7343.48
	UCB	4136.4000	1803.11267	2036.00	6415.00
	MBL	3959.9500	1054.03069	2662.58	5176.00
	NBL	3789.0960	1268.21541	2449.76	5577.09
	BAL	2897.6160	1242.74230	1359.61	4498.02
	SBL	2026.5780	783.93608	1004.32	3025.54
	MTBL	739.6780	433.55784	315.39	1396.93
	EBL	.0000	.00000	.00	.00
	SIBL	.0000	.00000	.00	.00

Source: Annual reports of sample banks

Maximum average gross expenditure is observed for JBL followed by PBL, UCB, MBL, NBL, BAL, SBL and MTBL respectively. No gross expenditure data are found for EBL and SIBL.

The mean plot and line diagram of Loan and Advances for different banks are given below:

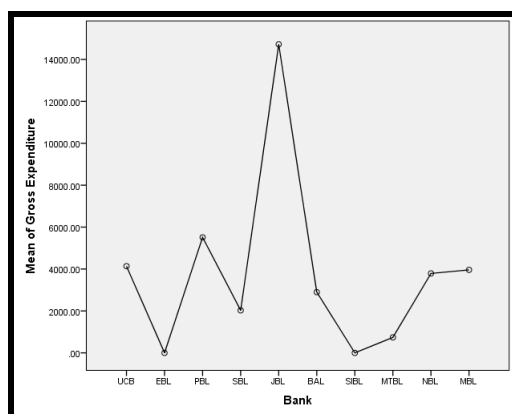


Figure 5.9: Mean Plot of Gross Expenditure of different Banks

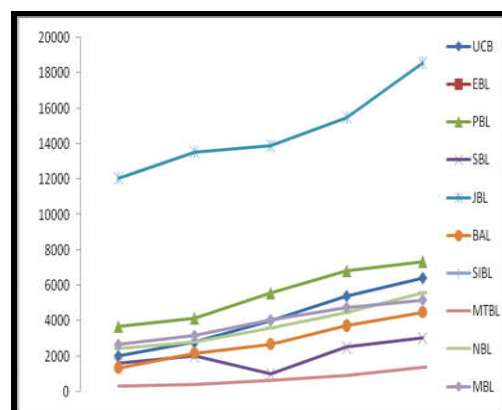


Figure 5.10: Line diagram of Gross Expenditure of different Banks

Table 5.6: Descriptive statistics of Net Profit (Pre-tax) for different banks (in Tk.)

Indicators	Banks	Mean	Std. Deviation	Minimum	Maximum
Net Profit (Pre-tax)	JBL	2813.4000	1408.86170	1352.00	4907.00
	NBL	2438.7680	2535.06511	507.49	6860.34
	PBL	1807.9180	912.45440	845.53	3233.09
	UCB	1369.2000	315.34061	852.00	1668.00
	EBL	1122.0000	833.48125	419.00	2425.00
	SBL	826.1020	1567.95328	20.80	3627.56
	MBL	776.6920	381.81546	494.22	1425.34
	BAL	719.7580	368.33635	383.51	1327.18
	MTBL	560.6160	333.55527	210.80	988.36
	SIBL	178.9260	113.78982	54.20	354.81

Source: Annual reports of sample banks

Maximum average net profit (pre-tax) is observed for JBL followed by NBL, PBL, UCB, EBL, SBL, MBL, BAL, MTBL and SIBL respectively.

The mean plot and line diagram of Loan and Advances for different banks are given below:

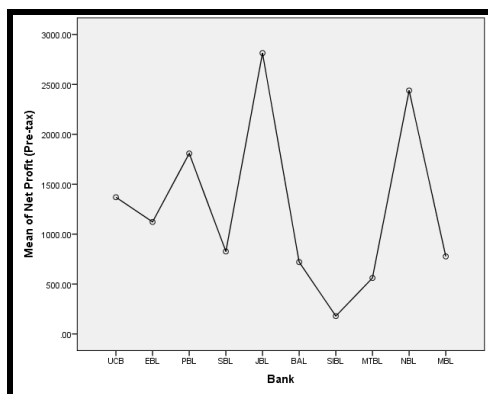


Figure 5.11: Mean Plot of Net Profit of different Banks

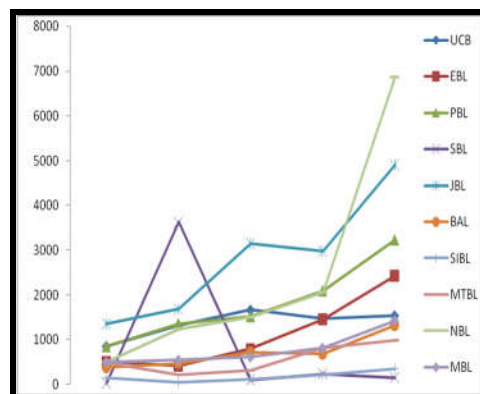


Figure 5.12: Line diagram of Net Profit of different Banks

Table 5.7: Descriptive statistics of Advertising Expenditure for Various Media of different banks (in Tk.)

Indicators	Banks	Mean	Std. Deviation	Minimum	Maximum
Advertising Expenditure for Various Media	EBL	110092541.4000	10436635.14525	9.94E+007	1.24E+008
	NBL	58462680.0000	51824972.06522	8.37E+006	1.22E+008
	UCB	48114389.0000	9160661.13617	4.15E+007	6.33E+007
	MBL	43957495.2000	12029125.97632	2.89E+007	5.98E+007
	MTBL	39941616.8000	19984755.62015	2.83E+007	7.55E+007
	PBL	35496829.8000	9456839.54877	2.70E+007	5.14E+007
	SBL	33790127.8000	57391810.92190	7.14E+006	1.36E+008
	JBL	15985120.4000	8733636.19429	1.02E+007	3.10E+007
	SIBL	7898537.6000	1723770.24895	5.99E+006	9.60E+006
	BAL	14165.0000	12327.06571	4856.00	28693.00

Source: Annual reports of sample banks

Finally from Table we observe the average maximum advertising expenditure for various media for EBL followed by NBL, UCB, MBL, MTBL, PBL, SBL, JBL, SIBL and BAL respectively.

The mean plot and line diagram of Loan and Advances for different banks are given below:

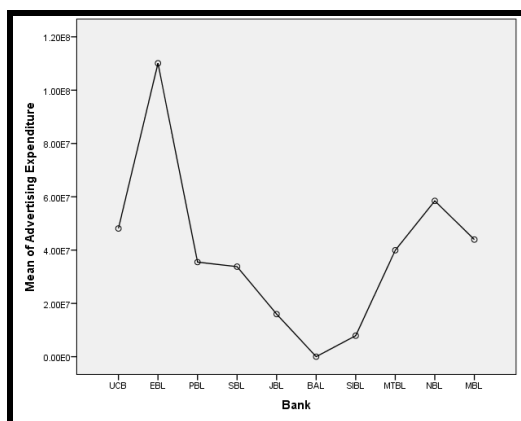


Figure 5.13: Mean Plot of Advertising Expenditure of different Banks

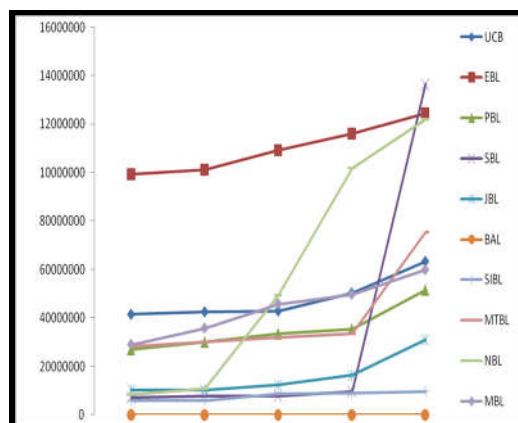


Figure 5.14: Line diagram of Advertising Expenditure of different Banks

Table 5.8: Correlation coefficient between Advertising Expenditure of Various Media with Managerial Performance Indicators

Banks	UCB	EBL	PBL	SBL	JBL	BAL	SIBL	MTBL	NBL	MBL
Deposit	0.963 (0.008)	0.967 (0.007)	0.883 (0.047)	0.782 (0.118)	0.936 (0.019)	0.932 (0.021)	0.437 (0.462)	0.717 (0.173)	0.967 (0.007)	0.985 (0.002)
Loan and Advances	0.936 (0.019)	0.997 (0.000)	0.930 (0.022)	0.700 (0.188)	0.983 (0.003)	0.939 (0.018)	0.794 (0.109)	0.792 (0.110)	0.963 (0.008)	0.986 (0.002)
Investments	0.874 (0.053)	0.879 (0.049)	0.946 (0.015)	#DIV/0	0.332 (0.585)	0.900 (0.037)	0.766 (0.131)	0.119 (0.849)	0.864 (0.059)	0.882 (0.048)
Gross Income	0.903 (0.036)	0.989 (0.001)	0.922 (0.026)	0.759 (0.137)	0.959 (0.010)	0.911 (0.032)	#DIV/0	-0.259 (0.675)	0.962 (0.009)	0.991 (0.001)
Gross Expenditure	0.895 (0.040)	#DIV/0	0.853 (0.066)	0.720 (0.170)	0.961 (0.009)	0.915 (0.029)	#DIV/0	0.894 (0.041)	0.981 (0.003)	0.985 (0.002)
Net Profit (Pre-Tax)	0.428 (0.473)	0.968 (0.007)	0.980 (0.003)	-0.243 (0.694)	0.918 (0.028)	0.754 (0.141)	0.712 (0.177)	0.746 (0.147)	0.811 (0.096)	0.890 (0.043)
Advertising Expenditure of Various Media	<p>The Common Hypothesis is, H_{01}: The advertising expenditure of various media is not correlated with managerial performance indicators (i.e., deposit, loan and advances, investments, gross income, gross expenditure and net profit) for different commercial banks. H_1: H_0 is not true. N.B. The value of (***) is the ρ value. The “#DIV/0” factor indicates that correlation coefficient cannot be calculated due to the unavailability of data.</p>									

Source: Tabulated data

Comments: The above Table represents the correlation between the advertising expenditure of various banks and the indicators of the corresponding bank's managerial performance. Let us first consider UCB. We observe that the advertising expenditure is significantly and positively correlated with deposit, the value of correlation coefficient is 0.963 with probability 0.008 followed by the loan and advances (the value of correlation coefficient is 0.936 with $p=0.019$). The advertising expenditure is also significantly correlated with gross income ($r=0.903$ with $p=0.036$) and gross expenditure ($r=0.895$ with $p=0.04$). The advertising expenditure is also significantly correlated with investment at 6% level of significance ($r=0.874$ with $p=0.053$). There is no significant correlation observed between advertising expenditure and Net Profit for UCB.

We observe from the results of EBL that the advertising expenditure of various media is significantly and positively correlated with deposit, ($r=0.967$ with $p=0.007$), loan and advances ($r=0.997$ with $p=0.000$), Gross Income ($r=0.989$ with $p=0.001$), and Net Profit ($r=0.968$ with $p=0.007$). The advertising expenditure of various media is also significantly and positively correlated with Investment at 5% level of significance ($r=0.879$). The correlation coefficient between advertising expenditure of various media and Gross Expenditure cannot be computed due to non availability of data.

For PBL, the advertising expenditure of various media is significantly and positively correlated with Net Profit ($r=0.98$ with $p=0.003$) followed by Loan and advances ($r=0.93$ with $p=0.022$), Investment ($r=0.946$ with $p=0.015$), Gross Income ($r=0.922$ with $p=0.026$). The advertising expenditure of various media is significantly and positively correlated with deposit at 5% level of significance ($r=0.883$). There is a positive correlation between advertising expenditure of various media and Gross Expenditure is observed at 6.6% level of significance ($r=0.853$ with $p=0.066$).

We experienced from the results of JBL, the advertising expenditure of various media is significantly and positively correlated with loan and advances ($r=0.983$ with $p=0.003$) followed by Gross expenditure ($r=0.961$ with $p=0.009$), Gross Income ($r=0.959$ with $p=0.01$), deposit ($r=0.936$ with $p=0.019$) and Net Profit ($r=0.918$ with $p=0.028$). No significant correlation is observed for Investment with advertising expenditure of various media.

From the BAL's results, we get significant and positive correlation between the advertising expenditure of various media and loan and advances ($r=0.939$ with $p=0.018$) followed by deposit ($r=0.932$ with $p=0.021$), gross expenditure ($r=0.961$ with $p=0.029$), Gross Income ($r=0.911$ with $p=0.032$) and Investment ($r=0.900$ with $p=0.037$). No significant correlation is observed between the advertising expenditure of various media and Net Profit ($p=0.141$).

From the results of SBL we observe no significant correlation between the advertising expenditure of various media and different managerial performance indicators. Similar results are observed in SIBL. This could be another study to find out the reasons why the advertising expenditure of various media has no impact on various managerial indicators for SBL and SIBL.

Almost similar results are observed for MTBL. We observed significant and positive correlation only between advertising expenditure of various media and gross expenditure ($r=0.894$ with $p=0.041$). Rests of the other managerial performance indicators have no significant correlation with advertising expenditure of various media.

A significant and positive correlation is observed between advertising expenditure of various media and Gross Expenditure ($r=0.981$ with $p=0.003$) for NBL followed by deposit ($r=0.985$ with $p=0.007$), Loan and Advances ($r=0.963$ with $p=0.008$) and Gross Income ($r=0.962$ with $p=0.009$). The significant correlation is observed between advertising expenditure for various media and Investment ($r=0.864$ with $p=0.059$) and Net Profit ($r=0.811$ with $p=0.096$) at 10% level of significance.

Finally, for MBL, we observed that the advertising expenditure of various media is significantly correlated with Gross Income ($r=0.991$ with $p=0.001$). Loan and advances ($r=0.986$ with $p=0.002$) Deposit ($r=0.985$ with $p=0.002$) and Gross Income ($r=0.985$ with $p=0.002$) are also significantly correlated with the advertising expenditure of various media. The significant and positive correlation at 5% level of significance level is observed for Net Profit ($r=0.89$ with $p=0.043$) and Investment ($r=0.882$ with $p=0.048$) with the advertising expenditure for different media.

Table 5.9: ANOVA table for Variations in Managerial Performance Indicators among the Banks and advertising expenditure.

Managerial Performance Indicators		Sum of Squares	d.f.	Mean Square	F	Sig.
Deposits	Between Groups	161650822763.004	9	17961202529.223		
	Within Groups	15660130897.222	40	391503272.431	45.878	0.000
	Total	177310953660.226	49			
Loans & Advances	Between Groups	75456620565.580	9	8384068951.731		
	Within Groups	14095823151.604	40	352395578.790	23.792	0.000
	Total	89552443717.185	49			
Investments	Between Groups	10761326459.044	9	1195702939.894		
	Within Groups	1704512662.580	40	42612816.564	28.060	0.000
	Total	12465839121.624	49			
Gross Income	Between Groups	3334412523.996	9	370490280.444		
	Within Groups	11111441999.560	40	277786049.989	1.334	0.251
	Total	14445854523.555	49			
Gross Expenditure	Between Groups	822805012.360	9	91422779.151		
	Within Groups	68105125.253	40	1702628.131	53.695	0.000
	Total	890910137.613	49			
Net Profit (Pre-tax)	Between Groups	32526424.594	9	3614047.177		
	Within Groups	51609158.285	40	1290228.957	2.801	0.012
	Total	84135582.880	49			
Advertising Expenditure	Between Groups	42981839557871176.000	9	4775759950874576.000		
	Within Groups	27541035345070120.000	40	688525883626753.100	6.936	0.000
	Total	70522874902941312.000	49			

Source: Tabulated data

H_{01} : There is no variation in Managerial Performance Indicators (Deposit, Loan and Advances, Investments, Gross Income, Gross Expenditure and Net Profit) among the sample banks.

H_{11} : H_{01} is not true.

H_{02} : There is no variation in advertising expenditure among banks.

H_{12} : H_{02} is not true.

Comments: We observe from the above table that there are significant variations observed among banks for deposits ($p=0.00$), Loan and Advances ($p=0.00$), Investments($p=0.00$), Gross Expenditure ($p=0.00$) and Net Profit($p=0.012$) but no significant variation is observed for gross income ($p=0.251$) among banks.

We also observed significant variation ($p=0.00$) in advertising expenditure for various media among banks.

Part-II

Opinions Survey of Advertising Agency Executives

Details of opinions collected through using structured questionnaire, for the officials of sample advertising agencies are in a good sequence:

Table 5.10: Descriptive statistics of respondents' ages

Age	
Mean	35.40
Std. Deviation	8.884
Minimum	23
Maximum	47

Source: Field Survey

We observe from Table 5.10 that the average age of the respondents is 35.4 years with standard deviation of 8.88. The maximum age observed is 47 year and the minimum age, 23 year.

Table 5.11: Educational Qualification of the Respondents

	Frequency	Percent	Cumulative Percent
Graduate	4	40.0	40.0
Post Graduate	6	60.0	100.0

Source: Field Survey

Table 5.11: shows that 40% of the respondents have graduate degree and 60% of them have post graduate degree.

Table 5.12: Experience of the responding executives of the sample banks

	Frequency	Percent	Cumulative Percent
5-10 years	3	30.0	30.0
10-15 years	4	40.0	70.0
15 years and above	3	30.0	100.0

Source: Field Survey

When we observe the experience of the respondent in Table 5.12, we see that 40% have 10-15 years experience followed by 5-10 and 15 years and above is 30%.

Table 5.13: Nature of ownership of the advertising agencies

	Frequency	Percent	Cumulative Percent
One person firm/sole proprietorship	3	30.0	30.0
Partnership	6	60.0	90.0
Private Company	1	10.0	100.0

Source: Field Survey

Table 5.13 shows the nature of ownership of agencies. It is observed that the major agencies are partnership agency (60%) followed by One person firm/sole proprietorship (30%) and Private Company (10%).

Table 5.14: Favorable factors in site selection

	Frequency	Percent	Cumulative Percent
Available Media Service	2	20.0	20.0
Available Manpower and Technological Services	3	30.0	50.0
Buyer or Client Opportunities	4	40.0	90.0
Infrastructural	1	10.0	100.0

Source: Field Survey

Table 5.14 shows that most of the agencies (40%) develop the site based on buyer or clients' opportunities. 30% choose their site by considering available manpower and technological services. 20% consider available media services and 10% consider infrastructural facilities.

Table 5.15: Independence test.

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Educational Qualification and Nature of ownership	1.667	02	0.435
H ₀₂ : There is no association among Educational Qualification and Site Selection	2.014	03	0.57
H ₀₃ : There is no association among Educational Qualification and Experience	1.319	02	0.517
H ₀₄ : There is no association among Experience and Nature of ownership	1.667	04	0.797
H ₀₅ : There is no association among Experience and site selection	5.486	06	0.483
H ₀₆ : There is no association among Nature of ownership and site selection	5.417	06	0.492

We examine the associations among different attributes of background of the respondents and observed from Table 5.15 that there exists no associations among different attributes.

Table 5.16: Advertisement collection process

	Frequency	Percent	Cumulative Percent
Client contact with agency	1	10.0	10.0
Agency contact with client	2	20.0	30.0
Mail or electronic communications	1	10.0	40.0
Other techniques	6	60.0	100.0

Source: Field Survey

Table 5.16 shows that 60% agencies collect advertisement by following other techniques, 20% agencies collect advertisement through contact with client, 10% client contact with agency and 10% through mail or electronic communications.

Table 5.17: Types of advertisement planning, preparing and placement by the agency

	Frequency	Percent	Cumulative Percent
Printed advertisement	5	50.0	50.0
Electronic or Audio visual advertisement	2	20.0	70.0
Outdoor advertisement	3	30.0	100.0

Source: Field Survey

Table 5.17 shows the various types of advertisement placing by the agency. It is observed that 50% follow through printed advertisement, 20% through electronic or audio visual advertisement and 30% through outdoor advertisement media.

Table 5.18: Contact with customers

	Frequency	Percent	Cumulative Percent
Client contact with agency personnel	1	10.0	10.0
Combination of both	9	90.0	100.0

Source: Field Survey

We observe from table 5.18 that 90% agencies contact with their customer by following combination of both type of contact (i.e. agency personnel contact with client and client contact with agency personnel) and 10% client contact with agency personnel.

Table 5.19: System of fix up advertising rates

	Frequency	Percent	Cumulative Percent
Commission systems	5	50.0	50.0
Fee systems	1	10.0	60.0
Both commission and fee system	4	40.0	100.0

Source: Field Survey

Table 5.19 shows that 50% agencies fix up their advertising rates by following commission systems, 40% by following both commission and fee system and 10% follow fee systems.

Table 5.20: Cost of advertisement Calculation method

	Frequency	Percent	Cumulative Percent
Cost plus pricing for all the factions performed by the agency	6	60.0	60.0
Determine probable cost of advertisement	3	30.0	90.0
Consider media and other costs	1	10.0	100.0

Source: Field Survey

Table 5.20 shows the calculation of the cost of advertising It is observed that, 60% agencies followed cost plus pricing for all the functions performed by the agency followed by determining probable cost of advertisement and 10% consider media and other costs.

Table 5.21: Independence of attributes

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Advertisement collection process and Types of advertisement planning, preparing and placing by the agency	6.22	06	0.399
H ₀₂ : There is no association among Advertisement collection process and Contact with customers	10.00	03	0.019
H ₀₃ : There is no association among Advertisement collection process and System of fix up advertising rates	14.00	06	0.030
H ₀₄ : There is no association among Advertisement collection process and Cost of advertisement Calculation method	5.82	06	0.58
H ₀₅ : There is no association among Types of advertisement planning, preparing and placing by the agency and Contact with customers	2.59	02	0.27
H ₀₆ : There is no association among Types of advertisement planning, preparing and placing by the agency and System of fix up advertising rates	4.35	04	0.36
H ₀₇ : There is no association among Types of advertisement planning, preparing and placing by the agency and Cost of advertisement Calculation method	2.66	04	0.62
H ₀₈ : There is no association among Contact with customers and System of fix up advertising rates	10.00	02	0.007
H ₀₉ : There is no association among Contact with customers and Cost of advertisement Calculation method	2.59	02	0.27
H ₁₀ : There is no association among System of fix up advertising rates and Cost of advertisement Calculation method	4.33	04	0.36

We observe few significant associations from the above table. That is advertisement collection process is significantly associated with contact with customer and system of fixing up advertisement rates. Contact with customer is also significantly associated with the fixing up of advertisement rates. The other attributes are not significantly associated.

Table 5.22: Selection of the media for advertisement

	Frequency	Percent	Cumulative Percent
Emphasis clients interest	4	40.0	40.0
Preference in agency's interest	1	10.0	50.0
Media cost	2	20.0	70.0
Media coverage	3	30.0	100.0

Source: Field Survey

Table 5.22 Shows the media selection for the advertisement. It is shown that 40% emphasis client interest, 30% on media coverage, 20% on media cost and 10% on performance in agencies interest.

Table 5.23: Types of co-operation from the customer

	Frequency	Percent	Cumulative Percent
Good cooperation	4	40.0	40.0
Medium Cooperation	6	60.0	100.0

Source: Field Survey

Table 5.23 shows the co-operation from the customer. It is observed that 60% customer maintain medium co-operation with agency and 40% customer maintain good co-operation.

Table 5.24: Difficulties in selecting advertising media

	Frequency	Percent	Cumulative Percent
Non availability of budget	1	10.0	10.0
Circulation of advertising media	3	30.0	40.0
Coverage of advertising media	5	50.0	90.0
Low quality services	1	10.0	100.0

Source: Field Survey

Table 5.24 shows the difficulties in selecting advertising media. It is seen that, 50% mentioned the coverage of advertising media, 30% for the circulation of advertising media, 10% for non availability of budget and 10% for low quality services.

Table 5.25: Judgment of the effectiveness of media used

	Frequency	Percent	Cumulative Percent
By measuring media coverage	4	40.0	40.0
By measuring clients satisfaction	6	60.0	100.0

Source: Field Survey

Table 5.25 shows that, agency measures the effectiveness of the media by measuring clients' interest (60%) and by measuring media coverage 40% only.

Table 5.26: Types of environmental facilities

	Frequency	Percent	Cumulative Percent
Newspaper	2	20.0	20.0
Govt. patronization	1	10.0	30.0
Management people	7	70.0	100.0

Source: Field Survey

Table 5.26 shows that 70% environmental facilities are from management people, 20% from newspaper and 10% govt. patronization respectively.

Table 5.27: Independence of attributes

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Selection of the media for advertisement and Types of co-operation from the customer	2.04	03	0.57
H ₀₂ : There is no association among Selection of the media for advertisement and Difficulties in selecting advertising media	10.00	09	0.35
H ₀₃ : There is no association among Selection of the media for advertisement and Judgment of the effectiveness of media used	.097	03	0.81
H ₀₄ : There is no association among Selection of the media for advertisement and Types of environmental facilities	7.86	06	0.25
H ₀₅ : There is no association among Types of co-operation from the customer and Difficulties in selecting advertising media	3.89	03	0.27

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₆ : There is no association among Types of co-operation from the customer and Judgment of the effectiveness of media used	0.27	01	0.60
H ₀₇ : There is no association among Types of co-operation from the customer and Types of environmental facilities	2.86	02	0.24
H ₀₈ : There is no association among Difficulties in selecting advertising media and Judgment of the effectiveness of media used	2.22	03	0.53
H ₀₉ : There is no association among Difficulties in selecting advertising media and Types of environmental facilities	2.00	06	0.92
H ₁₀ : There is no association among Judgment of the effectiveness of media used and Types of environmental facilities	1.96	02	0.36

Comments: We observed no significant association among the attributes like selecting of the media for advertisement and types of co-operation from the customer, difficulties in selecting advertising media, judgment of the effectiveness of media used, types of environmental facilities. Types of co-operation from the customer and difficulties in selecting advertising media, judgment of the effectiveness of media used, types of environmental facilities. Difficulties in selecting advertising media and judgment of the effectiveness of media used, types of environmental facilities. Judgment of the effectiveness of media used and types of environmental facilities etc. do not show any significance association.

Table 5.28: Types of environmental difficulties

	Frequency	Percent	Cumulative Percent
Political unrest	4	40.0	40.0
Lack of Govt. cooperation	5	50.0	90.0
Non-cooperation of media	1	10.0	100.0

Source: Field Survey

Table 5.28 shows the environment difficulties faced by the agencies which are 50% for lack of govt. cooperation, 40% for political unrest and 10% for non-cooperation of media.

Table 5.29: Control process of the difficulties

	Frequency	Percent	Cumulative Percent
Motivation	1	10.0	10.0
Negotiation	4	40.0	50.0
Increasing rates	2	20.0	70.0
Publicity	3	30.0	100.0

Source: Field Survey

Table 5.29 shows the controlling techniques of the difficulties. It is observed that 40% of the difficulties are related to controlling through negotiation, 30% are controlling through publicity, 20% are for increasing rates and 10% are in controlling through motivation.

Table 5.30: Reasons for highest performance

	Frequency	Percent	Cumulative Percent
High cost burden	1	10.0	10.0
High competition	3	30.0	40.0
Decline in demand	5	50.0	90.0
Lack of quality of products	1	10.0	100.0

Source: Field Survey

Table 5.30 shows the reasons behind highest sector wise advertisement procurement. It is observed that 50% are for decline in demand 30% are for high competition, 10% are for high cost burden and 10% for lack of quality of product or services.

Table 5.31: Internal and external factors considered in selecting advertising media

	Frequency	Percent	Cumulative Percent
Nature of the products or services	3	30.0	30.0
Characteristics of ad media	3	30.0	60.0
Nature of the market	3	30.0	90.0
Relative cost	1	10.0	100.0

Source: Field Survey

Table 5.31 shows the factors considering in selecting advertising media. It is observed that 30% depend on the nature of the product or services, 30% depend on the characteristics of advertising media, 30% depend on the nature of the market and 10% consider relative cost.

Table 5.32: Results of Chi-square Test:

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Control process of the difficulties with Types of environmental difficulties	8.625	6	0.196
H ₀₂ : There is no association among Reasons for highest performance with Types of environmental difficulties	4.933	6	0.552
H ₀₃ : There is no association among Internal and external factors considered in selecting advertising media with Types of environmental difficulties	14	8	0.082
H ₀₄ : There is no association among Reasons for highest performance with Control process of the difficulties	14.111	9	0.118
H ₀₅ : There is no association among Internal and external factors considered in selecting advertising media with Control process of the difficulties	21.111	12	0.049
H ₀₆ : There is no association among Internal and external factors considered in selecting advertising media with Reasons for highest performance	16.222	12	0.181

The association of some selected variables has been presented in the above table (5.32). It has been observed that internal and external factors considered in selecting the advertising media are associated with environmental difficulties and controlling the difficulties at 10% and 5% level of significance respectively, and all other variables have shown the insignificant association among them.

Table 5.33: Types of incentives given by the agency

	Frequency	Percent	Cumulative Percent
Quality of products of service	2	20.0	20.0
Price rates	6	60.0	80.0
Guarantees and warranties	2	20.0	100.0

Source: Field Survey

Table 5.33 shows the incentives given by the agency. It is shown that 60% agencies offer low price as incentives, 20% provide quality services and 20%, provide guarantees and warranties as their incentives.

Table 5.34: Nature of advertising of the firms

	Frequency	Percent	Cumulative Percent
Circular in newspaper	1	10.0	10.0
Circular in television	3	30.0	40.0
Circular in radio	1	10.0	50.0
Others	5	50.0	100.0

Source: Field Survey

Table 5.34: Shows the media used by the agency for advertising. It is observed that 30% used television as media, 10% follow circular in newspaper, 10% for radio and maximum 50% use other media.

Table 5.35: Methods of selecting the target groups

	Frequency	Percent	Cumulative Percent
On the basis of objectives of the firm	4	40.0	40.0
Combination of both method	6	60.0	100.0

Source: Field Survey

Table 5.35 shows the methods followed by the agency for the fulfillment of their target. It is observed that 60% agencies followed combination of both (percentage of part advertising and percentage of anticipated future advertising) method and 40% agencies followed objectives and task method.

Table 5.36: Technique of fulfilling the targets

	Frequency	Percent	Cumulative Percent
Continuous effort	5	50.0	50.0
Target/actual evaluation	3	30.0	80.0
Feedback	1	10.0	90.0
Corrective action	1	10.0	100.0

Source: Field Survey

Table 5.36 shows the scenario for the fulfillment of their target. It is observed that, 50% of agencies have continuous effort, 30% have through target evaluation, 10% have feedback and 10% have corrective action approach.

Table 5.37: Nature of government patronization

	Frequency	Percent	Cumulative Percent
Govt. orders available	1	10.0	10.0
Timely bill receipt	3	30.0	40.0
Pending bill	2	20.0	60.0
No cooperation	4	40.0	100.0

Source: Field Survey

Table 5.37 shows the scenario of govt. patronization. It is shown that 40% don't have any cooperation, 30% have timely bill receipt, 20% have pending bills and 10% government orders are available.

Table 5.38: Expected further facilities

	Frequency	Percent	Cumulative Percent
Increasing rate	1	10.0	10.0
Timely payment	4	40.0	50.0
More publicity	5	50.0	100.0

Source: Field Survey

Table 5.38 shows the agencies' expected facilities from the government. It is observed that 50% agencies would like to get more publicity, 40% agencies would like to get timely payment and 10% are interested to have increasing rates.

Table 5.39: Results of Chi-square Test:

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Nature of advertising of the firms with Types of incentives given by the agency	7.556	6	0.273
H ₀₂ : There is no association among Methods of selecting the target groups with Types of incentives given by the agency	4.444	2	0.108
H ₀₃ : There is no association among Technique of fulfilling the targets with Types of incentives given by the agency	12	6	0.062
H ₀₄ : There is no association among Nature of government patronization with Types of incentives given by the agency	3.056	6	0.802
H ₀₅ : There is no association among Expected further facilities with Types of incentives given by the agency	0.833	4	0.934
H ₀₆ : There is no association among Methods of selecting the target groups with Nature of advertising of the firms	10	3	0.019
H ₀₇ : There is no association among Technique of fulfilling the targets with Nature of advertising of the firms	16.844	9	0.051
H ₀₈ : There is no association among Nature of government patronization with Nature of advertising of the firms	5.111	9	0.825
H ₀₉ : There is no association among Expected further facilities with Nature of advertising of the firms	4.6	6	0.596
H ₀₁₀ : There is no association among Technique of fulfilling the targets with Methods of selecting the target groups	7.222	3	0.065
H ₀₁₁ : There is no association among Nature of government patronization with Methods of selecting the target groups	2.014	3	0.570
H ₀₁₂ : There is no association among Nature of government patronization with Technique of fulfilling the targets	10.778	9	0.291
H ₀₁₃ : There is no association among Expected further facilities with Technique of fulfilling the targets	3.600	6	0.731
H ₀₁₄ : There is no association among Expected further facilities with Nature of government patronization	13.625	6	0.034

The above table represents the association of some selected variables. There has been found the significant association of target fulfilling technique with types of incentives, advertising technique and technique of selecting target at 10% level of significance respectively. In addition, advertising technique and technique of selecting target is significantly associated at 5% level of significance, source of Nature of government patronization is significantly associated with demanded facilities at 5% level, and all other variables show insignificant association among them.

Table 5.40: Process of measuring effectiveness of programmes

	Frequency	Percent	Cumulative Percent
Profit	1	10.0	10.0
Productivity	2	20.0	30.0
Customer service	5	50.0	80.0
Return on investment	2	20.0	100.0

Source: Field Survey

Table 5.40 shows the techniques of measuring effectiveness of their programs. It is shown that, 50% of the agencies are measuring effectiveness of their programs on the basis of customer service, 20% are on the basis of productivity, 20% follow return on investment and 10% on the basis of profit.

Table 5.41: Difficulties of expansion

	Frequency	Percent	Cumulative Percent
Shortage of fund	1	10.0	10.0
Low demand	2	20.0	30.0
Non cooperation of customer	3	30.0	60.0
Political unrest	4	40.0	100.0

Source: Field Survey

Table 5.41 shows the difficulties of expansion. It is observed that main difficulties for expansion i.e. 40% is for political unrest, 30% is for non-cooperation of customer, 20% for low demand and 10% for shortage of fund.

Table 5.42: Experience about public and private sector advertisement

	Frequency	Percent	Cumulative Percent
Public sector is more conservative	8	80.0	80.0
Private sector is more cordial	2	20.0	100.0

Source: Field Survey

Table 5.42 shows the experience about private & public sector advertisement of agency executives. It is shown that, public sector advertisement is more conservative (80%) and private sector advertisement is more cordial compared to their public advertisement 20%.

Table 5.43: Differences in bill collection systems of private and public sector enterprises

	Frequency	Percent	Cumulative Percent
No difference	3	30.0	30.0
Timely payment in public sector	3	30.0	60.0
Delay in all sectors	4	40.0	100.0

Source: Field Survey

Table 5.43 shows the differences in bill collection systems of the two. It is shown that there are delays in all sectors 40%, timely payment in public sector 30% and No difference 30% at all.

Table 5.44: Difficulties in collection of the bills

	Frequency	Percent	Cumulative Percent
Non cooperation of customer	3	30.0	30.0
High rate	7	70.0	100.0

Source: Field Survey

Table 5.44 shows the difficulties in bill collection. It is observed that 70% customers do not pay bill timely for high rates, 30% for non-cooperation of customer.

Table 5.45: Types of incentives given for early repayment of bills

	Frequency	Percent	Cumulative Percent
Discount and rebate	1	10.0	10.0
Premiums	1	10.0	20.0
Free samples	2	20.0	40.0
Others incentives	6	60.0	100.0

Source: Field Survey

Table 5.45 shows the incentives given by the agencies for early repayment of the bill. It is observed that, 20% followed free samples, 10% discount rebate, 10% premiums and maximum follows other incentives 60%.

Table 5.46: Results of Chi-square Test:

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Difficulties of expansion with Process of measuring effectiveness of programmes	5.333	9	0.804
H ₀₂ : There is no association among Experience about public and private sector advertisement with Process of measuring effectiveness of programmes	1.875	3	0.599
H ₀₃ : There is no association among Differences in Bill collection systems of the two with Process of measuring effectiveness of programmes	7.083	6	0.313
H ₀₄ : There is no association among Difficulties in collection of the bills with Process of measuring effectiveness of programmes	3.810	3	0.283
H ₀₅ : There is no association among Types of incentives given for early repayment of bills with Process of measuring effectiveness of programmes	10.167	9	0.337
H ₀₆ : There is no association among Experience about public and private sector advertisement with Difficulties of expansion	3.750	3	0.290
H ₀₇ : There is no association among Differences in Bill collection systems of the two with Difficulties of expansion	8.056	6	0.234
H ₀₈ : There is no association among Difficulties in collection of the bills with Difficulties of expansion	3.254	3	0.354
H ₀₉ : There is no association among Types of incentives given for early repayment of bills with Difficulties of expansion	14.722	9	0.099

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁₀ : There is no association among Differences in Bill collection systems of the two with Experience about public and private sector advertisement	1.146	2	0.564
H ₀₁₁ : There is no association among Difficulties in collection of the bills with Experience about public and private sector advertisement	1.071	1	0.301
H ₀₁₂ : There is no association among Types of incentives given for early repayment of bills with Experience about public and private sector advertisement	1.667	3	0.644
H ₀₁₃ : There is no association among Difficulties in collection of the bills with Differences in Bill collection systems of the two	2.063	2	0.356
H ₀₁₄ : There is no association among Types of incentives given for early repayment of bills with Differences in Bill collection systems of the two	5.694	6	0.458
H ₀₁₅ : There is no association among Types of incentives given for early repayment of bills with Difficulties in collection of the bills	3.651	3	0.302

The results of Chi-square test have been disclosed in the above table which shows that the difficulties of expansion are significantly associated with the incentives given for early repayment of bill at 10% level of significance and all other variables show the insignificant association among them.

Table 5.47: Reasons for on going market research activities

	Frequency	Percent	Cumulative Percent
Survey customers view	1	10.0	10.0
Contract with other parties	3	30.0	40.0
Discuss with customers	5	50.0	90.0
Discuss with middleman	1	10.0	100.0

Source: Field Survey

Table 5.47 shows the market research techniques. It is observed that, 50% agencies discuss with customer as market research activities, 30% contract with other parties, 10% survey customers' views and 10% discuss with middlemen as their technique.

Table 5.48: Process of selecting marketing strategies

	Frequency	Percent	Cumulative Percent
To see the potential competitive advantages	4	40.0	40.0
Analyze the available resource of the firm	4	40.0	80.0
Others	2	20.0	100.0

Source: Field Survey

Table 5.48 shows that, 40% of the agencies select their marketing strategy by analyzing potential competitive advantage, 40% select their strategy by analyzing the available resource of the firm and 20% followed other technique.

Table 5.49: Nature of types of competition

	Frequency	Percent	Cumulative Percent
Fair	3	30.0	30.0
Unfair	4	40.0	70.0
Optimum	3	30.0	100.0

Source: Field Survey

Table 5.49 shows the competitive situation in the market place. It is observed that 40% of the agencies are facing unfair competition, 30% are fair competition and 30% are facing optimum competition.

Table 5.50: Techniques of facing the diversified competitors

	Frequency	Percent	Cumulative Percent
Providing better services against your competitors	3	30.0	30.0
Low cost against your competitors	3	30.0	60.0
More publicity	4	40.0	100.0

Source: Field Survey

Table 5.50 shows techniques of facing competitors. it is shown that 40% are facing by taking more publicity techniques, 30% are providing better services against their competitors and 30% are offering low cost against their competitors.

Table 5.51: Measuring the Trends in Business Activities

	Frequency	Percent	Cumulative Percent
Volume of earnings	2	20.0	20.0
Number of customers	4	40.0	60.0
Goodwill in market	4	40.0	100.0

Source: Field Survey

Table 5.51 shows the trends of business in the firm. It is observed that 40% agencies measure their trend of business on the basis of number of customer, 40% consider goodwill in the market and 20% consider volume of earning.

Table 5.52: Measure of service productivity

	Frequency	Percent	Cumulative Percent
Cost of service	2	20.0	20.0
Customer satisfaction	3	30.0	50.0
Return on investment	4	40.0	90.0
Others	1	10.0	100.0

Source: Field Survey

Table 5.52 shows the service productivity of the business. It is observed that 40% of the agency calculate their service productivity on the basis of return on investment 30% consider satisfaction, 20% cost of services and 10% consider other factors.

Table 5.53: Results of Chi-square Test:

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Process of selecting marketing strategies with Reasons for on going market research activities	5.667	6	0.462
H ₀₂ : There is no association among Nature of types of competition with Reasons for on going market research activities	6.444	6	0.375
H ₀₃ : There is no association among Techniques of facing the diversified competitors with Reasons for on going market research activities	4.222	6	0.642

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₄ : There is no association among Measuring the Trends in Business Activities with Reasons for on going market research activities	4.333	6	0.632
H ₀₅ : There is no association among Measure of service productivity with Reasons for on going market research activities	4.778	9	0.835
H ₀₆ : There is no association among Nature of types of competition with Process of selecting marketing strategies	9.167	4	0.057
H ₀₇ : There is no association among Techniques of facing the diversified competitors with Process of selecting marketing strategies	9.167	4	0.057
H ₀₈ : There is no association among Measuring the Trends in Business Activities with Process of selecting marketing strategies	7.500	4	0.112
H ₀₉ : There is no association among Measure of service productivity with Process of selecting marketing strategies	10.000	6	0.125
H ₀₁₀ : There is no association among Techniques of facing the diversified competitors with Nature of types of competition	11.111	4	0.025
H ₀₁₁ : There is no association among Measuring the Trends in Business Activities with Nature of types of competition	1.667	4	0.797
H ₀₁₂ : There is no association among Measure of service productivity with Nature of types of competition	8.958	6	0.176
H ₀₁₃ : There is no association among Measuring the Trends in Business Activities with Techniques of facing the diversified competitors	6.667	4	0.155
H ₀₁₄ : There is no association among Measure of service productivity with Techniques of facing the diversified competitors	8.958	6	0.176
H ₀₁₅ : There is no association among Measure of service productivity with Measuring the Trends in Business Activities	7.292	6	0.295

The above table 5.53 represents the association between some selected variables. It has been observed that selection of marketing strategy is significantly associated with sources of competition and facing the competitors at 10% level of significance respectively. Moreover, source of competition has been found to be significantly associated with facing the competitors at 5% level of significance. However, all other variables in this study revealed insignificant association among them.

Table 5.54: Manpower engaged in business

	Frequency	Percent	Cumulative Percent
Mid level	7	70.0	70.0
High level	3	30.0	100.0

Source: Field Survey

Table 5.54 shows the manpower engaged in business organizations. It is observed that 70% of the total employees are mid level officers and 30% employees are in high level.

Table 5.55: Train-up methods followed

	Frequency	Percent	Cumulative Percent
Local training	5	50.0	50.0
Govt. organization	1	10.0	60.0
Private organization	4	40.0	100.0

Source: Field Survey

Table 5.55 shows the training systems of the employees. It is shown that 50% of the employees are getting local training, 40% are getting from private organization and 10% are from Govt. organization.

Table 5.56: Motivational techniques for better services

	Frequency	Percent	Cumulative Percent
Performance appreciate	4	40.0	40.0
Participate in management	3	30.0	70.0
Others facilities	3	30.0	100.0

Source: Field Survey

Table 5.56 shows the motivational techniques used by the agencies. It is seen that 40% of the employees are motivated through performance appreciation, 30% are motivated through participation in management and 30% are having others facilities.

Table 5.57: Measuring contribution in service marketing

	Frequency	Percent	Cumulative Percent
Nature of cooperation	4	40.0	40.0
Managerial competence	6	60.0	100.0

Source: Field Survey

Table 5.57 shows the measuring the contribution in service marketing of the employees. It is observed that 60% of the employees contribute in service marketing on the basis of managerial competence and 40% are on the basis of cooperation.

Table 5.58: Internal strength of business

	Frequency	Percent	Cumulative Percent
Skilled manpower	3	30.0	30.0
Good relations among the employees	2	20.0	50.0
Latest Technology	4	40.0	90.0
Good environment for works	1	10.0	100.0

Source: Field Survey

Table 5.58 shows the internal strength of the agencies. It is observed that 40% of the agencies considered their internal strength as latest technology, 30% considered skilled manpower, 20% have good relation among the employees and 10% enjoy good environment for works.

Table 5.59: Weakness of business

	Frequency	Percent	Cumulative Percent
High cost	3	30.0	30.0
Low trained employees	3	30.0	60.0
Non cooperation of employees	2	20.0	80.0
Internal conflict	2	20.0	100.0

Source: Field Survey

Table 5.59 shows that the main weakness of the business is high costs burden 30%, followed by low trained employees 30%, non-cooperation of employees 20% and internal conflict 20%.

Table 5.60: Reasons of weakness

	Frequency	Percent	Cumulative Percent
Shortage of fund	1	10.0	10.0
Low salary	2	20.0	30.0
Low motivation	2	20.0	50.0
Others	5	50.0	100.0

Source: Field Survey

Table 5.60 shows that, the reason behind the weakness is other factors 50%, followed by low salary 20%, low motivation 20% and shortage of fund 10%.

Table 5.61: Prospects of business

	Frequency	Percent	Cumulative Percent
Valued customers	1	10.0	10.0
Market share is high	1	10.0	20.0
Confidence of customer	2	20.0	40.0
Other internal factors	6	60.0	100.0

Source: Field Survey

Table 5.61 shows the prospects of the business in other internal factors are 60%, loyal customer 20%, market share 10% and valued customer 10%.

Table 5.62: Suggestions for developing advertising effectiveness of the organizations as well as your customers

	Frequency	Percent	Cumulative Percent
Environmental development	4	40.0	40.0
Customers' training	2	20.0	60.0
Management training and guidance	4	40.0	100.0

Source: Field Survey

Table 5.62 shows the suggestions provided by the respondent in the way that environmental development 40%, management training and guidance 40% and customer training 20% respectively.

Table 5.63: Results of Chi-square Test

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₁ : There is no association among Train-up methods with Manpower engaged in business	1.429	2	0.490
H ₀₂ : There is no association among Motivational techniques for better services with Manpower engaged in business	3.651	2	0.161
H ₀₃ : There is no association among Measuring contribution in service marketing with Manpower engaged in business	0.079	1	0.778
H ₀₄ : There is no association among Internal strength of business with Manpower engaged in business	2.063	3	0.559

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₅ : There is no association among Weakness of business with Manpower engaged in business	4.444	3	0.217
H ₀₆ : There is no association among Reasons of weakness with Manpower engaged in business	4.286	3	0.232
H ₀₇ : There is no association among Prospects of business with Manpower engaged in business	2.857	3	0.414
H ₀₈ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Manpower engaged in business	2.857	2	0.240
H ₀₉ : There is no association among Motivational techniques for better services with Train-up methods	2.500	4	0.645
H ₀₁₀ : There is no association among Measuring contribution in service marketing with Train-up methods	1.875	2	0.392
H ₀₁₁ : There is no association among Internal strength of business with Train-up methods	5.500	6	0.481
H ₀₁₂ : There is no association among Weakness of business with Train-up methods	11.750	6	0.068
H ₀₁₃ : There is no association among Reasons of weakness with Train-up methods	8.350	6	0.214
H ₀₁₄ : There is no association among Prospects of business with Train-up methods	3.083	6	0.798
H ₀₁₅ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Train-up methods	11.000	4	0.027
H ₀₁₆ : There is no association among Measuring contribution in service marketing with Motivational techniques for better services	1.319	2	0.517
H ₀₁₇ : There is no association among Internal strength of business with Motivational techniques for better services	5.137	6	0.526
H ₀₁₈ : There is no association among Weakness of business with Motivational techniques for better services	4.167	6	0.654
H ₀₁₉ : There is no association among Reasons of weakness with Motivational techniques for better services	8.417	6	0.209
H ₀₂₀ : There is no association among Prospects of business with Motivational techniques for better services	8.472	6	0.206
H ₀₂₁ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Motivational techniques for better services	6.667	4	0.155

Hypotheses	Chi-square value	Degrees of freedom	Significance Level
H ₀₂₂ : There is no association among Internal strength of business with Measuring contribution in service marketing	6.875	3	0.076
H ₀₂₃ : There is no association among Weakness of business with Measuring contribution in service marketing	7.222	3	0.065
H ₀₂₄ : There is no association among Reasons of weakness with Measuring contribution in service marketing	6.667	3	0.083
H ₀₂₅ : There is no association among Prospects of business with Measuring contribution in service marketing	1.667	3	0.644
H ₀₂₆ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Measuring contribution in service marketing	3.750	2	0.153
H ₀₂₇ : There is no association among Weakness of business with Internal strength of business	13.194	9	0.154
H ₀₂₈ : There is no association among Reasons of weakness with Internal strength of business	23.000	9	0.006
H ₀₂₉ : There is no association among Prospects of business with Internal strength of business	7.222	9	0.614
H ₀₃₀ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Internal strength of business	6.875	6	0.333
H ₀₃₁ : There is no association among Reasons of weakness with Weakness of business	13.000	9	0.163
H ₀₃₂ : There is no association among Prospects of business with Weakness of business	10.278	9	0.328
H ₀₃₃ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Weakness of business	12.500	6	0.052
H ₀₃₄ : There is no association among Prospects of business with Reasons of weakness	5.333	9	0.804
H ₀₃₅ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Reasons of weakness	8.500	6	0.204
H ₀₃₅ : There is no association among Suggestions for developing advertising effectiveness of the organizations as well as your customers with Prospects of business	6.250	6	0.396

The association between some selected variables has been mentioned in the above table 5.63. From this table, train-up methods have been found to be significantly associated with weakness of business and suggestions for developing the advertising effectiveness at 10% and 5% level of significance respectively. It has also been found that measuring the contribution in service market is significantly associated with internal strength, weakness and reasons behind of business at 10% level of significance respectively. At 1% level, a significant association has been found between internal strength and reasons behind the business, and weakness of business with suggestions for developing the advertising effectiveness at 10% level of significance respectively. Except these, all variables show statistically insignificant association among them.

To some up it can be concluded that effectiveness of the advertising agencies depends on so many environmental factors both internal and external. Cooperation of the customers', types of incentives given by the agency government patronization difficulties in the collection of the bill facing the competitors services productivity available training facilities, internal strength and weakness of the business, prospects of the business, motivational techniques etc. are the major determinants of advertising effectiveness.

Part-III

Opinions Survey of Private and Public Sector Executives

Opinions collected using the structured questionnaire for the bank officials are detailed here as per the components of the questions:

Table 5.64: Reasons for advertising of products and services

	Frequency	Percent	Cumulative Percent
Inform about organization and its product	8	80.0	80.0
Meet competition	2	20.0	100.0

Source: Field Survey

Table 5.64 shows that 80% of the respondents give advertisements for informing about organization and its product and 20% of the respondents allocate their advertisement budget for meeting competition.

Table 5.65: Selection procedures of advertising media

	Frequency	Percent	Cumulative Percent
Top management decision	7	70.0	70.0
Contact with media authority	1	10.0	80.0
Contract with advertisement agency	2	20.0	100.0

Source: Field Survey

Table 5.65 shows that the most of the organizations' selection procedures of media depend on top management decision 70%, followed by 20% contract with advertising agencies and 10% on contract with media authority.

Table 5.66: Judgment procedures of the effectiveness of advertisement program

	Frequency	Percent	Cumulative Percent
By measuring impact of advertisement on sales volume	9	90.0	90.0
By using attitude or opinion test	1	10.0	100.0

Source: Field Survey

Table 5.66 shows that 90% of enterprises measure their advertising program by measuring impact of advertisement on sales volume, 10% measures the effectiveness of advertisement programs by following attitude or opinion test.

Table 5.67: Nature of best media used

	Frequency	Percent	Cumulative Percent
Television	6	60.0	60.0
Newspaper	4	40.0	100.0

Source: Field Survey

Table 5.67 shows the popularity of the media. It is observed that 60% of the enterprises considered television as their best media followed by newspaper 40%

Table 5.68: Factors behind best media

	Frequency	Percent	Cumulative Percent
Relative media cost	8	80.0	80.0
Coverage	2	20.0	100.0

Source: Field Survey

We experienced from the favourable factors (table 5.68) for considering the best media that the most of the enterprises consider relative media cost 80% and 20% highlighted media coverage.

Table 5.69: Contacting procedure with the Beneficiaries

	Frequency	Percent	Cumulative Percent
Media personnel contact with your organization	7	70.0	70.0
Communicate with media	2	20.0	90.0
Through advertising agency	1	10.0	100.0

Source: Field Survey

Table 5.69 shows the contact procedures of the enterprises that, 70% of media personnel contact with the enterprises, 20% communicate with media and 10% through the advertising agency.

Table 5.70: Nature of Guidance available

	Frequency	Percent	Cumulative Percent
Provide technical support services for its clients	4	40.0	40.0
Easy process of getting media services	6	60.0	100.0

Source: Field Survey

Table 5.70 shows that 60% of the respondent thinks it should be an easy process of getting media services, 40% of the respondents suggest to provide for technical support services for its client.

Table 5.71: Independence Test

Hypotheses	Chi-square value	Degrees of freedom	Significance level
H ₀₁ : There is no association among times for advertising of products with selection procedures of advertising media	1.071	2	0.585
H ₀₂ : There is no association among times for advertising of products with Judgment procedure of the effectiveness of advertisement program	0.278	1	0.598
H ₀₃ : There is no association among times for advertising of products with best media	3.750	1	0.053
H ₀₄ : There is no association among times for advertising of products with factors behind best media	1.406	1	0.236
H ₀₅ : There is no association among times for advertising of products with contact procedure with them	4.643	2	0.098
H ₀₆ : There is no association among times for advertising of products with guidance from them	0.104	1	0.747
H ₀₇ : There is no association among selection procedures of advertising media with Judgment procedure of the effectiveness of advertisement program	0.476	2	0.788
H ₀₈ : There is no association among selection procedures of advertising media with best media	2.857	2	0.240
H ₀₉ : There is no association among selection procedures of advertising media with factors behind best media	1.071	2	0.585

Hypotheses	Chi-square value	Degrees of freedom	Significance level
H ₁₀ : There is no association among selection procedures of advertising media with contact procedure with them	5.102	4	0.277
H ₁₁ : There is no association among selection procedures of advertising media with guidance from them	2.857	2	0.240
H ₁₂ : There is no association among Judgment procedure of the effectiveness of advertisement program with best media	0.741	1	0.389
H ₁₃ : There is no association among Judgment procedure of the effectiveness of advertisement program with factors behind best media	0.278	1	0.598
H ₁₄ : There is no association among Judgment procedure of the effectiveness of advertisement program with contact procedure with them	0.476	2	0.788
H ₁₅ : There is no association among Judgment procedure of the effectiveness of advertisement program with guidance from them	1.667	1	0.197
H ₁₆ : There is no association among best media with factors behind best media	0.104	1	0.747
H ₁₇ : There is no association among best media with contact procedure with them	1.964	2	0.375
H ₁₈ : There is no association among best media with guidance from them	0.278	1	0.598
H ₁₉ : There is no association among factors behind best media with contact procedure with them	6.875	2	0.032
H ₂₀ : There is no association among factors behind best media with guidance from them	1.667	1	0.197
H ₂₁ : There is no association among contact procedure with guidance from them	2.857	2	0.240

The association of some selected variables has been given in the above table. There has been found only three significant relationships among twenty one relations. In this study, times for advertising of products is statistically associated with best media and contact procedure with them at 10% level of significance and factors behind best media is also statistically associated with contact procedures with them at 5% level of significance. But all other relationships show the statistically insignificant position among them.

Table 5.72: Incentives given by the advertising agencies

	Frequency	Percent	Cumulative Percent
The advertising agency develops new business	6	60.0	60.0
The agency reduces the hazards of advertising	3	30.0	90.0
The agency simplifies and reduces the media cost	1	10.0	100.0

Source: Field Survey

Table 5.72 shows the incentives given by the agency that is 60% advertising agency develops new business, 30% agency reduces the hazards of the advertising and 10% agency simplifies and reduces the media cost.

Table 5.73: Selection procedures of advertisement agencies

	Frequency	Percent	Cumulative Percent
Look at the depth of experience and manpower	6	60.0	60.0
Look at the media services provided by the advertising agency	2	20.0	80.0
Look at the agency's resources to produce or supervise production of all types of advertising promotional and merchandising material	2	20.0	100.0

Source: Field Survey

Table 5.73 shows that 60% enterprises select their agency on the basis of the depth of experience and manpower of the agency, 20% is selected on the basis of the media services provided by the advertising agency and 20% at the agency's resources to produce or supervise for all types of advertising of promotional measures.

Table 5.74: Difficulties faced by the Beneficiaries of advertising agencies

	Frequency	Percent	Cumulative Percent
Complex set of rules and regulations for getting govt. assistance	6	60.0	60.0
Difficulties in getting quality advertising	4	40.0	100.0

Source: Field Survey

Table 5.74 shows difficulties facing by the organizations. It is observed that 60% respondents face complex set of rules and regulations for getting govt. assistance and 40% have difficulties in getting quality advertising.

Table 5.75: Available facilities from the agencies

	Frequency	Percent	Cumulative Percent
The agency advocates the idea of advertising	5	50.0	50.0
The agency develops and improves advertising techniques and increases the productivity of advertising	5	50.0	100.0

Source: Field Survey

Table 5.75 shows that 50% agency advocates the idea of advertising and 50% of the agency develops and improves advertising techniques and increases the productivity of advertising.

Table 5.76: Independence Test

Hypotheses	Chi-square value	Degrees of freedom	Significance level
H ₀₁ : There is no association among incentives given by the agency with selection procedure of advertisement agency	6.667	4	0.155
H ₀₂ : There is no association among incentives given by the agency with facing difficulties	0.972	2	0.615
H ₀₃ : There is no association among incentives given by the agency with gotten facilities from the agency	1.333	2	0.513
H ₀₄ : There is no association among selection procedure of advertisement agency with facing difficulties	0.278	2	0.870
H ₀₅ : There is no association among selection procedure of advertisement agency with gotten facilities from the agency	2.667	2	0.264
H ₀₆ : There is no association among facing difficulties with gotten facilities from the agency	6.667	1	0.010

Among six relationships, it has been found from the above table that only one is statistically significant which clarifies that facing difficulties have significant association with available facilities from the agency at 5% level of significance and all other variables have shown the insignificant association among them.

Table 5.77: Judgment procedures of customers' satisfaction

	Frequency	Percent	Cumulative Percent
By testing sales report	4	40.0	40.0
By testing advertising effectiveness	6	60.0	100.0

Source: Field Survey

Table 5.77 shows the Judgment procedures of customers' satisfaction. It is seen that 60% Judges their customers' satisfactions by testing advertising effectiveness and 40% follows satisfaction by testing relevant reports.

Table 5.78: Providing customers' satisfaction

	Frequency	Percent	Cumulative Percent
Supply quality product	7	70.0	70.0
Setting reasonable price	2	20.0	90.0
Maintain effective distribution channel	1	10.0	100.0

Source: Field Survey

Table 5.78 shows that 70% customers are satisfied if the marketer provides quality product or services, 20% for setting responsible price and 10% for maintaining effective distribution channel.

Table 5.79: Collecting procedures of opinions

	Frequency	Percent	Cumulative Percent
Market survey	10	100.0	100.0

Source: Field Survey

It is observed from (table 5.79) that 100% respondent collect the opinion from customer by following market survey.

Table 5.80: Procedures of facing the competitors

	Frequency	Percent	Cumulative Percent
Supply quality product and services	9	90.0	90.0
Allocating high advertising budget	1	10.0	100.0

Source: Field Survey

Table 5.80 shows the procedures of facing competitors-it is observed that 90% of the respondents face their competitors by delivering quality product and services and 10% of the respondent face their competitors by allocating high advertising budget.

Table 5.81: Independence Test

Hypotheses	Chi-square value	Degrees of freedom	Significance level
H ₀₁ : There is no association among Judgment procedures of customer satisfaction with providing procedures of their satisfaction	2.857	2	0.240
H ₀₂ : There is no association among Judgment procedures of customer satisfaction with collecting procedure of their opinion	NC		
H ₀₃ : There is no association among Judgment procedures of customer satisfaction with procedures of facing the competitors	0.741	1	0.389
H ₀₄ : There is no association among providing procedures of their satisfaction with collecting procedure of their opinion	NC		
H ₀₅ : There is no association among providing procedures of their satisfaction with procedures of facing the competitors	10.000	2	0.007
H ₀₆ : There is no association among collecting procedure of their opinion with procedures of facing the competitors	NC		

The above table represents the association of some selected variables where only one has been found to have statistically significant association, three relationships could not be calculated because the variable named collecting procedure of their opinion is found to be constant and all other relationships are insignificant. It is clear that providing procedures of their satisfaction has significant association with procedures of facing the competitors at 1% level of significance.

Table 5.82: Nature of wasteful advertising

	Frequency	Percent	Cumulative Percent
No	10	100.0	100.0

Source: Field Survey

Table 5.82 shows that 100% respondents agree to the statement that advertising expenditure is not wasteful.

Table 5.83: Following the other promotional measures

	Frequency	Percent	Cumulative Percent
Sales promotion	4	40.0	40.0
Publicity and public relations	6	60.0	100.0

Source: Field Survey

Table 5.83 shows the other promotional measures used by the respondent. 60% of the respondents follow publicity and public relations and 40% respondents are interested about sales promotion as promotional tools.

Table 5.84: Weakness of existing promotional programs

	Frequency	Percent	Cumulative Percent
Low promotional budget	9	90.0	90.0
Select wrong media	1	10.0	100.0

Source: Field Survey

Table 5.84 shows the weakness of existing promotional program. It is very clear that low promotional budget is the main weakness of the promotional program, 90% respondents are in favour of it and 10% respondents are in favour of selecting wrong media.

Table 5.85: Strength of the available programs

	Frequency	Percent	Cumulative Percent
Increase advertising budget	8	80.0	80.0
Trained manpower	2	20.0	100.0

Source: Field Survey

Table 5.85 shows that 80% respondents are infavour of increasing advertising budget for strengthening the promotional programs and 20% respondents are infavour of trained manpower.

Table 5.86: Independence Test

Hypotheses	Chi-square value	Degrees of freedom	Significance level
H ₀₁ : There is no association among wasteful advertising with following the other promotional measures	NC		
H ₀₂ : There is no association among wasteful advertising with weakness of existing promotional program	NC		
H ₀₃ : There is no association among wasteful advertising with strength of program	NC		
H ₀₄ : There is no association among following the other promotional measures with weakness of existing promotional program	0.741	1	0.389
H ₀₅ : There is no association among following the other promotional measures with strength of program	1.667	1	0.197
H ₀₆ : There is no association among weakness of existing promotional program with strength of program	0.278	1	0.598

The association of some selected variables has been demonstrated in the above table. Three relationships have not been calculated because wasteful advertising is found to be constant. There is no significant association among the rest variables.

Table 5.87: Threats in the market faced by the advertising agencies'

	Frequency	Percent	Cumulative Percent
Unfair competition in local market	10	100.0	100.0

Source: Field Survey

Table 5.87 shows that 100% respondents agree to the view that unfair competition in local market is the main threat.

Table 5.88: Prospects of the firms

	Frequency	Percent	Cumulative Percent
High demand in the market	10	100.0	100.0

Source: Field Survey

Table 5.88 shows that high demand in the market is the prospect of the enterprises like 100%.

Table 5.89: Plans for future advertisement programs

	Frequency	Percent	Cumulative Percent
Increasing amount of advertising expenditure	9	90.0	90.0
Expansion of product	1	10.0	100.0

Source: Field Survey

Table 5.89 shows the plan for future advertisement program. It is observed that 90% respondents are in favour of increasing amount of advertising expenditure and 10% respondents are interested to have expansion of their product lines.

Table 5.90: Nature of problems in pricing

	Frequency	Percent	Cumulative Percent
High cost of demand	5	50.0	50.0
Low demand	1	10.0	60.0
Low quality of product in market	2	20.0	80.0
Competitive market	2	20.0	100.0

Source: Field Survey

We experienced from the nature of problems (Table 5.90) in pricing that, main problems in pricing is high cost of production 50%, followed by low quality product in the market 20%, competitive market 20% and low demand 10% respectively.

Table 5.91: Marketing research procedures

	Frequency	Percent	Cumulative Percent
Through separate marketing research department	10	100.0	100.0

Source: Field Survey

Table 5.91 shows that 100% respondents are interested to conduct their marketing research through separate marketing research department.

Table 5.92: Suggestions for better prospects of business

	Frequency	Percent	Cumulative Percent
Political stability and other environmental facility	9	90.0	90.0
Congenial business environment	1	10.0	100.0

Source: Field Survey

Table 5.92 shows the suggestion for better prospects of the business. It observed that maximum respondents want to have political stability and other environmental facility (90%) and (10%) desire for congenial business environment.

Table 5.93: Independence Test

Hypotheses	Chi-square value	Degrees of freedom	Significance level
H ₀₁ : There is no association among threat in the market with prospect of firm	NC		
H ₀₂ : There is no association among threat in the market with plan for future advertisement program	NC		
H ₀₃ : There is no association among threat in the market with nature of problem in pricing	NC		
H ₀₄ : There is no association among threat in the market with marketing research procedures	NC		
H ₀₅ : There is no association among threat in the market with suggestions for better prospects of business	NC		
H ₀₆ : There is no association among prospect of firm with plan for future advertisement program	NC		
H ₀₇ : There is no association among prospect of firm with nature of problem in pricing	NC		
H ₀₈ : There is no association among prospect of firm with marketing research procedures	NC		
H ₀₉ : There is no association among prospect of firm with suggestions for better prospects of business	NC		
H ₁₀ : There is no association plan for future advertisement program with nature of problem in pricing	1.111	3	0.774
H ₁₁ : There is no association among plan for future advertisement program with marketing research procedures	NC		
H ₁₂ : There is no association among plan for future advertisement program with suggestions for better prospects of business	0.123	1	0.725
H ₁₃ : There is no association among nature of problem in pricing with marketing research procedures	NC		
H ₁₄ : There is no association among nature of problem in pricing with suggestions for better prospects of business	1.111	3	0.774
H ₁₅ : There is no association among marketing research procedures with suggestions for better prospects of business	NC		

The results of Chi-square test have been disclosed in the above table. All but three relationships have not been calculated due to constancy of the variables. However, there is no significant association among the rest variables.

It is clear from the executives opinions that, sample commercial banks have good programs for advertising activities in co-operation with the available advertising agencies. Strength of the programs is high because of the incentives given by the advertising agencies. Promotional measures, customer satisfaction, available facilities, plan for future development program etc. are highly impressive. The implementation of advertising budget might be possible in cooperation of bank management authority and advertising agency authorities.

Chapter Six

Conclusion, Suggestions & Recommendations for Further Studies

6.1 Conclusion

From overall analysis of both primary and secondary data, it can be concluded that sample organizations have nice managerial performance along with effective advertising programs. There had been increasing expenditure over the period. Advertising agencies also played a vital role in raising the marketing efficiencies of private and public sector banking enterprises in Bangladesh. This has become possible due to sincere cooperation of the advertising agencies in the form of various types of tools and techniques used in advertisement. The major tools provided through various media are radio, television, newspaper, magazines, direct mail, outdoor advertising, transportation advertising, motion pictures, point-of-purchase displays, novelties, containers etc. Sample banks also showed their greater interest for the use of their services. Advertising expenditure is significantly correlated with deposit volume, loans and advances, gross income, gross expenditure and Net profit. There are significant variations in advertising expenditure for various years among the banks. It has been observed that internal and external factors considered in selecting the advertising media are significantly associated with environmental difficulties and controlling the difficulties at 10% and 5% level of significance respectively and all other variables have shown the insignificant association among them.

There has been found a significant association of target fulfillment technique with types of incentives, advertising technique and technique of selecting target at 10% level of significance respectively. In addition, advertising technique and technique of selecting target is significantly associated at 5% level of significance source of Government patronization is significantly associated with demanded facilities at 5% level of significance and all other variables show insignificant association among them.

The difficulties of expansion is significantly associated with the incentives given for early repayment of bill at 10% level of significance and all other variables show insignificant association among them.

It has been observed that selection of marketing strategy is significantly associated with sources of competition and facing the competitors at 10% level respectively. Moreover, sources of competition have been found to be significantly associated with facing the competitors at 5% level of significance. However, all other variables in this study revealed insignificant association among them.

6.2 Suggestions

The following suggestions are given for promoting the performance of commercial banks through the cooperation of advertising agencies.

- a) Intensive market research should be made by the sample organizations to know the customers' demand and expectations for the various products lines of commercial banks.
- b) Advertising should be done more frequently to draw the attention of the customers.
- c) Evaluation of the existing advertising techniques would be made for time to time to know its target and achieving the target.
- d) Advertising technique used should be more impressive to the customers and it needs careful application of recently developed advertising techniques.
- e) Unless the customers are able to understand the main theme of advertisement, the purpose of advertisement would never be attained.
- f) More attention may be put on the competitors' advertisement, their limitations and success to fix up their own advertising strategies.
- g) Advertising budget should be increased to incur more expenditure for customer satisfactions.
- h) Advertising and publicity should proceed side by side.

- i) Confidence of the customers towards the media of products should be created through meaningful advertisement.
- j) More attention should be given on consumer Jury test to judge the effectiveness of advertisement.
- k) SWOT mix should be studied in details.
- l) Electronic devices should be needed for advertising programs.
- m) Advertising agencies should go for more publicity to draw the attention of banks.
- n) Environmental responsibility should be fulfilled. Ethical code of Contract should be followed and strategic marketing activities should be strengthened

6.3 Recommendations for Further Studies

In the light of the experience of the present research, some recommendations for further research are placed below:

- (a) Specific studies should be done on manufacturing sector covering the listed companies in Dhaka and Chittagong Stock exchange.
- (b) Separate study may be done including large number of sample of advertising agencies.
- (c) Other studies may be on customers' satisfaction towards advertising agencies.
- (d) Particular study may be conducted on growth and development of advertising agencies of Bangladesh.
- (e) Strategic management issues of advertising agencies can be studied in details.
- (f) Need for advertising effectiveness, constraints of measurement and situational hindrances can be studied in details.
- (g) Role of advertising in foreign investment development can also be highlighted.
- (h) Impact of advertisement in global crisis may be looked at.
- (i) Role of advertising as a tool of industrial growth in Bangladesh may also be focused.
- (j) Problems & prospects of advertising agencies in Bangladesh can also be emphasized.

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APPENDICES

Appendix I

Questionnaire for the Executives of Advertising Firms

Dear Respondent

I am conducting a research on "Role of Advertising Agencies in Raising Marketing Efficiency of Private and Public Sector Enterprises in Bangladesh". The findings of the study will help us to know the importance of Advertising Agencies in increasing marketing efficiency. The data will not be used for business purposes and the data will be destroyed once they are saved in a computer file. Your valuable answer is extreme important for the completion of the research work.

Thanks for your answer.

Md. Omar Faruk Sarker

Assistant Professor
Department of Marketing
University of Rajshahi
and
PhD Fellow (2005-2006)
Institute of Bangladesh Studies
University of Rajshahi

1. Name of the respondent :
2. Your age please :
3. Educational qualification :

1. SSC 2. HSC 3. Diploma/Technical 4. Graduate 5. Post graduate

4. Name of the firm :

5. Year of establishment of the firm:

6. Your designation please :

7. Please mention your experience:

1. 0-5 years 2. 5-10 years

4. 15 years and above 3. 10-15 years

8. Please mention the nature of ownership:

1. One person firm/sole proprietorship 2. Partnership

3. Private Company Limited 4. Public Company Limited

5. Govt.

9. What are the favourable factors in site selection?

1. Available media 2. Available Manpower and technological services

services

3. Buyer or client 4. Infrastructural

opportunities

10. Please mention the number of advertisement collected during last five years:

Year	2004	2005	2006	2007	2008
Advertisement					

11. What is the process of collecting advertisement?

1. Client contact with agency 2. Agency contact with client

3. Mail or electronic communications 4. Other techniques

12. What type of advertisement planning, preparing and placing by the agency?

1. Printed ad. 2. Audio ad.

3. Electronic or Audio Visual ad. 4. Outdoor ad.

13. How do you contact with your customer?

1. Agency personnel contact with client 2. Client contact with agency personnel

3. Combination of both 4. Others

14. How do you fix up your advertising rates?

1. Commission systems 2. Fee Systems 3. Both commission and fee systems

4. Others

15. How do you calculate cost of advertisement?

1. Cost plus pricing for all the functions performed by the agency

2. Determine probable cost of advertisement
3. Consider media and other costs
4. Others
16. How do you select the media for advertisement?
1. Emphasis clients interest
2. Preference in agency's interest
3. Media cost
4. Media coverage
17. What type of co-operation do you get from the customer?
1. Good cooperation 2. Medium cooperation 3. No cooperation 4. Bad cooperation
18. What are the difficulties in selecting advertising media?
1. Non availability of budget 2. Circulation of ad media
3. Coverage of ad media 4. Low quality services
19. How do you judge the effectiveness of media used?
1. By measuring media coverage 2. By measuring customer response
3. By measuring clients satisfaction 4. Others
20. What environmental facilities do you get for this?
1. Newspaper
2. Govt. patronization
3. Management people
4. Local people
21. What environmental difficulties do you face?
1. Political unrest
2. Lack of cooperation of management
3. Lack of Govt. cooperation
4. Non-cooperation of media
22. How do control the difficulties?
1. Motivation
2. Negotiation
3. Increasing rates
4. Publicity
23. Please mention your sector wise advertisement procured during last five years

Year	2004	2005	2006	2007	2008
Advertising sector					

24. Which sector has highest performance?.....
25. What are the reasons behind?
1. High cost burden
2. High competition
3. Decline in demand
4. Lack of quality of products
26. Please narrate the internal and external factors considered in selecting advertising media:
1. Nature of the product or services 2. Characteristics of ad media
3. Nature of the market 4. Relative cost
27. What types of incentives do you give for this?
1. Quality of products
2. Price rates
3. Guarantees and warranties
4. Post sale services
28. How do you go for advertising of your firm?
1. Circulation in newspaper
2. Circulation in television
3. Circulation in radio
4. Others
29. How do you select your target?
1. Percentage of past advertising
2. On the basis of objectives of the firm
3. Percentage of anticipated future advertising
4. Combination of both method
30. How do you fulfil your target?
1. Continuous effort
2. Target / actual evaluation

3. Feedback
4. Corrective action
31. What source of Government patronization do you have?
 1. Govt. orders available
 2. Timely bill receipt
 3. Pending Bill
 4. No Co-operation
32. What further facilities do you want?
 1. Increasing rate
 2. Timely payment
 3. More publicity
 4. More motivation
33. How do you measure effectiveness of your programmes?
 1. Profit
 2. Productivity
 3. Customer service
 4. Return on Investment (ROI)
34. What are the difficulties of expansion?
 1. Shortage of fund
 2. Low demand
 3. Non cooperation of customer
 4. Political unrest
35. What is your experience about public and private sector advertisement?
 1. Private sector is more conservative
 2. Public sector is more cordial
 3. Public sector is more conservative
 4. Private sector is more cordial
36. What is difference in bill collection system of the two?
 1. No difference
 2. Timely payment in private sector
 3. Timely payment in public sector
 4. Delay in all sectors
37. What are the difficulties in collection of the bill?
 1. Non cooperation of customer
 2. High rate
 3. High competition
 4. Low demand
38. What are the incentives given for early repayment of bill?
 1. Discount and rebate
 2. Premiums
 3. Free samples
 4. Others incentive
39. How do you go for market research activities?
 1. Survey customers view
 2. Contract with other parties
 3. Discuss with customers
 4. Discuss with middlemen
40. How do you select your marketing strategy?
 1. To see the potential competitive advantages
 2. Analyse the available resource of the firm
 3. Competitors strategy
 4. Others
41. What source of competition do you face in the market?
 1. Fair
 2. Unfair
 3. No
 4. Optimum
42. How do you face the competitors?
 1. Providing better services against your competitors
 2. Low cost against your competitors

3. More publicity
4. Customers views
43. How do you measure your trends in business activities?
 1. Volume of earnings
 2. Number of customers
 3. Number of complaints
 4. Goodwill in market
44. How do you measure your service productivity?
 1. Cost of service
 2. Customer satisfaction
 3. Return on Investment (ROI)
 4. Others
45. Please mention your manpower engaged in your business:
 1. Lower level
 2. Mid level
 3. High level
 4. Others
46. How do you train-up them?
 1. Local training
 2. Foreign training
 3. Govt. organization
 4. Private organization
47. How do you motivate them for better services?
 1. Performance appreciate
 2. High salary
 3. Participate in management
 4. Others facilities
48. How do your measure their contribution in service marketing?
 1. Nature of cooperation
 2. Managerial Competence
 3. Decision making power
 4. Others
49. What is internal strength of your business?

1. Skilled Manpower	2. Good Relations among the employees
3. Latest Technology	4. Good environment for works
50. What might be the weakness of your business?

1. High cost	2. Low trained employees
3. Non cooperation of employees	4. Internal conflict
51. What are the reasons behind?
 1. Shortage of fund
 2. Low salary
 3. Low motivation
 4. Others
52. What is the prospect of your business?
 1. Valued customers
 2. Market share is high
 3. Confidence of customer
 4. Other internal factors
53. What are your suggestions for developing advertising effectiveness of your organization as well as your customers?
 1. Improvement of political unrest
 2. Environmental development
 3. Customers training
 4. Management training and guidance

14. How do you contact them?
 1. Media personnel contact with your organization
 2. Communicate with media
 3. Arms length communication
 4. Through advertising agency
15. What guidance do you have from them?
 1. Provide technical support services for its clients
 2. Easy process of getting media services
 3. Provide sufficient infrastructural facilities
 4. Necessary information in selecting appropriate media
16. What are the incentives given by the agency?
 1. The advertising agency develops new business.
 2. The agency reduces the hazards of advertising.
 3. The agency simplifies and reduces the media cost.
 4. The agency develops and improves advertising technique and thereby increases the productivity of advertising.
17. How do you select of your advertisement agency?
 1. Look at the depth of experience and manpower.
 2. Look at the media services provided by the advertising agency.
 3. Look at the agency's resources to produce or supervise production of all types of advertising promotional and merchandising material.
 4. Look at the agency's payment systems.
18. What difficulties do you face?
 1. Complex set of rules and regulations for getting govt. assistance.
 2. Difficulties in getting quality advertising.
 3. Difficulties in payment system.
 4. Other reasons.
19. What facilities do you get from the agency?
 1. The agency advocates the idea of advertising.
 2. The agency develops and improves advertising techniques and increases the productivity of advertising.
 3. The agency simplifies the media's credit operations and reduces the cost of these operations.
 4. The agency reduces the medium's cost.
20. How do you judge of your customer satisfaction?
 1. By testing sales report.
 2. By testing advertising effectiveness.
 3. By testing market share.
 4. Others
21. How do you provide their satisfaction?
 1. Supply quality product.
 2. Setting reasonable price.
 3. Maintain effective distribution channel.
 4. Give proper information about the product.
22. How do you collect their opinion?
 1. Market survey.
 2. Sales area test.
 3. Through middle man.
 4. Others.
23. How do you face your competitors?
 1. Supply quality product and services
 2. Setting low price of the product.
 3. Allocating high advertising budget.
 4. Follow intensive distribution.

24. Advertising is wasteful, do you agree with this statement?
 1. Yes
 2. No
 3. Partly
 4. Neutral
25. What other promotional measure do you follow?
 1. Sales promotion.
 2. Publicity and public relations.
 3. Salesmanship.
 4. Others
26. What is weakness of your existing promotional program?
 1. Low promotional budget.
 2. Select wrong media.
 3. Select wrong advertising agency.
 4. Others
27. What might be the strength of your program?
 1. Increase advertising budget.
 2. Trained manpower
 3. Quality product
 4. Employees cooperation
28. What might be the threat in the market?
 1. Unfair competition in local market
 2. Unfair competition in export market
 3. Unfair competition in both the market
 4. Flexible customer
29. What is the prospect of your firm?
 1. High demand in market
 2. Customer satisfaction and confidence
 3. Business growth might be satisfactory
 4. Volume of business is satisfactory
30. What is your plan for future advertisement program?
 1. Increasing amount of advertising expenditure
 2. Expansion of product
 3. Curtailing of product
 4. Other promotional tools
31. How do you control of your cost of production?
 1. Marginal costing techniques
 2. Using standard costing
 3. Using budgetary control
 4. Maintaining break even point
32. What facilities are given to the distribution?
 1. Satisfactory commission
 2. Free sample facility
 3. Trade credit facility
 4. Cash discount and trade discount facility
33. Please mention the nature of problem in distribution?
 1. Transport and communication problem
 2. Non cooperation of distributors
 3. Unfair competition
 4. High price of product
34. Please mention the nature of problem in pricing?
 1. High cost of production
 2. Low demand
 3. Low quality of product in market
 4. Competitive market

35. Do you have any problem in product diversification?
 1. Limited market
 2. Shortage of fund
 3. Difficulties in production
 4. Conservative attitude of management
36. Please, mention the nature of problems in product planning?
 1. Dependent products
 2. Independent
 3. Limitation of product life cycle
 4. Lack of product image
37. How do you go for marketing research?
 1. Through separate marketing research department
 2. Appointing marketing expert
 3. Consumer survey through dealers
 4. Interviewing local consumers
38. What are your suggestions for better prospects of your business?
 1. Political stability and other environmental facility
 2. Developed transport and communication facility
 3. More financial facility
 4. Congenial business environment

Appendix III
List of Advertising Agencies

Grey Advertising Bangladesh Ltd

Address House # 1/A, Road # 23, Gulshan-1
City Dhaka - 1212
Country Bangladesh
Telephone +880-2-9881689, 8827862, 8811541
Fax +880-2-8811541

Media Corn Ltd.

Address Rupayan Center(10th floor), 72 Mohakhali C/A City Dhaka - 1212
Country Bangladesh
Telephone +880-2-8861521
Fax +880-2-8857494

Asiatic Marketing Communications Ltd.

Address House # 63, Road # 7/B, Block-H, Banani
City Dhaka - 1213
Country Bangladesh
Telephone +880-2-9893303, 9892768
Fax +880-2-9882530

Mattra

Address Flat # A-6, Aziz Co-operative Housing Complex, 72 Purana Paltan Line
City Dhaka - 1000
Country Bangladesh
Telephone +880-2-8317456, 9331057
Fax +880-2-9330556

Madonna Advertising Limited

Address Skylark Point (2nd floor), 24/A Bijoy Nagar
City Dhaka - 1000
Country Bangladesh
Telephone +880-2-8311442, 9333508, 9338537
Fax +880-2-8315314
Description Advertising, Marketing Promotion, Advertisement

Unitrend Ltd.

Address House # 70 (New), (3rd Floor), Road # 15/A, (New) Dhanmondi R/A
City Dhaka - 1209
Country Bangladesh
Telephone +880-2-9124560, 9124380
Fax +880-2-8110436

Interspeed Advertising

Address EK House (2nd floor), 4D (NEB), Road # 73, Gulshan # 2
 City Dhaka - 1212
 Country Bangladesh
 Telephone +880-2-8810675, 9892958, 9891859
 Fax +880-2-8823487

A Positive Advertising Ltd.

Address House # 110, Road # 8, Block-C, Banani
 City Dhaka - 1213
 Country Bangladesh
 Telephone +880-2-8856598-99, 8837751-2
 Fax +880-2-8837753

Ad Comm Ltd.

Address House # 7/A, Road # 41, Gulshan-2
 City Dhaka
 Country Bangladesh
 Telephone +880-2-8852254, 8853253
 Fax +880-2-8853255

Windmill

Address House # 37, Road # 4, Block # F (1st Floor), Banani
 City Dhaka - 1213
 Country Bangladesh
 Telephone +880-2-9893773
 Fax +880-2-9891253

MACOMM

Address House # 42 (Baitul Aman), Sat Masjid Road, Dhanmondi R/A
 City Dhaka -1209
 Country Bangladesh
 Telephone +880-2-9110351
 Fax +880-2-9110351
 Website <http://www.macommbd.com>

Expressions Ltd.

Address 65-66 Motijheel C/A, Dhaka Chamber Building (6th floor)
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-9568326, 9562380, 96666481
 Fax +880-2-9560882

Interspeed Advertising

Address EK House (2nd floor), 4D (NEB), Road # 73, Gulshan # 2
 City Dhaka - 1212
 Country Bangladesh
 Telephone +880-2-8810675, 9892958, 9891859
 Fax +880-2-8823487

BITOPI ADVERTISING LTD

822/3 Begum Rokeya Sharani, Phone: +880-2-8053418, E-mail:
 bitopi@bitopi.com

Pioneer Advertising (Dhaka office)

Address Troyoka Building (3rd floor), 92 Motijheel C/A
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-9569294, 01711-389869
 Fax +880-2-9564502

ADcell Advertising

Address 33/A Hatkhola Road (1st floor)
 City Dhaka - 1203
 Country Bangladesh
 Telephone +880-2-9565731, 7165469, 01911-348062
 Fax +880-2-9565731

Ad Sign

Address 81 Siddeshwari Circular Road
 City Dhaka - 1217
 Country Bangladesh
 Telephone +880-2-9343388, 01711-527544
 Fax +880-2-8318583

Creations Advertising Ltd.

Address 154 Motijheel C/A
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-7124274, 01819-225160
 Fax +880-2-7124274

Discovery Advertising & Marketing Ltd.

Address Motalib Mansion (3rd floor), 2 R.K. Mission Road
 City Dhaka - 1203
 Country Bangladesh
 Telephone +880-2-9567984, 9568957, 01819-214358
 Fax +880-2-9568957

Jony Art

Address 41 Kamal Ataturk Avenue (4th floor), Banani
 City Dhaka - 1213
 Country Bangladesh
 Telephone +880-2-9889897, 8824947
 Fax +880-2-9889897

Star Advertisers Ltd.

Address House # 45 (2nd Floor), Road # 17, Block # E, Banani Bazar
 City Dhaka - 1213
 Country Bangladesh
 Telephone +880-2-9885972-73
 Fax +880-2-8826490

Adora Limited

Address 50 Purana Paltan Line (3rd floor)
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-8317866
 Fax +880-2-9334116
 Website <http://www.adoragroup.com>

Advance AD

Address House # 5/A, Road # 55, Block # NW(G), Gulshan-2
 City Dhaka - 1212
 Country Bangladesh
 Telephone +880-2-9888481, 8815058
 Fax +880-2-8815059
 Contact Person Saifuzzaman Raihan

Adrupashi Bangla

Address 365, 366, Dhaka University Market, Katabon, (1st floor)
 City Dhaka
 Country Bangladesh
 Telephone +880-2-8651306

AD SING

Address 81, Siddeshwari Circular Road
 City Dhaka - 1217
 Country Bangladesh
 Telephone +880-2-9343388, 9350577, 8356260
 Fax +880-2-8356422

Care Advertising

Address Motaleb Mansion, (Ground floor), 2, R. K. Mission Road
 City Dhaka - 1203
 Country Bangladesh
 Telephone +880-2-7121581, 7170857
 Fax +880-2-7126018

Step Media Ltd

Address 24/A, Bijoyagar, Skylark Point, (6th & 7th floor), F-3
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-9331533, 9340863, 9359913
 Fax +880-2-8319312

Ad Graphics

Address Zakaria Bhabn, 33/2, Hatkhola Road (4th floor)
 City Dhaka - 1203
 Country Bangladesh
 Telephone +880-2-7111881

Jatra Vision

Address House # 56/2, West Panthapath (3rd floor), Lake Circus Kalabagan
 City Dhaka
 Country Bangladesh
 Telephone +880-2-8155472

Grand Advertiser

Address 33, Motijheel Plaza, (14th floor), Room # Q, Topkhana Road
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-9563233
 Fax +880-2-9660458, 9569163

Fortuna Ad. Ltd.

Address 5/4, Block #D, Lalmatia
 City Dhaka - 1207
 Country Bangladesh
 Telephone +880-2-9118893, 9136938

Fine Atrs Advertising

Address 48/1, Motijheel C/A (3rd floor)
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-7175408
 Fax 9568684

Orient Advertising

Address 146, Motijheel C/A, (3rd floor)
City Dhaka - 1000
Country Bangladesh
Telephone +880-2-9553541, 9556546
Fax +880-2-9335562

Rainbow Advertisers

Address Ga-34, Mohkhali, Gulshan
City Dhaka - 1213
Country Bangladesh
Telephone +880-2-8812936

Super Sign Advertising Ltd.

Address 2, R.K. Mission Road (Ground floor)
City Dhaka - 1203
Country Bangladesh
Telephone +880-2-9563343, 7163672

Makdona Ad.

Address 105, Fakirapool, Malek (Ground floor)
City Dhaka - 1000
Country Bangladesh
Telephone +880-2-8312346
Fax +880-2-9565506

Mark Advertising

Address 59/3/4, Puranapaltan (4th floor)
City Dhaka - 1000
Country Bangladesh
Telephone +880-2-9561897

Market Access Providers Limited

Address House # 20/C, Road # 26, Gulshan-1
City Dhaka - 1212
Country Bangladesh
Telephone +880-2-8818560, 9893731
Fax +880-2-8857582

Arkay Multimedica

Address House # 27, Road # 10/A (New), Dhanmondi R/A
City Dhaka - 1209
Country Bangladesh
Telephone +880-2-8117184, 8120612, 9133240

Discovery Advertising.

Address Motaleb Mansion (4th floor.) 2.R.K. Mission Road
 City Dhaka - 1203
 Country Bangladesh
 Telephone +880-2-9568957
 Fax +880-2-9568957

Inspirations

Address 81/F, Kakrail, (3rd Floor)
 City Dhaka
 Country Bangladesh
 Telephone +880-2-8317354, 9330879

Layout Communication

Address House # 6 (2nd floor), Road # 5, Dhanmondi
 City Dhaka - 1205
 Country Bangladesh
 Telephone +880-2-8629989, 01711-128075, 01711-128074
 Fax +880-2-8629989

Omasis

Address 278/3, Elephant Road, Kataban
 City Dhaka - 1205
 Country Bangladesh
 Telephone +880-2-8613060

Star Advertisers Ltd

Address House # 45 (2nd Flor), Road# 17, Block-E, Banani Bazar
 City Dhaka - 1213
 Country Bangladesh
 Telephone +880-2-9885972-73
 Fax +880-2-8826490

Vision Advertising

Address 345, Segun Bagicha (3rd floor)
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-8322706, 8352167
 Fax +880-2-8322706

Popular Advertising Ltd.

Address 78, Motijheel C/A (2nd floor)
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-9558744
 Fax +880-2-9551399

Creations Advertising Ltd.

Address 154 Motijheel C/A
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-7124274, 01819-225160
 Fax +880-2-7124274

Nishu Advertising

3/10.DIT. Extn. Road.
 Phone 880-2-9334514.8319018.9358320 E mail: nishu@bdonline.com

MAINSTREAM ADVERTISING LTD.

House 10 Ga, Road 2, Shyamoli, Dhaka 1207
 Phone 8802 9114546

Advalley

Address Asif Mansion, (5th floor), 77/1, Kakrail
 City Dhaka - 1000
 Country Bangladesh
 Telephone +880-2-9360238
 Fax +880-2-9360238

Omasis Advertising	278/3, Elephant Road	Dhaka	8613060/017-823865
Uttaran Advertisers	30 Purana Paltan	Dhaka	9555208, 9568397
Universal Advertising	64 Shid Shaurawardy Road Bijoyagar	Dhaka	9343270, 414345, 407971
Unicorn	160, Motijheel C/A, Modhumita Building (2nd Floor)	Dhaka	9558988, 9567166
The Progoti Advertisers	154. Motijhael C/A. (1st Floor)	Dhaka	9552828
Nipun Advertising and Publications	Ellal Chanbar (1st Floor) 11 Motijheel CIA	Dhaka	9550681
Rupayan artVew	Rahman Mansion (2 nd Floor) 161 Motiheel CIA	Dhaka	9560421, 9567601, 9552503

Appendix IV Information of Managerial Performance Indicators during Last Five Years

Managerial Performance Indicator of United Commercial Bank Ltd. (UCB) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	1000	1000	1000	1000	1000	1000	0	0.00
Paid-up Capital	230	230	299	299	299	271.4	37.79	13.93
Reserve Fund	1045	1262	1596	1889	2197	1597.8	464.27	29.06
Deposits	24559	33016	42296	54485	77730	46417.2	20736.07	44.67
Loans & Advances	20211	26110	37556	44446	61692	38003	16285.57	42.85
Investments	2877	6101	5518	7201	9346	6208.6	2367.29	38.13
Gross Income	3188	4118	6052	7850	9540	6149.6	2612.19	42.48
Gross Expenditure	2036	2797	4034	5400	6415	4136.4	1803.11	43.59
Net Profit (Pre-tax)	852	1321	1668	1463	1542	1369.2	315.34	23.03
Import Business	29408	39853	60329	60009	58857	49691.2	14246.32	28.67
Export Business	14785	20803	27230	36500	38519	27567.4	10111.75	36.68
Foreign Correspondents	189	213	345	345	274	273.2	72.50	26.54
Number of Employees	1949	2029	2082	2292	2508	2172	226.70	10.44
Number of Branches	80	84	84	84	98	86	6.93	8.06
Number of Shareholders	4064	4120	7499	10337	10337	7271.4	3125.15	42.98

Source: Annual Report 2010

Managerial Performance Indicator of Eastern Bank Ltd. (EBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	3300	3300	3300	3300	12000	5040.00	3890.76	77.20
Paid-up Capital	828	1035	1387	2496	2921	1733.40	924.59	53.34
Reserve Fund	-	-	-	-	-	-	-	-
Deposits	35734	30092	41573	49190	56425	42602.80	10478.61	24.60
Loans & Advances	26008	30962	39662	47668	58607	40581.40	13047.07	32.15
Investments	5890	3457	5325	8806	9827	6661.00	2611.01	39.20
Gross Income	1134	1286	1931	2701	3992	2208.80	1173.24	53.12
Gross Expenditure	-	-	-	-	-	-	-	-
Net Profit	513	419	798	1455	2425	1122.00	833.48	74.29
Import Business	39347	45298	62203	54370	70665	54376.60	12598.36	23.17
Export Business	24286	26673	35555	34548	39633	32139.00	6426.10	19.99
Foreign Correspondents	822	838	876	665	644	769.00	106.61	13.86
Number of Employees	612	690	763	878	973	783.20	144.41	18.44
Number of Branches	25	28	34	39	49	35.00	9.51	27.18
Number of Shareholders	3315	3829	4733	8429	12084	6478.00	3718.21	57.40

Source: Annual Report 2010

Managerial Performance Indicator of Pubali Bank Ltd. (PBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	5000.00	5000.00	5000.00	5000.00	5000.00	5000	0	0
Paid-up Capital	1200.00	2100.00	2940.00	3822.00	4968.600	3006.12	1466.67	48.79
Reserve Fund	3327.50	3832.09	4606.82	5687.25	9411.27	5372.99	2426.51	45.16
Deposits	46675.93	57996.82	73016.51	88466.46	98850.50	73001.24	21363.01	29.26
Loans & Advances	40386.65	50549.17	61788.15	74203.33	89106.21	63206.70	19200.85	30.38
Investments	4982.10	5556.58	8375.59	12168.65	16516.39	9519.86	4836.73	50.81
Gross Income	5494.49	7087.63	9009.25	10663.81	12828.53	9016.742	2888.35	32.03
Gross Expenditure	3684.43	4145.67	5563.39	6824.34	7343.48	5512.26	1603.60	29.09
Net Profit (Pre-tax)	845.53	1353.51	1515.23	2092.23	3233.09	1807.92	912.45	50.47
Import Business	37316.50	48345.41	58009.10	60493.85	85683.53	57969.68	17983.40	31.02
Export Business	17701.80	19907.50	24795.65	24739.65	33909.78	24210.88	6236.53	25.76
Foreign Correspondents	-	-	-	-	-	0	0	0
Number of Employees	5141	5270	5321	535	5534	4360.20	2143.04	49.15
Number of Branches	356	361	371	386	399	374.60	17.81	4.755
Number of Shareholders	11697	19009	24153	30899	86200	34391.60	29802.71	86.66

Source: Annual Report 2010

Managerial Performance Indicator of Sonali Bank Ltd. (SBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	-	-	-	-	-			
Paid-up Capital	327.22	500.00	900.00	900.00	900.00	705.44	273.32	38.74
Reserve Fund	303.40	283.13	1196.28	1246.95	1744.04	954.76	640.71	67.11
Deposits	27707.90	30230.30	32899.72	36438.60	40615.15	33578.33	5094.84	15.17
Loans & Advances	22700.96	24102.93	20634.76	23116.66	25402.25	23191.51	1767.86	7.62
Investments	-	-	-	-	-	0	0	0
Gross Income	1986.39	2313.17	1429.02	2662.10	3256.59	2329.45	689.02	29.58
Gross Expenditure	1590.03	2012.59	1004.32	2500.41	3025.54	2026.58	783.94	38.68
Net Profit (Pre-tax)	20.80	3627.56	97.36	231.11	153.68	826.10	1567.95	189.80
Import Business	11852.80	6776.30	7649.68	15146.51	9686.42	10222.34	3379.60	33.06
Export Business	6409.20	7969.50	7804.59	7938.98	6444.20	7313.29	811.81	11.10
Foreign Correspondents	-	-	-	-	-	0	0	0
Number of Employees	23933	23273	22542	21839	21506	22618.60	1000.93	4.43
Number of Branches	1183	1183	1183	1182	1183	1182.80	0.45	0.04
Number of Shareholders	-	-	-	-	-	0	0	0

Source: Annual Report 2010

Managerial Performance Indicator of Janata Bank Ltd. (JBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	8000	8000	8000	20000	20000	12800.00	6572.67	51.35
Paid-up Capital	2595	2595	2595	5000	5000	3557.00	1317.27	37.03
Reserve Fund	1727	3224	4183	8207	10224	5513.00	3563.47	64.64
Deposits	182947	198636	221336	246175	286567	227132.20	40905.64	18.01
Loans & Advances	138493	121200	144678	166359	225732	159292.40	40501.19	25.43
Investments	24785	55862	57824	72533	57514	53703.60	17514.19	32.61
Gross Income	16272	18522	20922	24074	30614	22080.80	5579.84	25.27
Gross Expenditure	12059	13559	13919	15496	18577	14722.00	2477.35	16.83
Net Profit (Pre-tax)	1352	1681	3145	2982	4907	2543.00	1827.12	71.85
Import Business	70897	71855	85418	88653	118515	87067.60	19281.37	22.15
Export Business	128809	84065	129413	118525	183744	128911.20	35797.88	27.77
Foreign Correspondents	1198	1198	1202	1208	1215	1204.20	7.29	0.61
Number of Employees	14772	13860	13379	13122	12826	13591.80	761.13	5.60
Number of Branches	848	848	849	851	861	851.40	5.50	0.65
Number of Shareholders	-	-	-	-	-	0	0	0

Source: Annual Report 2010

Managerial Performance Indicator of Bank Asia Ltd. (BAL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	1200.00	4450.00	4450.00	4450.00	4450.00	3800.00	1453.44	38.25
Paid-up Capital	930.00	1116.00	1395.00	1743.75	2144.81	1465.91	488.05	33.29
Reserve Fund	636.98	833.74	1243.41	1589.21	2809.33	1422.53	858.32	60.34
Deposits	18500.07	25289.36	30004.09	42435.24	54832.82	34212.32	14465.69	42.28
Loans & Advances	17869.84	22255.64	28456.94	39975.00	50267.92	31765.07	13268.47	41.77
Investments	2256.28	3345.33	4203.14	6133.81	9663.10	5120.33	2909.41	56.82
Gross Income	1804.37	2842.34	3662.38	4973.11	6247.49	3905.94	1748.49	44.76
Gross Expenditure	1359.61	2186.40	2705.03	3739.02	4498.02	2897.62	1242.74	42.89
Net Profit (Pre-tax)	383.51	475.76	725.64	686.70	1327.18	719.76	368.34	51.18
Import Business	26352.30	31625.60	39218.70	50985.00	67378.30	43111.98	16422.70	38.09
Export Business	13963.701	17480.10	20417.30	25155.30	30953.40	21593.96	6648.52	30.79
Foreign Correspondents	310	332	355	399	625	404.20	127.76	0.00
Number of Employees	397	515	639	802	1031	676.80	248.51	36.72
Number of Branches	19	24	29	33	41	29.20	8.44	28.90
Number of Shareholders	3285	4764	6672	8318	10868	6781.40	2973.56	43.85

Source: Annual Report 2010

Managerial Performance Indicator of Social Investment Bank Ltd. (SIBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	1000.00	4000.00	4000.00	4000.00	4000.00	3400.00	1341.64	39.46
Paid-up Capital	585.00	585.00	585.00	1119.55	1309.88	836.89	351.41	41.99
Reserve Fund	-	-	-	-	-	0	0	0
Deposits	19704.20	16862.58	16170.51	19753.94	24099.82	19318.21	3128.13	16.19
Loans & Advances	12887.30	15096.83	15312.90	16440.26	19951.30	15937.72	2586.69	16.23
Investments	0.06	501.06	501.06	558.45	853.46	482.82	306.93	63.57
Gross Income	-	-	-			0	0	0
Gross Expenditure	-	-	-			0	0	0
Net Profit (Pre-tax)	152.47	54.20	120.23	212.92	354.81	178.93	113.79	63.60
Foreign Exchange Business	18088.12	17438.07	23280.00	23903.8	3363.20	17214.64	8279.63	48.10
Foreign Correspondents	3575	3575	2366	2480	2200	2839.20	679.03	23.92
Number of Employees	651	686	674	674	750	687.00	37.43	0.00
Number of Branches	24	24	24	24	28	24.80	1.79	7.21
Number of Shareholders	915.50	923.07	980.70	1665.29	1867.36	1270.38	459.03	36.13

Source: Annual Report 2010

Managerial Performance Indicator of Mutual Trust Bank Ltd. (MTBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	1000.00	3800.00	3800.00	3800.00	10000.00	4480.00	3315.42	74.00
Paid-up Capital	950.40	997.92	1496.88	1766.32	2119.58	1466.22	500.81	34.16
Reserve Fund	-	-	-	-	-	0	0	0
Deposits	22264.05	24776.92	33820.41	42354.07	45846.31	33812.35	10401.68	30.76
Loans & Advances	18591.52	22683.23	28529.35	33883.92	39676.12	28672.83	8452.17	29.48
Investments	12943.29	3956.53	5606.49	9537.97	9216.33	8252.12	3537.01	42.86
Gross Income	1284.86	118834	1839.57	2544.02	3398.65	25580.22	52136.45	203.82
Gross Expenditure	315.39	424.48	644.49	917.10	1396.93	739.68	433.56	58.61
Net Profit (Pre-tax)	478.28	210.80	305.03	820.61	988.36	560.62	333.56	59.50
Import Business	26255.29	24866.00	30381.62	29720.99	27652.80	27775.34	2311.28	8.32
Export Business	12943.29	18282.00	19463.24	19676.38	16842.85	17441.55	2755.94	0.00
Foreign Correspondents	-	-	-	-	-	0	0	0
Number of Employees	470	578	739	841	1050	735.60	226.58	30.80
Number of Branches	25	30	36	44	67	40.40	16.47	40.77
Number of Shareholders	1904.80	2044.30	2483.09	3684.51	4378.81	2899.10	1083.84	37.39

Source: Annual Report 2010

Managerial Performance Indicator of National Bank Ltd. (NBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	2450.00	2450.00	2450.00	7450.00	17500.00	6460.00	6540.30	101.24
Paid-up Capital	805.47	1208.20	1872.72	2846.54	4412.13	2229.01	1444.20	64.79
Reserve Fund	2468.79	3360.18	4253.55	6070.22	14693.47	6169.24	4947.89	80.20
Deposits	40350.87	47961.22	60187.89	76834.13	102471.83	65561.19	24817.67	37.85
Loans & Advances	32709.68	36475.74	50665.07	65129.29	92003.56	55396.67	24134.40	43.57
Investments	6239.38	7760.38	9156.61	12315.20	24993.32	12092.98	7551.93	62.45
Gross Income	3674.32	4288.80	5786.71	7006.63	9616.14	6074.52	2368.78	39.00
Gross Expenditure	2449.76	2833.45	3594.84	4490.34	5577.09	3789.10	1268.22	0.00
Net Profit (Pre-tax)	507.49	1238.11	1517.43	2070.47	6860.34	2438.77	2535.07	103.95
Import Business	42458.50	62759.00	78226.32	77539.77	6442.57	53485.23	30047.24	56.18
Export Business	28019.20	31824.00	36284.44	38398.85	47812.47	36467.79	7506.79	20.58
Foreign Correspondents	400	405	405	415	415	408.00	6.71	1.64
Number of Employees	2270	2432	2737	2960	3442	2768.20	461.79	16.68
Number of Branches	91	101	106	131	145	114.80	22.41	19.52
Number of Shareholders	8.05	12.08	60187.89	76834.13	102471.83	47902.80	46241.63	96.53

Source: Annual Report 2010

Managerial Performance Indicator of Mercantile Bank Ltd. (MBL) During Last Five Years

	2006	2007	2008	2009	2010	Mean	SD	CV
Authorised Capital	3000.00	3000.00	3000.00	8000.00	8000.00	5000.00	2738.61	54.77
Paid-up Capital	1199.12	1498.90	1798.68	2158.42	4072.21	2145.47	1134.28	52.87
Reserve Fund	-	-	-	-	-	0	0	0
Deposits	33332.65	39348.00	49538.35	58033.47	75629.14	51176.32	16627.91	32.49
Loans & Advances	26842.14	31877.86	43419.36	48295.55	66377.70	43362.52	15482.71	0.00
Investments	5407.90	7099.97	6264.71	9664.72	10937.20	7874.90	2337.76	29.69
Gross Income	3498.67	4450.90	5604.36	6741.69	7669.42	5593.01	1682.39	30.08
Gross Expenditure	2662.58	3159.30	4045.97	4755.90	5176.00	3959.95	1054.03	26.62
Net Profit (Pre-tax)	494.22	540.50	615.88	807.52	1425.34	776.69	381.82	49.16
Import Business	42442.80	40380.10	56528.80	60592.50	89524.10	57893.66	19717.28	34.06
Export Business	34592.10	32670.10	43108.50	46298.60	59404.20	43214.70	10690.64	24.74
Foreign Correspondents	306	584	586	590	589	531.00	125.80	23.69
Number of Employees	879	945	1115	1303	1605	1169.40	293.79	25.12
Number of Branches	35	41	42	53	65	47.20	11.88	25.18
Number of Shareholders	11991.19	14988.98	17986.78	21584.13	40722.01	21454.62	11342.80	52.87

Source: Annual Report 2010

Appendix V Advertising Expenditure of Sample Banks during Last Five Years

Advertise Expenses of UCB During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	41536543	42532156	42910349	50338774	63254123	48114389	9160661	19.04

Source : Annual Reports 2005-2010

Advertise Expenses of PBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	27015698	30123254	33542365	35397122	51405710	35496830	9456840	26.64

Source : Annual Reports 2005-2010

Advertise Expenses of EBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	99365456	101236542	109365456	116039648	124455605	137615677	10436635	7.58

Source : Annual Reports 2005-2010

Advertise Expenses of SBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	7143194	7741124	7899594	9725516	136441211	33790128	57391811	169.85

Source : Annual Reports 2005-2010

Advertise Expenses of JBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	10162924	10261952	12265930	16264940	30969856	15985120	8733636	54.64

Source : Annual Reports 2005-2010

Advertise Expenses of BAL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	4856	5156	5530	26590	28693	14165	12327.07	87.02

Source : Annual Reports 2005-2010

Advertise Expenses of MTBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	28265236	30241139	32141432	33546432	75513845	39941617	19984756	50.03

Source : Annual Reports 2005-2010

Advertise Expenses of SIBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	5986985	6087545	8819712	8999718	9598728	7898538	1723770	21.82

Source : Annual Reports 2005-2010

Advertise Expenses of NBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	8370521	10940775	49370529	101816295	121815280	58462680	51824972	88.65

Source : Annual Reports 2005-2010

Advertise Expenses of MBL During Last Five Years

	Amount in Taka					Mean	SD	CV
	2006	2007	2008	2009	2010			
Advertisement Of various Media	28946730	35724287	45724455	49600048	59791956	43957495	12029126	27.37

Source : Annual Reports 2005-2010