

**EFFECTIVENESS OF PROMOTIONS:
IDENTIFY THE MOST EFFECTIVE PROMOTIONAL
METHOD FOR RECENTLY INTRODUCED SAVINGS
ACCOUNTS
WITH SPECIAL REFERENCE TO COMMERCIAL
BANKS OPERATED IN BADULLA**

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Faculty of Management

Uva Wellassa University

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ABSTRACT

Effectiveness of promotions:

Identify the most effective promotional method for recently introduced savings accounts with special reference to Commercial Banks operated in Badulla

Abeygunawardene S.H.D.K¹, Fernando P.I.N¹

Key words: Recently Introduced Savings Accounts, Promotional Cost, Promotional Methods

Modern business environment is highly dynamic and competitive. Service sector organizations are considered as one of the highly competitive sector within the economy. To face this competition, commercial banks introduce savings accounts ceaselessly. Even though banks spend millions on promotional/advertising activities to attract customers, the number of customers attracted to savings accounts is in comparatively lower level.

This research focused on identifying the most effective promotional method for recently introduced savings accounts in commercial banks which operated in their branches in Badulla urban area. Hundred respondents from seven commercial banks were taken as sample and using stratified sampling method. Here the effectiveness of eight promotional methods using by banks to attract customers is considered.

¹ Entrepreneurship & Management, Uva Wellassa University, Sri Lanka

Questionnaires & interview methods were used as to gather primary data as well as for secondary data commercial banks annual report were taken.

The research study illustrates that there is a positive relationship in between promotional/advertising cost and attractiveness of customers for recently introduced savings accounts (0.507). The P-Value of 0.245 elaborates banks are unable to attract considerable number of customers to the cost that banks spend on promotional/advertising activities for recently introduced savings accounts. According to the study, the most effective promotional methods are word of mouth marketing and personal selling. The other six promotional methods have less effectiveness and radio advertisements have no effectiveness in attracting customers for recently introduced savings accounts.

As recommendations to minimize this less effectiveness banks must spend heavily on the most effective promotional methods, word of mouth marketing and personal selling to attract more potential customers. It is not wise to spend on each and every promotional method that banks already practice since those six promotional methods has less effectiveness in attracting customers for recently introduced savings accounts. To practice most effective promotional methods banks must consider on enhancing the service given by bank officers to delight the customers. For that banks can use training and developing programs regarding Customer Relationship Management and other motivational methods such as salary increments, job security for the bank officers.