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ROLE OF MARKETING STRATEGIES ON PERFORMANCE OF COMMERCIAL BANKS IN RWANDA.
CASE OF BANK OF KIGALI PLC (2021 – 2023)

A dissertation Submitted and Presented to the School of Economics and Business Studies in partial fulfillment of the Academic Requirements for the Award of a Bachelor's Degree with Honors in Accounting

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DECLARATION

I, **MBONYIYEZE Theogene** hereby declare that this thesis entitled **“ROLE OF MARKETING STRATEGIES ON PERFORMANCE OF COMMERCIAL BANKS IN RWANDA. CASE OF BANK OF KIGALI PLC (2021 – 2023).”** is my own work and it has not been submitted for award of any degree.

MBONYIYEZE Theogene

Signature……………………..

Date ……………/…………/2024

APPROVAL

This is to certify that this work titled **“ROLE OF MARKETING STRATEGIES ON PERFORMANCE OF COMMERCIAL BANKS IN RWANDA. CASE OF BANK OF KIGALI PLC (2021 – 2023)”** a research study was carried by **MBONYIYEZE Theogene** under my guidance and supervision.

Supervisor’s name: NYIRAKAGEME Alice

Signature: …………….

Date……./………/2024

DEDICATION

To my parents

To my sisters

To my brothers

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This Thesis has benefited greatly from substantial inputs, guidance and comments from many people and institutions.

First of all, I would like to thank to the Almighty God for giving the wisdom and granting me resources whether financial and non-financial that has made a great contribution to this research project and my education in general.

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May God bless you all!

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LIST OF ABBREVIATIONS AND ACRONYMS

ATMS	: Automatic Teller Machines
BK	: Bank of Kigali
BNR	: Banque Nationale du Rwanda
ESOPS	: Employee Stock Ownership Plans
GOR	: Government of Rwanda
HR	: Human Resource
HRM	: Human Resource Management
MFIS	: Microfinance Institutions
NPM	: Net Profit Margin
P&L	: Profit And Loss
ROA	: Return on Assets
ROE	: Return on Equity
ROI	: Return on Investment
RWF	: Rwanda Francs
ULK	: Kigali Independent University
UN	: United Nations
US	: United States

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ABSTRACT

The broad objective of the study is to assess the role of marketing strategies to the performance of commercial banks in Rwanda. Specific objectives. The specific objectives were to check out the effectiveness of marketing strategies applied in Bank of Kigali PLC and to find out the contribution of marketing strategies to the performance of Bank of Kigali PLC. The results indicate that the respondents confirmed and agree 100% that types of marketing strategies applied by Bank of Kigali PLC are Service delivery/ process strategy, Personal strategy, Distribution strategy, Promotion strategy, Product strategy, pricing strategy and Physical strategy. From 2021 to 2023, during the financial year 2021, 2022 and 2023, each 100Rwf invested in Bank of Kigali PLC assets generated the profit of 3.7Rwf, 4.3 Rwf and 5.8Rwf. This shows that the return on assets had a good trend during the period under study. From 2021 to 2023, for 100Rwf invested in Bank of Kigali PLC by shareholders generated returns of 22.6Rwf in the year 2021 which increased at 27.8 in the year 2022 and also, they increased again in 2023 up to 32.7Rwf. From 2021 to 2023, for Bank of Kigali PLC, the Net profit margin was 0.121in 2021, 0.155 in 2022 and 0.172 in 2023. Based on these findings, it was established that net profit margin generated as compared to the operating expenses incurred was 12.1% in 2021, 15.5% in 2022 and 17.2% in 2023. This indicates that Bank of Kigali PLC generated 12.1Rwf of profit from 100Rwf of sales in 2021, 15.5Rwf of profit from 100 Rwf of sales in 2022 while it generated 17.2Rwf of profit from 100Rwf of sales in 2023. From 2021 to 2023, in Bank of Kigali PLC the current ratio generated as compared to the current liabilities incurred was 54.0% in 2021, 65.8% in 2022 and 67.0% in 2023. The next years, Bank of Kigali PLC has of 2022 the liquid increased to 51.3Rwf means the ability to cover current liabilities increased. Quick ratio increased in 2023, Bank of Kigali PLC has 62.0Rwf respectively of liquid assets available to cover each its current liability and coming debts.

Key concepts: **Marketing strategies and financial performance**

CHAP I. GENERAL INTRODUCTION

Introduction

This chapter highlights the background of the study, statement of the problem, objective of the study, research questions, research hypotheses, scope of the study, significance of the study, methodology to be used and lastly the structure of the study.

1.1. Background of the Study

Worldwide, according to Emeka (2024), the European retail grocery market, British food journal, pp 744. The European grocery market sales amounted to 730.7 billion Euros excluding tax by 1999, rose to about 769.6 billion in 2000 and in terms of importance the four big markets of UK, Germany, France and Italy are way ahead of the rest of the pack and accounted for 65.1 percent of total sales in 1999, although this slipped to an estimated 64.5 percent cent in 2000, as other countries like the USA and Japan grew more quickly which gives a clear picture of how significant the grocery market is to the economy (Hirst, 2017).

Banking industry in India has also achieved a new height with the changing times. Most of the banks provide various services such as Mobile banking, SMS & Net banking and ATM service to their customers for their convenience. The use of technology has brought a revolution in the working style of the banks. A market-focused organization first determines the potential customer's desire, and then builds the products or services. Marketing theory and practices are justified in the belief that customers use a product or service because they have a need, or because it provides a perceived benefit (Roseline et al., 2021). Two major factors of marketing are the recruitment of new customers (acquisition) and the retention and expansion of relationships with existing customers (Santomero, 2019).

For marketing plan to be successful, the mix of the four "Ps" must reflect the wants and desires of the consumers in the target market. Trying to convince a market segment to buy something they do not want is extremely expensive and seldom unsuccessful. Marketers depend on insights from marketing research, both formal and informal, to determine what clients want and what they are willing to pay for (Grönroos, 2014). Marketers hope that this process will give them a sustainable competitive advantage. The study of (Nakamura, 2018) for the oil and gas sector in India suggest that strategic marketing is a driver of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets (Jocumsen, 2014).

In Africa, certainly, marketing strategies can play a crucial role in performance of organizations especially banking performance. (Roseline et al., 2021) reported that strategic marketing affected on Nigerian Oil and Gas Industry. Omotayo (2009) conducted a research to study effect of marketing strategies on export performance in Nigerian export companies. Result showed that marketing strategies such as firms' product adaptation, promotion adaptation and the firm marketing position affect the firm's export performance. (Wilson & Gilligan, 2012) contend that marketing services are not only for the survival but also needed for improving the efficiency of banking services and building a loyal customer base (Varadarajan, 2015).

In the Ethiopian context, researchers such as (Nwambeke et al., 2020) conducted studies on assessing the practice of marketing strategies in two different organizations and identified the existence of insufficient practical implementation of the marketing strategies. Many empirical studies have provided evidence that effect marketing strategy tactics positively affect behavioral loyalty, which affects customer retention. As a result, marketing strategy has become an alternative means for organizations to build strong, ongoing customer associations (Harvey, 2015).

In Rwanda, marketing plays a big role in creating brand awareness that influences buying patterns and relationship of any customer, no matter the size of a business, every enterprise must have marketing and branding strategies to succeed in the cutthroat business environment. For any product to be embraced, its brand must be visible and recognized by customers. This is the reason why local firms must invest in marketing and branding to create awareness and brand recognition on the market (Gavil, 2014).

Bank of Kigali PLC applies different marketing strategies with the primary objectives of increasing services awareness among targeted customers, providing information about service features and reducing customer's resistance by promoting customer retention. Marketing objectives are goals set by a business when promoting its products or services to potential consumers that should be achieved within a given time frame (Jocumsen, 2014).

1.2.Problem statement

Competition among banks is getting harder day-to-day due to the increase of commercial banks reasons such as globalization, increasing global and domestic competition, and new technologies. Organizations must therefore adapt themselves to the empowered customer by implementing strategies that can sustain them in this competitive environment (Alhadeff, 2022). The commercial banks in Rwanda are also faced with numerous challenges including intense competition, satisfying the needs of the customers, fluctuating foreign exchange currency etc. To respond to these challenges, those commercial banks can launch and apply competitive strategies that give them edge over others on the comparative market share (Harelimana, 2018).

However, commercial banks in Rwanda have not yet developed marketing strategies as they should, some of them are facing the problem of failing to sell their product, the failure to sell can be the result of not influencing customers to buy their product and not develop an effective marketing strategies to convince them (Tuyishime et al., 2015). In Rwandan commercial banks, marketing professionals understand the importance of developing marketing strategies. But not everyone thinks this way. To some, building marketing strategies is a waste of time or meaningfulness process in the business especially in the commercial banks category (Ndihokubwayo, 2022). It has been found out that marketing program in many commercial banks in this country were not given attention as it could be. In addition, many commercial banks considered marketing strategies as a will bet age of money and do not consider it as most important result into high sales level. Many commercial banks face problem of financing their marketing due to the fact that their managers consider marketing strategies as expenses more than brought up the profitability.

Few years ago, marketing strategies has been introduced in Rwandan commercial banks but still its contribution to their performance remained largely unnoticed. Therefore, the present study come to feel the gap and it is upon this that is why the researcher is prompted examined the effect of marketing strategies to the performance of commercial banks in Rwanda. The reasons pushed researcher to conduct this research want to know deeply the impact of marketing strategies on performance of commercial banks in Rwanda.

1.3.Objectives of the Study

The study has two kinds of objectives: general objective and specific objectives.

1.3.1. General objectives

The broad objective of the study is to assess the role of marketing strategies to the performance of commercial banks in Rwanda. The case study of Bank of Kigali PLC (2021-2023)

1.3.2. Specific objectives

i. To check out the effectiveness of marketing strategies applied in Bank of Kigali PLC.
ii. To find out the contribution of marketing strategies to the performance of Bank of Kigali PLC.

1.4. Research questions

To achieve both general and specific objectives of the study, the following research questions are formulated:

i. Does Bank of Kigali PLC apply marketing strategies effectively?
ii. Does marketing strategies contribute to the performance of Bank of Kigali PLC?

1.5. Research hypothesis

Hypothesis is a proposed answer to research question which is subject to verification depending on research findings (Richard Feynman, 2015). In order to answer the above raised questions, the researchers propose the following hypothesis:

i. Bank of Kigali PLC applies marketing strategies effectively
ii. Marketing strategies contributes to the performance of Bank of Kigali PLC

1.6. Scope of the study

Due to financial and time limitation constraints this research will be limited in time, space and domain.

1.6.1. Scope in content

This study was limited in accounting.

1.6.2. Scope in time

This research covered the period of three years from 2021 – 2023.

1.6.3. Scope in Geographical

The research was focused on Bank of Kigali PLC, headquarter branch located at Nyarugenge District in Kigali city. Researchers have chosen this Bank of Kigali PLC because its availability for data which researcher needed, because researcher was not get the means and time of collecting to all Rwandan banks.

1.7.Significance of the study

This research was a great significance to the different kinds of four areas including personal, scientific, academic and social.

1.7.1. Personal significance

The research findings will help the researcher to fulfill the requirements for obtaining Award of a Bachelor's Degree with Honors in Accounting. It will also help the researcher to increase skills level on marketing strategies. In addition, the study will help the researcher to acquire more knowledge on how to conduct the research and will enable the researcher to acquire deeply knowledge concerning the role of marketing strategies to the financial performance of commercial banks in Rwanda.

1.7.2. Academic and scientific significance

Academically, the research at hand will answer the requirements of ULK which requests students of third year to write a dissertation in the fulfillment of requirements for the Award of a Bachelor's Degree with Honors in Accounting. This piece of research will permit the students to match theories to practices. In addition, this work will serve as reference for the future researchers who will be interested in marketing and financial performance of commercial banks or in other domain. The copy of the academic dissertation remains the property of the ULK's library hereby it will be used for documentation.

1.7.3. Social significance

This study provided the benefits to the commercial banks and customers where it is located due to their consideration for given good products at real price and get jobs from the financial performance of commercial banks through different marketing strategies. After the results from the analysis of the data and recommendations will be communicated to the commercial banks, which shall facilitate the organization on better financial performance.

1.8.Structure of the Study

This study consists of five chapters;

Chapter one was the general introduction, which comprises the introduction of the study, background of the study, problem statement, objectives of the study, research questions, research hypothesis, scope of the study, significance of the study and the structure of the study.

The second chapter was the literature review, which is about the general understanding of the reviews of other researchers with the related studies. This chapter of Literature review will comprise the conceptual review, theoretical review, review of related literature and conceptual framework.

The third chapter is the research methodology and it is focused on the methods and materials to be used to achieve the objectives of the study.

The fourth chapter is data analysis, presentation and interpretation and it was the most important one because it will show the presentation of the results acquired.

The fifth one, which was the last chapter, covered the conclusion and recommendations with respect to the predefined objectives.

CHAPTER TWO: LITERATURE REVIEW

Introduction

This chapter gives the overview of earlier works and theories in areas of the contribution of E-banking towards banking on financial performance of commercial banks. Firstly, it explains the key words of the topic have, so that future readers may have the clear idea of terms with which the topic is made up. Moreover, to reconcile theory with practice researchers opted to highlight notions of electronic banking, commercial banks and banks' performance.

2.1.Conceptual review

This part of the research gives the definitions of concepts of this research where marketing, marketing strategy, performance and commercial bank are defined.

2.1.1. Marketing

The marketing is the process of creating, distributing, promoting, and pricing goods and services and ideas to facilitate satisfying exchange relationships with customers in a dynamic environment (Liczmanska-Kopcewicz, 2018). Marketing is defined as a function of an organization with distinct processes that create, communicate and also ensure that they deliver value for the customers and to manage the customer relationship in a way which is vital for the organization as well as the stakeholders (Grönnase, 2019). Marketing is the activity set of institution or company; and processes for creating; communicating; delivering; and exchanging offering that have value for customers; client partners; and society at large (Roseline et al., 2021). Marketing is the process of getting people interested in your company's product or service. This happens through market research, analysis, and understanding your ideal customer's interests (Wilson & Gilligan , 2012).

2.1.2. Marketing Strategy

Marketing strategy is defined as a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage (Alhadeff, 2022). A marketing strategy refers to firms' willingness to market their products using existing reserves available (Grönnase, 2019). A marketing strategy is a firm's overall plan for reaching prospective consumers and turning them into permanent customers of their services or products (Išoraitė, 2019). A marketing strategy is an overview of how a business or organization will articulate its value proposition to its customers. Generally, a marketing strategy outlines business goals, target market, buyer personas, competitors, and value for customers. A marketing strategy is a business's general scheme for developing a customer base for the product or service that the business provides (Hirst, 2017).

A marketing strategy is a long-term plan for achieving a company's goals by understanding the needs of customers and creating a distinct and sustainable competitive advantage. It encompasses everything from determining who your customers are to deciding what channels you use to reach those customers (Abiodun & Kolade, 2020). Marketing strategy is regarded as an important principle for organizing and allocating organizational resources to financial profit to consumers, which will aid the organization in recognizing organizational resource constraints, analysis, recognition, and market segmentation, as well as understanding the characteristics of the components market and can be useful in developing and achieving a single clear organizational perspective. With a marketing strategy, you can define how your company positions itself in the marketplace, the types of products you produce, the strategic partners you make, and the type of advertising and promotion you undertake (Jocumsen, 2014).

2.1.3. Performance

According to Singwal (2020), performance is defined as the organization ability to attain goals by using resource in an effective and efficient manner. He emphasized the managers responsibility is to coordinate resources in most efficient and effective manner to accomplish organizational goals. Effective meaning producing a successful result and the efficient means doing something well thoroughly well within a waste of time, money and energy. According to Chen (2020), performance entails effectiveness which refers to the firm's ability to produce and serve what the market requires at particular time and efficiency which means meeting the objectives at the lowest possible cost with the highest possible benefit. In order to assess performance, the managers use actions designed to generate sustainable long-term improvements.

Performance is one of the key terms organization"" performance"" from a process view, performance means the transformation of inputs for achieving certain outcomes. The company inform about the relationship between minimal and effective cost, between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness) of certain activities (Fouad et al., 2017)

2.1.4. Commercial bank

Commercial Bank refers to a bank whose primary business is providing financial services to individuals and companies. A commercial bank is a financial institution which performs the functions of accepting deposits from the general public and giving loans for investment with the aim of earning profit (Santomero, 2019). In fact, commercial banks, as their name suggests, axe profit-seeking institutions, i.e., they do banking business to earn. Nakamura (2018) define commercial bank as a type of financial institution that accepts deposits, offers checking account services, makes various loans, and offers basic financial products like certificates of deposit (CDs) and savings accounts to individuals and small businesses. A commercial bank is a for-profit financial institution that generates revenue by holding deposits from and making loans to customers, offering various financial services to consumers and earning interest on investments made (usually securities) on deposits (Rasiah, 2017).

2.2.Theoretical review

Here, the researcher provides theoretical framework, review on marketing strategies, review on performance of commercial banks and relationship between marketing strategies and performance

2.2.1. Theoretical framework

This study is based on the following theories;

2.2.1.1.Market orientation theory

The theory emerged in the early 90s when Jaworski and Kohli as well as Narver and Slater published their market orientation frameworks (1997) with an aim to analyze and characterize market driven organizations. Although the scholars disagreed on the exact definition and characteristics of market orientation, it is widely accepted by academicians and practitioners that both theories imply that the approach leads to better market performance (Melitz, J., & Pardue, M., 2015). According to this theory, successful businesses should be able to know the requirements and wants of their customers, with the goal of meeting those needs and wants more effectively than their rivals. Market orientation theory is conceptualized along three dimensions which are customer orientation, competitor orientation, and inter-functional coordination (Tokarczyk et al., 2017).

Customer orientation, according to (Tokarczyk et al., 2017), involves being fully aware of the buyers and entire value chain with the single objective of effectively providing value for the customers while simultaneously achieving market advantage. Firms with stronger customer orientation are able to achieve higher market profitability and foster more value related to market tracking. Competitor orientation is described as the firm’s knowledge of the strengths, weaknesses, strategies and capabilities of competitors in the market (Narver et al., 2018). While the last component, inter-functional coordination, focuses on improving the cooperation and integration of resources among the various units and departments of the organization, for the purpose of achieving its organizational goals thereby leading to enhanced performance and competitive advantage (Gounaris et al., 2016) From the angle of customer orientation, the theory implies that the satisfaction of customers will improve performance therefore, it is expected that customer centric marketing strategies will have a significant and positive effect on performance (Wrenn, 2017).

2.2.1.2.Competence based theory

Competence based theory is defined as an approach to manage business in a given way. On this approach, the business is an open system which interact with the environment to obtain given resources and to improve their outputs (Hodgson, 2018). Based on this theory, the capacity of a firm is developed on the core competences which cannot be acquired by the competitors and also create more profits which provide the basis for firm performance. In the present dynamic business environment, the competitive position of a firm is challenged constantly by the growth of new technologies, products, the markets as well as competitors. On the other hand, flexibility and adaptability have formed major concepts of management in developing sustained competitive advantage (Freiling, 2014).

Competence based theory provides the foundation for firm competitiveness. It is one of the main studied theories pertaining to the influence of the strategies of a firm to improving its performance. This theory, hence has a major role to play on evaluating the competitiveness of a firm and its sales that fit on the perception of the customers to improve their general performance in the market. Thus, this theory aligns to a firm's ability to examine the dynamic business environment and develop strategies for survival (Grönroos, 2014).

2.2.1.3.Business Profitability theory

Study by Whyte (2022), shows that business profitability can be measured at both organizational and individual levels. This measurement is sometimes referred to as business profitability appraisal. Whyte argues that organizations have desired potentials in terms of capacity, attraction, manual share and financial strength and business profitability are the difference between those potentials and those that will be achieved. Whyte argues that human capital asset accumulation has significant impact on the organizations ability to introduce new products, compete within markets thus influencing the level of business profitability. It increases knowledge base within the organization's success and business profitability.

Rumelt (2024), assert that availability and level of resources can also be used to analyze the business profitability of an organization. Remelt content that resources which may include assets finances, employee skills and organizational process are key indicators of the organizations business profitability one time. In agreement with this, Barney (2021) suggested that resources could be grouped into physical, human and capital resources and that a firm can increase its business profitability only when the firms are unable to imitate its resources. Ryne (2024) argues that although a strong profitability indicates a strong institution, qualitative indicators like the nature of management and education level of labor force must supplement the quantitative indicators in order to enable the enterprise ability to meet its focus and objectives.

Company business profitability is very essential to management as it is an profitability which has been achieved by an individual or a group of individuals in an organization related to its authority and responsibility in achieving the goal legally, not against the law, and conforming to the morale and ethic. Business profitability are the function of the ability of an organization to gain and manage the resources in several different ways to develop competitive advantage. There are two kinds of business profitability, profitability and non-profitability (James & Kepha, 2020). According to Mitreva (2022) business profitability are an element of effective marketing mixes and profit is usually used as a measure of business profitability or as a basis of other measures. He further argues that profitability has been the most widely used measure of profitable Rasiah (2017) argued that measuring business profitability of a firm is better obtained from analysis and interpretation of various ratios.

A business profitability indicator or key business profitability indicator is a type of business profitability measurement. An organization may use business profitability to evaluate its success, or to evaluate the success of a particular activity in which it is engaged. Sometimes success is defined in terms of making progress toward strategic goals, but often success is simply the repeated, periodic achievement of some levels of operational goal (Hodgson, 2018).

Key business profitability indicators, in practical terms and for strategic development, are objectives to be targeted that will add the most value to the business. These are also referred to as 'key success indicators' (Gavil, 2014). Profitability is ability of a company to earn income and sustain growth in both short term and long term. A company measure of profitability is usually based on the income statement, which reports on the company's results of operations the profitability constitutes a major constituent of the company management although this notion recovers several aspects, it is very often around its measures that crystallizes the debates concerning the viability and the future of the company (Jocumsen, 2014).

Are of great importance to investors since they measure how effectively a firm's management is generating profits on sales, total assets, and stockholders' investment. The most common profitability ratios include; gross profit margin ratio, net profit margin ratio, return on total assets ratio, and return on equity ratio. Pandey (2022) identified that corporate companies can easily determine measure the business profitability level using profitability ratios. According to him this can be measured after preparing effective marketing mix. He further clarified that net profit is obtained after subtracting operating expenses like interest, taxes and electricity from the gross profit, hence net profit margin ratio is measured by dividing profit after tax by sales and it can be illustrated as below.

2.2.2. Review on marketing strategies

Here researcher provides different types of marketing strategies in use today and dimensions of effective marketing strategies

2.2.2.1.Different types of marketing strategies in use today

There are different type of strategies available but adoption and rejection of strategies depend upon the company objective and resources available and also the competition in the market also affect. Following are the basic strategies available which apply in different situation as follow (Gavil, 2014).

1. Product strategy

Product strategy refers to all the goods and services that a company offers to the target market in order to satisfy their needs (Barczak, 2015). It also includes physical products, services, information, places, organizations or ideas that can be offered for acquisition or consumption that might satisfy a want or a need (Gavil, 2014). Products are classified in two categories; tangible and intangible products. The product is therefore more than a branded, packaged good offered for sale. Its definition has been widened to include services and benefits and the services that can be achieved from the product (Souza et al., 2014).

Product strategy consists of elements such us packaging, branding labeling and product attributes that are of good quality, style, features and design. Strong brand preference is an added feature to the product (Santomero, 2019). A product consists of 4 life cycle stages, i.e. introduction, growth, maturity and decline stage. New product development leads to a wide product range that influences attraction and retention of many customers (Liczmanska-Kopcewicz, 2018).

2. Pricing strategy

Price is considered as a value placed on a product or a service. Foss (2022) asserts that the when the effective product development, distribution and also promotion positively influence the firm success; so is the efficient pricing strategy. Critics argue that despite the fact that effective pricing strategy is not able to compensate for the poor execution on promotion, distribution and product development, when there is ineffective pricing has a negative impact on the performance of firms.

In addition, the of complexity in the pricing strategy in a firm is quite significant as a result of the high level of homogeneity between the service groups as well as the shared service delivery and also the operating systems (Xia et al., 2021). Firms make use of different pricing strategies. This is based on the goals and objectives of the organizations as well as product stage in the market (Krishnan et al., 2019). They include pricing strategies for new products i.e. penetration pricing strategy, pricing strategies for established products which is determined by competition, price flexibility strategy, price leadership strategy, and psychological pricing strategy. They offer critical evaluation on the price changes in organizations and how this is affected by the target market.

3. Promotion strategy

Promotion and communication strategy is a major component in the marketing mix strategy. It helps firms to communicate on their product or services to the customers (Al-Sharif et al., 2017). Promotional strategy constitutes a number of elements that include personal selling, sales promotion, advertising, public relations and direct marketing (Hultman et al., 2015). These elements have an influence on the relationship of the customer and the firm that is essential towards improving the sales of a product or service (Grönroos, 2014). Integrated Marketing Communication (IMC) implies combining all the elements of promotion together to make a complete picture. This is so that a consistent message is transmitted by all marketing communications promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. The product life cycle, among other marketing objectives determines the extent to which these elements are used (Adefulu, 2015).

Kurtz& Boone (2021) talked about advertising and considered this factor to be a major aspect for the firms in any industry. One of the reasons is that effective advertising helps firms to attract and ensure loyalty of the customers within the current changing business environment. In addition, reports by Lehtinen (2022) indicated that 50 % of the consumers remembered seeing or hearing of the aspect of advertising in firms.

2.2.2.2. Dimensions of effective marketing strategies

Marketing effectiveness calls for managers to have sufficient information for the purposes of planning and effective resource allocation to varying markets, products and territories (Rasiah, 2017). Marketing effectiveness is also contingent upon the adeptness of managers to deliver profitable strategies from their philosophy, organization and information resources (Al-Sharif et al., 2017). Ultimately, marketing effectiveness depends on the ability to implement marketing plans successfully at various levels of the organization. There are four basic dimensions of marketing effectiveness. These are:

Corporate: A company's budget, size and ability to make organizational changes determine its bounds which operate within (Yau, 2020).

Competitive: A company which operates in a certain category is not alone and it is monitored by many other companies. In a competitive market, marketers have to gain perfect information to act as successfully as their competitors (Rasiah, 2017).

Customers: Information of customers` behavior such as making purchasing decisions can help marketers to enhance their marketing effectiveness. Customers who have similar needs act in the same way which causes their segmentation. Customers of each segment make their choices in relation to product values and characteristics in return for the price they paid. Customers also build brand value through information they receive from advertising, word of mouth and any other company promotional actions.

Exogenous factors: Corporate, competitive and customer environmental factors can influence marketing effectiveness. Interest rate, weather, government regulations are examples of external factors that affect marketing effectiveness. Noah determines five factors driving the level of marketing effectiveness that marketers can achieve (Tuyishime et al., 2015).

Marketing strategy: Marketing strategy is important for achieving organizational goals. It draws insights from market research and focuses on positioning a product mix correctly. Choosing and executing a superior marketing strategy will improve marketing effectiveness and lead to extraordinary results (Santomero, 2019).

Marketing creative: Creative marketing can improve company's outcomes even without a change in its strategy. Creative directly connected to growth rate. Consequently, the introduction of a new creative can increase it (Nakamura, 2018).

Marketing execution: Marketers can improve marketing effectiveness by improving how they go to market. For example, optimization of the way they enter a market can achieve great results without making any changes in the marketing strategy or marketing creation. By making small changes in any or all of the 4Ps of the marketing mix, marketers can enhance their marketing effectiveness and revenue.

Marketing infrastructure: Improving marketing creates a competitive advantage for each company and organization and can lead to significant gains for him or her. Management in any field of marketing activities fundamentally improves competitiveness and results of a company (Yau, 2020).

2.2.3. Review on performance of commercial banks

Here researcher provides Indicators of bank' performance, Factors affecting the bank's performance

2.2.3.1. Indicators of bank' performance

Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. The performance is an accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. Armstrong and Baron (2000) said that performance could be referred to as the extent to which behavior results in the attainment of work or organizational goals.

According to Donaldson (2007), different performance ratios provide different useful insights into the financial health and performance of a bank. Profit Analysis, Relative Return, Return On Assets (ROA) and Return on Average Assets (ROA). For most of these ratios, a higher value is desirable. A higher value means that the bank is doing well and it is good at generating profits, revenues and cash flows. Profitability ratios are of little value in isolation. They give meaningful information only when they are analyzed in comparison to competitors or compared to the ratios in previous periods. Therefore, trend analysis and industry analysis is required to draw meaningful conclusions about the performance of financial institution:

1. Return on Equity (ROE)

ROE is a financial ratio that refers to how much profit a company earned compared to the total amount of shareholder equity invested or found on the balance sheet. ROE is what the shareholders look in return for their investment. A business that has a high return on equity is more likely to be one that is capable of generating cash internally. Thus, the higher the ROE the better the company is in terms of profit generation. ROE is the ratio of Net Income after Taxes divided by Total Equity Capital. It represents the rate of return earned on the funds invested in the bank by its stockholders. ROE reflects how effectively a bank management is using shareholders' funds. Thus, it can be deduced from the above statement that the better the ROE the more effective the management in utilizing the shareholders capital.

$$\text{Return on equity ratio} = \frac{\text{Net income}}{\text{Shareholder's equity}} \times 100$$

2. Return on Asset (ROA)

ROA is also another major ratio that indicates the profitability of a bank. It is a ratio of Income to its total asset. It measures the ability of the bank management to generate income by utilizing company assets at their disposal. In other words, it shows how efficiently the resources of the company are used to generate the income. It further indicates the efficiency of the management of a company in generating net income from all the resources of the institution state that a higher ROA shows that the company is more efficient in using its resources.

$$\text{Return on asset ratio} = \frac{\text{Net income}}{\text{Total assets}} \times 100$$

3. Net Interest Margin

The net Interest margin can be expressed as a performance metric that examines the success of a firm's investment decisions as contrasted to its debt situations. A negative Net Interest Margin indicates that the firm was unable to make an optimal decision, as interest expenses were higher than the amount of returns produced by investments. Thus, in calculating the Net Interest Margin, financial stability is a constant concern.

$$\text{Net interest Margin} = \frac{\text{Net interest income}}{\text{Total income}} \times 100$$

2.2.3.2. Factors affecting the bank's performance

The determinants of bank performances can be classified into bank specific (internal) and macro-economic (external) factors (Gavil, 2014).

Internal factors are individual bank characteristics which affect the banks performance; these factors are basically influenced by internal decisions of management and the board (Mekonnen, 2015). The external factors are sector-wide or countrywide factors which are beyond the control of the company and affect the profitability of banks.

2.2.3.2.1. Internal Factors

The internal factors are bank's specific variables which influence the profitability of specific bank. These factors are within the scope of the bank to manipulate them and that they differ from bank to bank. These include capital size, size of deposit liabilities, size and composition of credit portfolio, interest rate policy, labor productivity, and state of information technology, risk level, management quality, bank size, ownership and the like. CAMEL framework is often used by scholars to proxy the bank specific factors (Wrenn, 2017).

2.2.3.2.2. External Factors

Non-performing loans have a negative effect not only at the micro level but affect also the macroeconomic aggregates. The macroeconomic policy stability, GDP, inflation, interest rate and political instability is also other macroeconomic variables that affect the performances of banks (Melitz, J., & Pardue, M., 2015). For instance, the trend of GDP affects the demand for banks asset. During the declining GDP growth, the demand for credit falls which in turn negatively affect the profitability of banks. On the contrary, in a growing economy as expressed by positive GDP growth, the demand for credit is high due to the nature of business cycle. During boom, the demand for credit is high compared to recession. The same authors state in relation to the Greek situation that the relationship between inflation level and banks profitability is remained to be debatable. The direction of the relationship is not clear (Barus et al., 2017).

2.2.4. Relationship between marketing strategies and performance

The relationship between marketing strategy and bank' performance has been well documented and analyzed in prior research and has been a topic of major discussion for scholars (El-Ansary & Hafez, 2015). It is becoming increasingly apparent from the literature that marketers need to consider customer-level information when they generate a marketing strategy for the firm. In this article, the authors develop a customer-focused framework that uses a marketing strategy with an overall objective of maximized profitability (Melitz & Pardue, 2015). Recent studies on marketing strategies have called for research that links product, pricing, promotion and distribution standardization to the overall profitability of the banks, more specifically, the firm's sales, customer and performance (Amin, 2021).

In addition, effective marketing strategies have greatly contributed towards improved bank' performance in different aspects of a bank such as the growth in sales volume, the level of the return on investment as well as maintenance of the goodwill. This implies that effective marketing strategies strengthen the level of competitiveness and the market share. In another study by(Akanji & Olowe, 2022), effectiveness of marketing strategies affects the level of the application of strategies that influence performance of firms. The study argued that challenges which marketers face are in terms of their inability of showing the level of effectiveness of their marketing mix strategies. This makes it difficult on anticipation on the changes which take place in the marketing situation of a firm and evaluation of the whole of the market. It is clear, that there are no agreed conclusions about the marketing strategies and their relationship to the performance of firms (Jocumsen, 2014).

This research operationalizes the moderating effects of product homogeneity, competitive intensity and stages of the product cycle and examines its relationship with firm performance (Sifuna, 2014). It is the first empirical research to operationalize the above-mentioned variables with the moderating variables and the relationship with comprehensive firm performance. Several suggestions for future research are offered to explore and harness this newly available evidence (Amin, 2021). According to the resource-based view of the firm, product, pricing, promotion and distribution standardization should directly influence firms' capabilities (the firm's sales, customer and financial performance). These overall findings, based on prior knowledge and previous research conducted by various authors, show that all the variables included in our study would have an impact on the overall firm performance (Ndihokubwayo, 2022).

The marketing strategy is a long term plan on action which is used in order to help a firm to gain its competitive advantage over its competitors. The competitive advantage is sustainable when competitors cannot imitate their source of competitiveness or when no other firm conceives a better offering. In a study by (Grönnase, 2019) asserted that performance is viewed as a multidimensional construct and that the level of performance of a firm differs based on a number of factors that characterize the industry. It has been argued that the use of marketing mix strategies has been done so as to have a more direct related marketing practice with the outcomes (Mekonnen, 2015).

2.3. Review of related literature (Empirical Studies)

El-Ansary& Hafez (2015) study carried out on the Nigerian Bottling Company, Kaduna examined the interaction between marketing strategies and the organization's performance. The independent variables used in the study included production strategy, pricing strategy, distribution strategy and product standardization, while data was obtained from a survey of 245 respondents. Results from the Pearson Correlation analysis shows that all the aspects of marketing strategies excluding promotional strategy have positive impact on sales volume and financial performance (Grönroos, 2014).

Furthermore, (Kumar, 2014) examined the ability of marketing strategies to improve the performance of SMEs in Abuja using data obtained from a survey of 339 respondents. The variables used in the study included product, pricing, place and promotion strategies. Analyzing data using multiple regression method, the study revealed a favorable relationship indicating that the implementation of marketing strategies has a favorable impact on the performance of SMEs. Also, findings revealed that product strategy was the most adopted marketing strategy. Using the same methodology, (Thomas, 2017) investigated marketing strategies impact on organizational performance in Nigeria by surveying 152 respondents. The variables used in the study included packaging, promotion, product and price. Findings reveal that the independent variables were joint indicators of business performance (Toby, 2018).

Similar results were achieved in the study of (Santomero, 2019) which analyzed the impact of marketing strategy on business performance of selected SMEs using primary data obtained from a survey of 103 respondents. The variables used in the study included product strategy, promotion strategy, place strategy, price strategy, packaging strategy and after sales service (Barczak, 2015). Using the zero-order correlation and multiple regression methods of analysis, findings revealed that the selected marketing strategies were positive predictors of business performance estimated as annual profit, market share, return on investment, and expansion (Hultman et al., 2015).

Lastly, (Tuyishime et al., 2015) also confirmed that marketing practices have significant effect on business performance of SMEs. The variables used in the study included new product development, process development, segmentation, price discrimination, direct distribution, personal selling, sales promotion, relationship marketing and electronic advertisement. (Rasiah, 2017).

(Hultman et al., 2015) examined the linkage between marketing strategy and organizational performance in Iraq using Cihan University Duhok Camps KRG as a case study. The data obtained from a sample of 100 respondents was analyzed using multiple regression analysis method. Consistent with the findings of (Barus et al., 2017), the study's proxies of marketing strategies (service, pricing, promotions, place, after sales service, higher education marketing and social media marketing) were found to have positive and significant impact on business performance measured by profitability, market share, return on investment and expansion. Focusing on selected manufacturing SMEs, (Amin, 2021) also investigated the association between marketing strategy and business performance in Southern Ethiopia. Data was obtained from a survey of 250 owners/managers of SMEs and the study variables were product strategy, price strategy, promotion strategy, and placement strategy. The correlation analysis revealed the strategies focused on product, price and promotion have positive effect on performance of the manufacturing SMEs. Conversely, place strategy exerted a negative effect on the performance of the manufacturing SMEs (Barczak, 2015).

(Sifuna, 2014) analyzed the impact of marketing strategies on sales performance of fifty (50) SMEs in Kenya (Kubacki & Croft, 2014). From the results of the descriptive statistics, the author concluded that the independent variables (pricing, product development, promotional and place marketing strategies) have significant favorable effects on the turnover of the SMEs. (Freiling, 2014) Also in Kenya, (Souza et al., 2014) analyzed the effects of management strategies on productivity of soft drink distributors in sixty-two (62) soft drinks distributors. The study's independent variables were sales targeting plan, human resource planning, marketing initiatives, and cost reduction programs. Results from the descriptive statistics analysis revealed the indispensability of the perception of high-quality product in achieving success in soft drink industry, hence the importance of marketing initiatives (Xia et al., 2021).

(Išoraitė, 2019) investigated the effect of marketing practice on the performance of Phoenix of East Africa Assurance Company Ltd, Kenya. The qualitative information got from the interview of Five (5) were subjected to analyzed using Content analysis. The findings substantiated the ability of marketing practices to improve firm's performance. The firm's marketing practices included product innovation and maintenance strategy, market orientation strategy, task-oriented approaches, customer acquisition and retention strategies. (Gavil, 2014) also explored the association between marketing strategies and business performance of SMEs in Kenya (Alhadeff, 2022). However, going beyond a single case study, the study used the census sampling method to select Sixty-two (62) SMEs in Kitengela Township. The descriptive statistics analysis of the data from 186 respondents revealed that with the exclusion of price marketing strategy, all the marketing mix strategy (product, place and promotion) had a positive and significant influence on business performance. Conversely, price-marketing strategy had an insignificant effect (Abiodun et al., 2020).

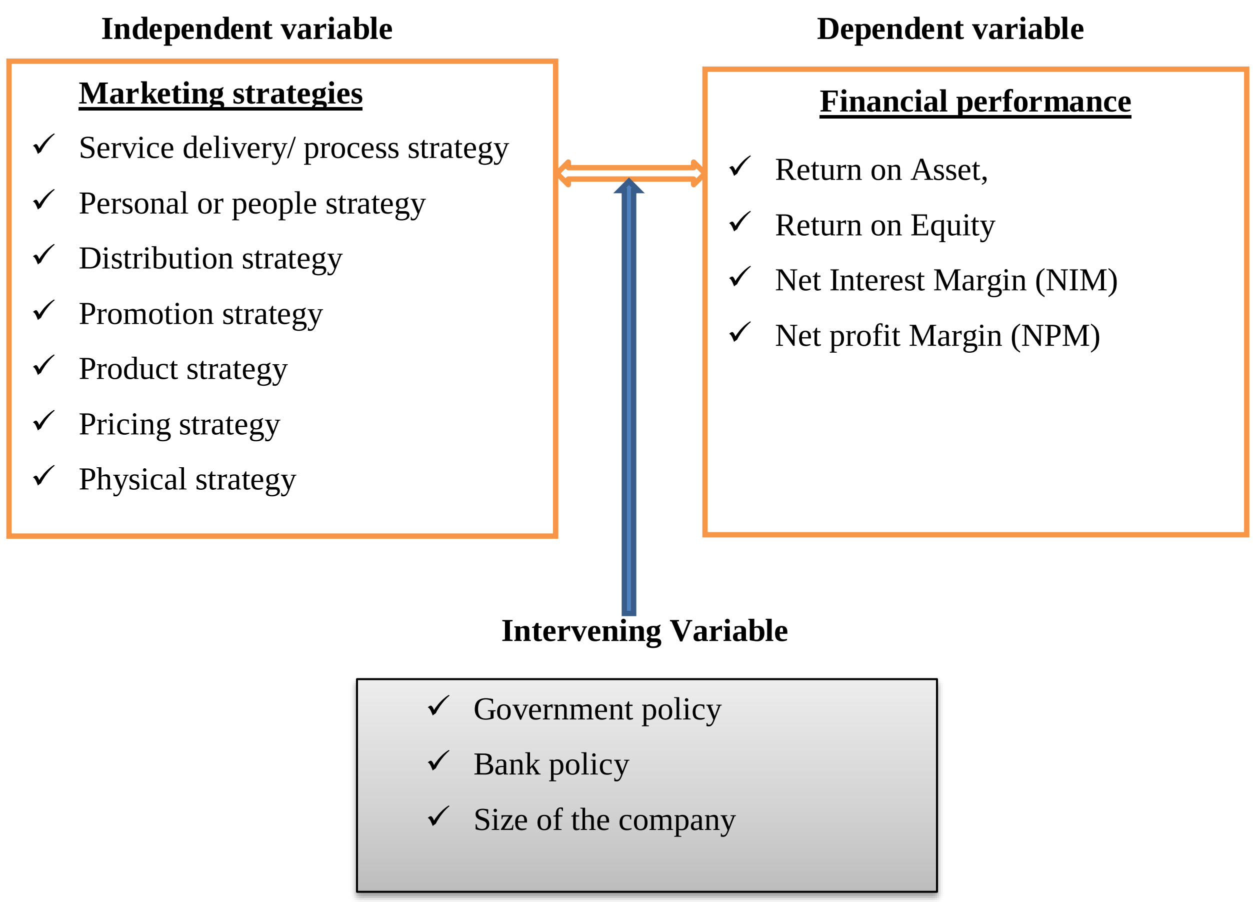
2.4.Research gap

Various studies have been conducted on marketing strategies. For example, (Toby, 2018) undertook In Pakistan, a study on effectiveness of marketing strategies implementation in the Nigerian Oil and Gas industry. (Hultman et al., 2015) did research on the impacts marketing strategy on Nakuru town central business district. However, no one of the existing literature looked at relationship between of marketing strategies and performance of commercial banks in Rwanda. However, the current study therefore seeks to bridge the gap by conducting study on the impact of marketing strategies on performance of commercial banks in Rwanda (Ndihokubwayo, 2022).

2.5. Conceptual framework

The conceptual framework below shows the relationship between the independent variable and the dependent variable. The independent variable is the marketing strategies while the dependent variable is the performance of manufacturing companies.

Figure 2 1: **Conceptual framework**



Source: researcher, 2024

CHAPTER III: RESEARCH METHODOLOGY

3.1,Introduction

This chapter provides detailed information on how the study was done. It is a presentation and a description of the methods, techniques and general approach of the research. This chapter spells out of the study population, study area, sample size and highlights on the procedures of sample selection. Included also is the method of data collection, data processing and analysis.

3.2. Research design

This study used both a qualitative and quantitative research design. Qualitative, as well as quantitative approaches were employed to collect data. It was both qualitative and quantitative approaches during sampling, data collection, and analysis. At data collection stage, Qualitative approach was used to collect ideas and opinions from farmers in an open-ended interview to the respondents where people provided their experiences in agriculture, while quantitative approach was used to collect responses from government institutions and nongovernment organizations in a closed-ended interview. A questionnaire was used to collect numerical data and also observation method was onsite to evaluate what was being done.

3.3.Target population

According to (Harun Mohamed & Jama Abdi, 2021), a "population" consists of all the subjects you want to study. A population comprises all the possible cases (persons, objects, events) that constitute a known whole (Claude, 2022). In this study, the total population was 140 employees of Bank of Kigali PLC who work in department of marketing, finance, and Customers.

3.4.Sampling techniques and sample size

3.4.1.Sampling techniques

(Claude, 2022) defines sampling as the process of selecting people cases or items to take part in this research study. Based on the nature of the study, researcher adopt to use purposive sampling techniques to select respondents. According to William et al (2016), purposive sampling is a judgmental sampling in which the research purposively selects a certain group or individuals for their relevance to the research. Kenneth (2016) says that, purposive sampling is an on probability sampling procedure in which the researcher uses his/her research skills and make judgment to select those respondents that best meet the needs of his/her research study.

This research used purposive sampling as the techniques of selecting the respondents. In this research, purposive sampling researcher to select the respondents because this study considered only employees of Bank of Kigali PLC who work in department of marketing, finance, and business as are those who are those who are familiar with the research.

3.4.2.Sample Size

Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample **(**Adam Hayes, 2019). For choosing the sample size in this study, the researcher followed the formula of Yamane and it was presented as follow:

$$\mathbf{n} = \frac{\mathbf{N}}{1+N\,(e)^{2}}$$

Where n= sample size

N= size of the population

e= margin error or confidence level ordinary equals to10%

$$n = \frac{N}{1 + N(e)^2} = \frac{140}{1 + 140\ (0.1)^{\ 2}} = 58 \text{ staffs}$$

Where n= stands to the desired sample size, e = stands for probability of error (the desired precision, 0.05 for 95 % confidence level), N= the estimate of the population size. The sample size within this study was 58 employees of Bank of Kigali Plc who were selected purposively among credit, business and finance department.

Table 3. 1: Description of the respondents

Respondent's categories based on their department	Sample size	Sampling technique	Research tools
marketing	21	Purposive sampling	Questionnaire and interview
Finance	28	Purposive sampling	Interview and Questionnaire
customer	9	Purposive sampling	Interview and Questionnaire

Source: Primary data, 2024

3.5. Tools of data collection

Researcher collected data from different respondents and documents by just using same known tools in scientific research. The techniques that researcher used in data collection include, interview, questionnaire and documentation.

3.5.1. Interview technique

Interview is the verbal conversation between two people with the objective of collecting relevant information for the purpose of research. According to (Mrindoko & Pastory, 2022) the interview is a conversation in which the researcher tries to get information from interviewee. According (Kwai & Urassa, 2015), an interview is a conversation where questions are asked and answers are given. In common parlance, the word "interview" refers to a one-on-one conversation with one person acting in the role of the interviewer and the other in the role of the interviewee. The interviewer asks questions, the interviewee responds, with participants taking turns talking. Interviews usually involve a transfer of information from interviewee to interviewer, which is usually the primary purpose of the interview, although information transfers can happen in both directions simultaneously. One can contrast an interview that involves bi-directional communication with a one-way flow of information, such as a speech or oration.

In this research, the interview was conducted with the directors of marketing, finance, and business departments in Bank of Kigali PLC in order to get a clear picture on to the effectiveness of marketing strategies applied in Bank of Kigali PLC and the contribution of marketing strategies to the performance of Bank of Kigali PLC.

3.5.2. Questionnaire technique

According to (Akoi & Yesiltas, 2020), the questionnaire is presented as document on which are noted answers and reactions of a subject. A questionnaire is a research instrument consisting a series of questions for gathering information from respondents. The questionnaire items were based on the nature of the problem to be solved and respondents briefed on the objectives of the study (Akoi & Yesiltas, 2020). In this study, researcher choose questionnaires for the purpose of data collection due to how it saves time and allows easy analysis of collected data. Therefore, in this case, researcher printed a set of both open and close questions and will distribute them to the employees of Bank of Kigali PLC who work in department of marketing, finance, and business so that they could give their own opinions. This technique helped the researcher to collect the primary data to get a clear picture on the to the effectiveness of marketing strategies applied in Bank of Kigali PLC and the contribution of marketing strategies to the performance of Bank of Kigali PLC.

3.5.3. Documentation technique

According to (Byukusenge et al., 2018), analysis of documentation is a major aspect in data collection which concern written records in order to relate the study in many different materials such as books, annual reports, dissertations and electronic references. In addition, the researcher visited the libraries nearby such as one of ULK, annual financial statement of Bk from 2021 to 2023, reading books and journals from internet in relation to the effectiveness of marketing strategies applied in Bank of Kigali PLC and the contribution of marketing strategies to the performance of Bank of Kigali PLC.

3.6. Validity and reliability tests

3.6.1. Validity

(Pokharel, 2022) defines validity of results as a degree to which results obtained from the analysis actually represent the variables of study. Thus, validity refers to whether the findings accurately reflect the situation and are supported by evidence. Validity is established by correlating the scores with a similar instrument. The researcher used pre-test technique to confirm the validity of the instrument by developing a pilot set of questions and asking them to a number of people, to verify whether the questions are clearly worded and easily understood and whether the respondents know the answers or not. The results of pilot questionnaire may identify a number of deficiencies such as wording and some missing elements crucial to provide an answer to the specific aspect of the research including the perception of respondents on the effect of marketing strategies to the financial performance of commercial banks in Rwanda. Researcher revised and corrected questionnaire accordingly before launching the questionnaire to the participants.

3.6.2. Reliability

According to (MacGinley, 2018), reliability refers to random error in measurement. Reliability indicates the accuracy or precision of the measuring instrument. The researcher will use the test-retest reliability technique. This enabled the researcher to address errors or irregularities that would appear during the research exercise. According to (Sishumba, 2022) research instruments are expected to yield the same results with repeated trials under similar conditions. Researcher used test retest technique by employing Pearson's product moment formula for the test- retest to compute reliability coefficient.

3.7. Methods of data analysis

Methods are a set of intellectual operations that enable to analyze, to understand and to explain the analyzed reality or else to structure the research (Harun Mohamed & Jama Abdi, 2021). Therefore, the following are the methods that researcher used in order to find out the results.

3.7.1. Analytic method

This method helps to analyze systematically the data collected and other information from the field and it helps the researcher to make a deep analysis and understanding theoretical consideration (Olayinka, 2022). The analytical method enabled the researcher to analyze, interpret and discuss about the information that were gathered with documentation, questionnaire and interviews from the field of the research.

3.7.2. Statistic method

According to (Adetoso & Akinselure, 2016) statistical methods are mathematical formulas, models, and techniques that are used in statistical analysis of raw research data. The application of statistical methods extracts information from research data and provides different ways to assess the robustness of research outputs. In this study, the researcher used a descriptive statistic with the main purpose of quantifying percentage of respondents on each response. It helped the researcher to present the findings or results in form of tables.

3.7.3. Synthetic method

This method helps us to synthesize or to globalize the elements in coherent set. The spirits of synthesizing consider the different elements in their globalist (Samal & Pradhan, 2019). This method allowed the researcher to synthesize the information gathered from different sources. This method was useful because all the data collected were synthetized or summarized to have meaningful data to be used.

3.7.4. Comparative method

According to (Libecap & Lueck, 2011) it is method used almost in all sciences in order to find similarities and differences among elements. This method helped the researcher to compare the year financial performance of Bank of Kigali PLC.

3.8. Limitation of the study

In conducting the research, the researcher will encounter a number of limitations which will limit the researcher to complete the study in the intended period of time and problems which will be encountered are discussed below. The process of collecting data will be very tiresome and expensive. Financial constraints will present a limitation where by the researcher had no package for transport, printing cost while carrying out the study. However the researcher strives on to accomplish the study. Literature will be another source of problem because some books were not found in the library, though efforts were made to consult few available textbooks which made the work successful.

3.9. Ethical considerations

This study must not contradict with ethical principles including the obligation to avoid hurting or embarrassing the respondents as well as respecting their privacy. The researcher asks herself the ethical relevance of the research with reference to the values and actions to undertake in order to complete it. For this purpose, the researcher observed a set of measures to comply with ethical standards during the whole process of research. These were: a recommendation letter justifying the relevance of the research was provided by the head of department to the researcher in order to get the information needed to the organization under study.

CHAPTER FOUR: FINDINGS ANALYSIS AND INTERPRETATION

4.1. Introduction

The present chapter presents the data analysis and presentation of the results. This study investigated the contribution of marketing strategies on the financial performance of Bank of Kigali PLC. This contains details of; the response rate, sample characteristics, presentation of data analysis, interpretation and discussion of findings. Data presentation is organized based on the specific objectives of the study using percentages, bar graphs, tables and figures.

4.2. Brief history of the case study

Bank of Kigali (BK) is a commercial bank in Rwanda. It is licensed by the National Bank of Rwanda.

4.2.1. Location

The headquarters and main branch of the bank are located at 6112 KN4 Avenue, in Nyarugenge District, in the city of Kigali, the capital and largest city in Rwanda. The geographical coordinates of the bank's headquarters are 01°56'54.0"S, 30°03'35.0"E (Latitude:-1.948333; Longitude: 30.059722).

4.2.2. Overview

Bank of Kigali is the largest commercial bank in Rwanda, by total assets. As of 31 December 2019, the bank's total assets were valued at US$1, 1059 million, with a loan book of $735.8 million, customer deposits of $697.4 million and shareholders’ equity of US$239.6 million. On 29 September 2017, Global Credit Ratings affirmed Bank of Kigali Limited's long-term and short-term national scale ratings of AA-(RW) and A1+(RW) respectively; with a stable outlook. The bank has won several back-to-back international and regional "Best Bank in Rwanda" awards, including from Euro Money, The Banker, Global Finance Magazine, and EMEA Finance.

4.2.3. History

The Bank was incorporated in the Republic of Rwanda on 22 December 1966. Initially Bank of Kigali was founded as a joint venture between the Government of Rwanda and Banque Belgolaise, with each owning 50 percent of the ordinary share capital. In 1967, the Bank commenced its operations with its first branch in Kigali.

By then, Belgolaise was a subsidiary of Fortis Group, operating in Sub-Saharan Africa but in 2005 began to withdraw from its operations in Africa in line with Fortis' strategy. In 2007, the Government of Rwanda acquired the Belgolaise shareholding in Bank of Kigali, thereby increasing its direct and indirect shareholding in the Bank to 100% of the entire Issued Shares. In 2011, the Bank changed its name under the new law relating to companies from Bank of Kigali S.A to Bank of Kigali Limited.

On 21 June 2011, the Rwandan Capital Market Advisory Council approved plans for the bank to float 45 percent of its shares and list its shares on the Rwanda Stock Exchange (RSE), becoming the second domestic company to list on the RSE in a US$62.5 million initial public offering. Trading in the shares of the bank started on 30 June 2011.

In December 2012, regional media reports indicated that the bank was in the middle of an expansion into neighboring Uganda. In February 2013, the bank received regulatory approval to open an office in Kenya. While regional expansion was a top priority under former CEO James Gatera, his successor, Diane Karusisi, has hinted that her focus is on further deepening the bank's roots at home to tap into what still remains a largely formally un-banked population. According to Fin Scope's survey on access to finance in Rwanda, out of 4 million adult Rwandans who have access to formal financial services, only 1.5 million adults or 26 percent of the total, use banks, with only slightly over 60,600 adults of the 1.5 million exclusively relying on banks; others have alternatives outside banking.

In May 2018, at the bank's Annual General Meeting, the shareholders' approved plans to cross-list the stock of the bank on the Nairobi Stock Exchange (NSE), the largest in the East African Community. The cross-listing and the planned rights issue, both planned during the second half of 2018, are expected to raise US$70 million, to be deployed on the acquisition of new, improved ICT systems ($20 million), with the rest deployed in loans to support infrastructure projects at home. In October 2018, the East African, a regional English language newspaper reported that the stock of Bank of Kigali was expected to list on the Nairobi stock exchange on 30 November 2018.

4.2.4. Mission, vision, values and objectives

4.2.4.1. Mission

Our mission is to be the leader in creating value for our stakeholders by providing the best financial services to businesses and individual customers, through motivated and professional staff.

4.2.4.2. Vision

Bank of Kigali aspires to be the leading provider of most innovative financial solutions in the region.

4.2.4.3. Values

Customer focus, integrity, quality, excellence

4.2.4.4. Objectives of Bank of Kigali Plc

To take active interest in the creation and development of enterprises that can contribute to the economic development of the country, by way of direct or indirect participation to the capital. To search for and study investment opportunities useful to the development of national economy. To promote key enterprises that arises from national development plants

4.3. Biographic characteristics of the respondents

This sub-theme addresses biographic characteristics of the respondents such as; age, education level and gender. Respondents' demographic data is summarized in tables as follows.

Table 4. 1. Age of respondents

Age of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 20-30	15	25.9	25.9	25.9
	Between 30-40	29	50.0	50.0	75.9
	Between 40-50	14	24.1	24.1	100.0
	Total	**58**	**100.0**	**100.0**	

Source: Primary data, 2024

The results presented in the table 4.1 shows that that a highest rate of respondents representing 50.0% is on the range of 30-40 years old. This is followed by the range of 20-30 years old with

25.9%. Then 40-50 years old with 224.1%. Therefore, this ensured researcher that selected respondents are matures enough so that they can provide trustful information.

Table 1. Education level attained

Education level attained		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor's level	43	74.1	74.1	74.1
	Master's	15	25.9	25.9	100.0
	Total	58	100.0	100.0	

Source: Primary data, 2024

Looking at the table 2, it was revealed that 4.1% of the total respondents have Bachelor's level, however 25.9 % has Masters. None has either PHD or other. This reveals that all respondents who responded to the questionnaires were found to have a wider knowledge on the contribution of marketing strategies on the financial performance of Bank of Kigali PLC.

Table 4. 2. Length of working experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than one year	10	17.2	17.2	17.2
	Between 1&2 years	15	25.9	25.9	43.1
	3years and above	33	56.9	56.9	100.0
	Total	**58**	**100.0**	**100.0**	

Source: Primary data, 2024

As shown in table 4.2, responses on the length of working experience by respondents, it was mentioned that the highest number of the respondents have three years and above of working experience accounting for 56.9% followed by between one and two years and less than one year presenting 25.9%, 17.2 % of the total respondents respectively. This suggests that most of the respondents of this study had worked for an abundant time inside this Bank. Therefore, they were familiar of the data that the study looked for.

4.3. The effectiveness of marketing strategies applied by Bank of Kigali PLC.

This part presents the data collected from the survey questionnaire distributed to the respondents and presentation, interpretations and analysis based on the findings where the respondents have expressed their opinions on applicability of marketing strategies in Bank of Kigali PLC.

4.3.1. The reasons of having effective strategies of Bank of Kigali PLC

The goal of marketing is to boost the business's bottom line. Marketing achieves this objective in direct, yet often subtle ways. For instance, one technique of marketing is instilling a sense of inadequacy in the consumer that can only be rectified when clients purchases the bank's goods or services.

Table 4. 3. The reasons of having effective marketing strategies of Bank of Kigali PLC

What are the reasons of having effective marketing strategies of Bank of Kigali PLC?	Frequency	Percentage
Attract new customers	56	96.5
Market dominance	57	98.2
Retain existing customers	58	100
Make product awareness	55	94.8
Total	**58**	**100**

Source: Primary data, 2024

The table 4.3 presents that 96.5% of respondents said that the reason which pushing Bank of Kigali PLC to market its products is to attract new customers, 98.2% of respondents revealed that the reasons on of marketing its product is in to be dominated on local or regional market, 100% of respondents confirmed that the reason of making marketing is to retain existing customers from different competitors ad 94.8% of respondents said that the reason of marketing strategies in Bank of Kigali PLC is to make their services awareness.

4.3.2. Channels used by Bank of Kigali PLC in marketing strategies implementation

This section, researcher intends to know the best channels for creating customers awareness through different channels. Director of marketing department in Bank of Kigali PLC said that among the channels used by Bank of Kigali PLC to increase customers' awareness:

Table 4. 4. Perception of respondents on channels used by Bank of Kigali PLC in marketing strategies implementation

Question	Responses	Number of respondents	Percentages (%)	Cumulative percent
channels used by Bank of Kigali PLC in marketing strategies implementation?	Radio	58	100	100
	News papers	58	100	100
	Billboard	58	100	100
	Websites	58	100	100
	Television	58	100	100

Source: Primary data (2024)

4.3.4. Types of marketing strategies applied by Bank of Kigali PLC

Table 4. 5. Perceptions of respondents on types of marketing strategies applied by Bank of Kigali PLC.

What are the perceptions of respondents on types of marketing strategies applied by Bank of Kigali PLC?		Frequency	Percent
Valid	Service delivery/ process strategy	58	100
	Personal or people strategy	58	100
	Distribution strategy	58	100
	Promotion strategy	58	100
	Product strategy	58	100

Source: Primary data, 2024

Based on the table 4.5, the respondents confirmed and agree 100% that types of marketing strategies applied by Bank of Kigali PLC are Service delivery/ process strategy, Personal strategy, Distribution strategy, Promotion strategy, Product strategy, pricing strategy and Physical strategy.

4.3.4.1. Customers ‘perception on the cost of Bank of Kigali services

Regarding the price side of marketing strategies of Bank of Kigali, the table 4demonstrates the perception of customers about the cost of Bank of Kigali services.

Table 4.6: Respondent’s view on Customers ‘perception on the cost of Bank of Kigali services

Question	Response	Number of respondents	Percentage(%)
How do you appreciate the cost of service of BK compared to other Banks?	Very high	7	12.1
	high	10	17.2
	Not high	41	70.7
	Total	58	100

Source: Primary data (2024)

In these findings the researchers has found that the cost of services in BK is likely not cheaper but affordable. Indeed 70.7% of customers found the cost of Bank of Kigali services not high. Then, as it was stated in chapter two, adjusting the price has a profound impact to marketing strategy and often affects the demand and sales of services as well. Then it can inform the performance of the company

4.3.4.2. Personal Strategy

The people who make up Bank of Kigali PLC contribute to a great extent to the improved performance of the organization. This section sought to establish the people strategy the effectiveness of people strategies in the company understudy and results are presented in the table bellows

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Table 4. 6. Respondents views on the effectiveness of People Strategy in Bank of Kigali PLC

What are Respondents views on the effectiveness of People Strategy in Bank of Kigali PLC?	Rating							
	SA		A		D		SD	
	F	%	F	%	F	%	F	%
Bank of Kigali PLC has trained its employees on service delivery/customer service	48	82.7	10	17.3	0	0	0	0
The employees of Bank of Kigali PLC interact with customers in order to understand their needs	50	86.2	8	13.8	0	0	0	0
Bank of Kigali PLC has right marketing strategies of personnel in marketing their products	56	96.5	2	3.5	0	0	0	0

Source: primary data 2024

The findings from the table 4.7 indicates that the customer of Bank of Kigali PLC as we know these skills allow them to server customers to the best of their satisfaction. On the other hand, 82.7% of the total respondents strongly agreed that Bank of Kigali PLC has trained its employees on service delivery/customer service and 17.3% agreed with this. Normally, quality services were found to be the most important factor to promote customer satisfaction and the more they are satisfied, is the more company retain with them for a long time.

And on the other side a satisfied customers advertise for the company. It is also mentioned that 86.2% of the total respondents and 13.8% agreed with this. Also 96.5% of the total respondents strongly agreed that Bank of Kigali PLC has right marketing strategies of personnel in marketing their products, and 3.5% agreed with this. From the results, the customerof the Bank of Kigali PLC were found to have the necessary expertise required to enable this company to come up with competitive products. At the same time the company has ensured that the employees improve their skills through training and employment of the right mix of employees.

4.3.4.3. Place Strategy

The location of the Bank of Kigali PLC has an effect on its accessibility to the market and thus the reduction in distribution costs. The result on place marketing strategy was presented in bellow.

Table 4. 7. Respondent views on the accessibility of service of Bank of Kigali

Question	Response	Number of respondents	Percentage(%)
How do you appreciate the accessibility of service given by BK?	Very easy	38	65.5
	easy	14	24.1
	Not easy	6	10.4
	Total	58	100

Source: Primary data(2024)

Then the results in table 5 reveals that Bank of Kigali has put much emphasis in facilitating customers to access to its services as long as 65.5% of respondents accessed very24.1% easy and easily to the services of Bank of Kigali whereas10.4% respondents has not accessed the services easily . Hence, this shows Bank of Kigali has a good distribution channel (the 3rd variable of marketing mix) and it means that BK has expanded its branches to bring closer its services to its customers. Consequently, the more the distribution channels increase, the more the number of customers reduces per branch; eventually the time for a customer in waiting to be served reduces as well

4.3.4.4. Product Marketing Strategy

The products Bank of Kigali PLC produce influence the customers’ perception towards the purchase of the products and thus the need for the respondents to indicate the extent to which product strategy influences the company operations.

Table 4. 8. Respondents views on the effectiveness of Product Strategy in Bank of Kigali PLC

What are the Respondents views on the effectiveness of Product Strategy in Bank of Kigali PLC?	Rating							
	SA		A		D		SD	
	F	%	F	%	F	%	F	%
Bank of Kigali PLC is efficient in meeting customer wants	49	84.5	9	15.5	0	0	0	0
Bank of Kigali PLC provide products with a low probability of failure	56	96.5	2	3.5	0	0	0	0
Bank of Kigali PLC develop products that have broad market appeal	56	96.5	2	3.5	0	0	0	0
Bank of Kigali PLC develop innovative new products	51	87.9	7	12.1	0	0	0	0
Bank of Kigali PLC offer a broad product line	50	86.2	8	13.8	0	0	0	0

Source: primary data 2024

The table 4.9 mentioned that 84.5% of the total respondents strongly agreed that Bank of Kigali PLC is efficient in meeting customer wants and 15.5% agreed with this. And it is clear that meeting customer needs is crucial for company's growth. Understanding user needs is a topic strongly related to development, sales, and marketing performance**.** It's also one of the reasons why product manager role has become a crucial component in product teams around the globe. Taking advantage of understanding human behavior offers a possibility to put yourself ahead of a competition on the market. 96.5% agreed that Bank of Kigali PLC provide products with a low probability of failure and 3.5% agreed with this.

It is also clear that 96.5% of the total respondents strongly agreed that Bank of Kigali PLC develop products that have broad market appeal and 3.5% agreed with this. Normally, much emphasis in marketing is given to segmentation strategies that break down large audiences into smaller target markets. While this technique does present a number of benefits, companies with broad target markets can also realize tangible and intangible advantages. Comparing the strengths of a broad market opportunity. 87.9% strongly agreed that Bank of Kigali PLC develop innovative new products and 12.1% agreed with this. And as we all know, businesses that once again are able to successfully utilize product innovation will thus entice customers from rival brands to buy its product instead as it becomes more attractive to the customer.

On the other side 86.2% of the total respondents strongly agreed that Bank of Kigali PLC offer a broad product line and 13.8% agreed with this. Briefly, results indicate that product strategy enabled Bank of Kigali PLC to meet customers' needs, provide products with low probability of failure, develop innovative new products and offer a broad product line. Therefore, this allow researcher to confirm that product marketing strategy is applied effectively in this company.

4.3.4.5. Promotion Strategy

Promotion consists of the various alternatives that company adopt to inform the customer about their product and to persuade customers to buy their product. This means that it is important to inform customers about a new product or service, its value, the producer and other benefits for customers, in order to stimulate their purchasing and consumption.

Table 4. 9. Perception of respondents on the effectivity of Promotion Strategy in Bank of Kigali PLC

What are the Perception of respondents on the effectivity of Promotion Strategy in Bank of Kigali PLC?	**Rating**							
	SA		**A**		**D**		**SA**	
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Bank of Kigali PLC advertises its products through various media	56	96.5	2	3.5	0	0	0	0

Bank of Kigali PLC promotional strategy elicit attention, interest, desire and action	56	96.5	2	3.5	0	0	0	0
Bank of Kigali PLC use event sponsorship to promote their products	50	86.2	8	13.8	0	0	0	0
Bank of Kigali PLC focus on consumer needs and integrating all activities of the organization to satisfy those needs	55	94.8	3	5.2	0	0	0	0

Source: primary data 2024

The results on the use of promotion by the Bank of Kigali PLC demonstrate that this company advertises its products through various media as 76% strongly agreed and 24% agreed with this. Normally, having a very good product is not enough, but producers have to try their best by just let customers and prospect know what it have for them. It is also revealed that 75% of the total respondents strongly agreed that Bank of Kigali PLC's promotional strategy elicit attention, interest, desire and action and 25% agreed with this. It is also clear that Bank of Kigali PLC use event sponsorship to promote their products as 70% strongly agreed and 30% agreed with this. In further discussion with chef of marketing department of this company researcher realized that due to how both youth and old generation are interested to entertainment. To attract these people many strategies are used. PGGSS Bank of Kigali PLC has attracted a various number of Rwandan and for sure many of their products have been consumed during this. On the other side 85% of the total respondents strongly agreed that Bank of Kigali PLC focus on consumer needs and integrating all activities of the organization to satisfy those needs. Therefore, the above results prove that Bank of Kigali PLC.'s promotional strategies play a vital role in the creation of mutually beneficial exchanges between producers and consumers of its products.

4.4. The contribution of marketing strategies to the performance of Bank of Kigali PLC from 2021 to 2023

This chapter involves the data gathered from the respondents of the study and the annual financial report of Bank of Kigali PLC from 2021 to 2023, analysis and its interpretation. The data gathered was mainly in line with the research objectives and the overall purpose of research which was to find out the contribution of marketing strategies to the performance of Bank of Kigali PLC. Data is presented in form of tables so as to facilitate its interpretation.

4.4.1. Performance of Bank of Kigali PLC within the period of 2021-2023

In this section of the study, researcher assessed the performance of Bank of Kigali PLC within the covered period. And this was assessed due to some Known indicators such as profitability ratio and liquidity ratio.

4.4.1.1. Profitability ratio

4.4.1.1.1. Return on asset

Return on asset is the indicator of efficiency of management. It indicates how the management is able to convert the organization's asset into earnings. The Return on asset is the ratio between net profits and assets. This measures how efficiently the capital was used and the profitability of the total assets of a company. The table 1 shows the amount of net income generated by each value of Rwf 100 invested in assets. The ratio of return on assets is calculated as follow:

Return on Assets = $\frac{\textbf{Net Income}}{\textbf{Total assets}} * \mathbf{100}$

Table 4. 10: Computed return on assets

years	**2021**	**2022**	**2023**
Net income (1)	51,894,970	59,724,310	74,817,679
Total assets (2)	1,590,372,983	1,853,994,433	2,120,116,142
ROA% (1/2)	**3.26**	**3.22**	**3.53**

Source: BK Annual reports 2021 and 2023

The table 4.11 shows the Return on Assets ratio during the covered period. From 2021 up to 2023, the ratio of Return on Assets are 3.26%; 3.22% and 3.53% respectively. This means that; in 2021 for 100 RWF of invested they got 2.94RWF; in 2022 got 3.22 Rwfs and in 2023for 100 RWF of invested they got 3.53 RWF. The above result, show that Bank of Kigali Plc, is profitable during the covered period. And the above result shows that the average of return on assets is 3.33%. This shows that the return on assets had a good trend during the period under study. The return on asset ratio is an important profitability ratio because it measures the efficiency with which the organization is managing its investment in assets and using them to generate profit. It measures the amount of profit earned relative to the firm's level of investment in total assets

4.4.1.1.2. Return on equity

The amount of net income returned as a percentage of shareholder's equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. The return on equity is the ratio that measures the earnings accruing to the owners of an enterprise/ company. It shows the rate that has been earned on the resources provided by the owners and its impact to the market price of equity shares. The following table illustrates the return on equity of Bank of Kigali PLC. The ratio of return on equity is calculated as follow:

Return on Equity = $\frac{\textbf{Net Income}}{\textbf{Total Equity}} * \mathbf{100}$

Table 4. 11: Computed return on equity of Bank of Kigali PLC

years	**2021**	**2022**	**2023**
Net income(1)	51,894,970	59,724,310	74,817,679
Total Equity (2)	285,700,114	319,076,357	366,357,418
ROE% (1/2)	**18.16**	**18.72**	**20.42**

Source: BK Annual reports 2021 and 2023

The table 4.12 shows that from 2021 up to 2023, the ratios of Return on Equity are as follow: 18.16%; 18.72% and 20.42 respectively. This means that in 2021 for the 100Rwf investors have invested in bank, they generated in 18.16 Rwf of benefit and in 2022 for100 Rwf investors have invested in bank, they generated in 18.72 Rwf of benefit; and in 2023for the 100Rwf investors have invested in bank, they generated in 20.42Rwf of benefit. In other words, Bank of Kigali PLC was maximizing shareholder's benefits. Return on equity is an important measure of the profitability of an institution. Higher values are generally favorable meaning that the institution is efficient in generating income on new investment. Hence BK GROUP PLC experienced a positive profitability over the period of the study and generated enough profits to meets its shareholders' expectations.

4.4.1.1.3. Net profit Margin within Bank of Kigali PLC

Net profit margin shows a return on every unit of sale after taking into account both cost of sale and expenses and the higher the ration in relation to the industry average ratio the higher the profitability of these firm and vice versa

Net Profit Margin = $\frac{\textbf{Income after tax}}{\textbf{Operating income}} * \mathbf{100}$

Table 4. 12: Calculated net profit margin of Bank of Kigali PLC

Years	**2021**	**2022**	**2023**
Net income (1)	51,894,970	59,724,310	74,817,679
Operating income(2)	180,221,263	191,248,095	224,362,014
Net profit margin (1/2)	**28.8**	**31.23**	**33.33**

Source: BK Annual reports 2021 and 2023

From 2021 up to 2023, the ratios of net profit margin was 28.8%; 31.23% and 33.33 respectively. This means that for RWF100, the bank got 28.8 Rwfs in 2021 got 31.23 Rwfs in 2022 and got 33.33 Rwfs in 2023. Therefore Bank of Kigali Plc's net profit margin had been increased from 2021 to 2023 that means that they recognized performance**.** And of cause the performances goes hand in hand with the marketing strateiges. Normally, was due to the good net income of the bank understudy, and as we all know net income comes after deducting all expenses from bank's revenue. Which means that on one side, this is due to the effective expenses management, but on the other side, this is due to the considerable effort made in sales?

And sales in banking sector influenced by various factors but marketing strategies are the leading factor among others because it influences the increase of customers.

4.4.1.2. Liquidity ratios

Liquidity ratios are the measure of the ability of company to pay off its short-term liabilities. It's contains current ratio and quick ratio.

4.4.1.2.1. Current ratio

Expresses the relationship between the firm's current assets and current liabilities. Current assets normally include cash, marketable securities, accounts, receivables, and inventories. Current liabilities consist of accounts payable, short-term notes payable, short-term loans, current maturities of long-term debt, accrued income taxes, and other accrued expenses (wages). The ratio of current ratio is calculated as follow:

Table 4. 13: Computed current ratio of BK GROUP PLC

Indicators	**2021**	**2022**	**2023**
Current assets	379,930,061	579,965,588	699,458,922
Current liabilities	718,672,030	881,022,000	893,758,724
CR=CA/CL*100	0.540	0.658	0.670

Source: Financial statement of Bank of Kigali PLC (2021-2023)

The table 4.14 shows that current ratio generated as compared to the current liabilities incurred was 54.0% in 2021, 65.8% in 2022 and 67.0% in 2023. This means the company has more assets than liabilities. Current assets exceed its current liabilities, it's in a relatively good position to payoff short-term debt obligations.

4.4.1.2.2. Quick ratio

Measures the assets that are quickly converted into cash and they are compared with current liabilities. This ratio realizes that some of the current assets are not easily convertible to cash e.g., inventories. The quick ratio also referred to as acid-test ratio, examines the ability of the business to cover its short-term obligations from its quick assets only (i.e., it ignores stock). The ratio of quick ratio is calculated as follow:

Table 4. 14: Computed quick ratio of Bank of Kigali PLC

Indicators	**2021**	**2022**	**2023**
Current assets-Inventory	323,761,959	452,369,408	554,369,413
Current liabilities	718,672,030	881,022,000	893,758,724
CR=CA-I/CL	45.0%	51.3%	62.0%

Source: Financial statement of Bank of Kigali PLC (2021-2023)

Quick ratio, also called acid-test ration measures a company's short-term liquidity against its short-term obligations. 45.0 Rwf in 2021 indicated that Bank of Kigali PLC has enough liquid assets (cash or things that can easily be converted into cash) to cover its current liabilities. The next years Bank of Kigali PLC has of 2022 the liquid increased to 51.3Rwf means the ability to cover current liabilities increased. Quick ratio increased in 2023, Bank of Kigali PLC has 62.0Rwf respectively of liquid assets available to cover each its current liability and coming debts.

4.4.2. Influence of effective marketing strategies on financial performance of Bank of Kigali PLC

The respondents were requested to indicate the influence of effective marketing strategies on improving image of Bank of Kigali PLC

Table 4. 15: Perception on the influence of effective marketing strategies on improving the image of Bank of Kigali PLC

What are the Perception on the influence of effective marketing strategies on improving the image of Bank of	**Strong agree**	**Agree**	**Neutral**	**Disagree**	**Strong disagree**

Kigali PLC?					
It helps to increase the profits of the organization	60%	40%	0%	0%	0%
It enhances the purchase of organizational services and products by the customers	70%	30%	0%	0%	0%
It helps in increasing sales volume and the market share of the bank	80%	20%	0%	0%	0%
It enhances the bank relationship with its clients	33%	67%	0%	0%	0%

Source: Primary data, 2024

The results indicate that 70% of respondents strong agree and 30% agree that effective marketing strategies by the company's enhances the purchase of organizational services and products by the consumer. 80% of respondents strong agree and 20% agree that effective marketing strategies results in increased sales volume and market share and 60% of respondents strong agree and 40% agree that effective marketing strategies help to increase the profits of the bank. The 33% of respondents strong agree and 67% agree that effective marketing strategies enhances the bank relationship with its clients and all respondents said that effective marketing strategies affects banks sales volume. The results indicate that the practice of effective marketing strategies by the Bank of Kigali PLC influenced the performance of the bank and this show that the survival of the bank depends to a large extent on effective marketing strategies.

GENERAL CONCLUSION AND SUGGESTIONS

General conclusion

In terms of the present research work, the researcher wanted to show the role of marketing strategies to the financial performance of manufacturing companies in Rwanda and I took Bank of Kigali PLC as a case study within 2021-2023 time frames.

In order to learn about the research, the objectives were formulated:

1. To analyze the effectiveness of marketing strategies applied in BANK OF KIGALI PLC.
2. To assess the contribution of marketing strategies on the financial performance of BANK OF KIGALI PLC

In order to reach these objectives and based on problem statement of the study, two questions were formulated:

1. Does BANK OF KIGALI PLC applied marketing strategies effectively?
2. Do Marketing strategies contributed on the financial performance of BANK OF KIGALI PLC?

For answering these questions, again two despondences have been in advance formulated:

1. BANK OF KIGALI PLC applies marketing strategies effectively
2. Marketing strategies contributes on the financial performance of BANK OF KIGALI PLC

In order to gather the required information, both primary and secondary source of data have been used. Secondary was obtained through reviewing literature in existing books, reports and internet, whereas primary data was directly obtained from the questionnaires filled by employees of BANK OF KIGALI PLC, observation and interview with customers of BANK OF KIGALI PLC which was a case study. Data collected were processed, analyzed, interpreted and presented in form of tables and figures.

In order to achieve this research, the work has been subdivided into four chapters presented as follows: the first chapter was general introduction. General introduction chapter was included a brief detail of all the research points from the introduction up to the structure of the study. The literature review was analyzed in second chapter that is extracted from various textbooks, internet and other publications.

The third chapter entitled the research methodology where the researcher mentioned and discussed the methods used in data collection, data analysis and data processing. And the last chapter was data analysis and interpretation.

The results indicate that the respondents confirmed and agree 100% that types of marketing strategies applied by Bank of Kigali PLC are Service delivery/ process strategy, Personal strategy, Distribution strategy, Promotion strategy, Product strategy, pricing strategy and Physical strategy.

The results indicate that 70% of respondents strong agree and 30% agree that effective marketing strategies by the company's enhances the purchase of organizational services and products by the consumer. 80% of respondents strong agree and 20% agree that effective marketing strategies results in increased sales volume and market share and 60% of respondents strong agree and 40% agree that effective marketing strategies help to increase the profits of the bank. The 33% of respondents strong agree and 67% agree that effective marketing strategies enhances the bank relationship with its clients and all respondents said that effective marketing strategies affects banks sales volume. The results indicate that the practice of effective marketing strategies by the Bank of Kigali PLC influenced the performance of the bank and this show that the survival of the bank depends to a large extent on effective marketing strategies.

From 2021 to 2023, during the financial year 2021, 2022 and 2023, each 100Rwf invested in Bank of Kigali PLC assets generated the profit of 3.7Rwf, 4.3 Rwf and 5.8Rwf. This shows that the return on assets had a good trend during the period under study. The return on asset ratio is an important profitability ratio because it measures the efficiency with which the organization is managing its investment in assets and using them to generate profit. It measures the amount of profit earned relative to the firm's level of investment in total assets

From 2021 to 2023, for 100Rwf invested in Bank of Kigali PLC by shareholders generated returns of 22.6Rwf in the year 2021 which increased at 27.8 in the year 2022 and also, they increased again in 2023 up to 32.7Rwf. In other words, Bank of Kigali PLC was maximizing shareholder's benefits. Return on equity is an important measure of the profitability of an institution. Higher values are generally favorable meaning that the institution is efficient in generating income on new investment. Hence BK GROUP PLC experienced a positive profitability over the period of the study and generated enough profits to meets its shareholders' expectations.

From 2021 to 2023, for Bank of Kigali PLC, the Net profit margin was 0.121in 2021, 0.155 in 2022 and 0.172 in 2023. Based on these findings, it was established that net profit margin generated as compared to the operating expenses incurred was 12.1% in 2021, 15.5% in 2022 and 17.2% in 2023. This indicates that Bank of Kigali PLC generated 12.1Rwf of profit from 100Rwf of sales in 2021, 15.5Rwf of profit from 100 Rwf of sales in 2022 while it generated 17.2Rwf of profit from 100Rwf of sales in 2023.

From 2021 to 2023, in Bank of Kigali PLC the current ratio generated as compared to the current liabilities incurred was 54.0% in 2021, 65.8% in 2022 and 67.0% in 2023. This means that the company has more assets than liabilities. Current assets exceed its current liabilities, it's in a relatively good position to payoff short-term debt obligations.

From 2021 to 2023, 45.0 Rwf in 2021 indicated that Bank of Kigali PLC has enough liquid assets (cash or things that can easily be converted into cash) to cover its current liabilities. The next years, Bank of Kigali PLC has of 2022 the liquid increased to 51.3Rwf means the ability to cover current liabilities increased. Quick ratio increased in 2023, Bank of Kigali PLC has 62.0Rwf respectively of liquid assets available to cover each its current liability and coming debts.

Recommendation

According to the findings above, several suggestions can be suggested to implement marketing strategies in order to increase the financial performance of company. A lot of companies do not give much importance to the marketing strategies in their activities while it is one of ways that lead to the better financial performance. Therefore, the following suggestions are presented to BANK OF KIGALI PLC in order to sell their product and services they could adopted the following strategies:

- To increase staff in the department of marketing
- To do the prospecting of new customers by creating selling teams or other business delegations for marketing their products in order to attract more prospect customers

- To enhance trainings of their employees on marketing, manufacturing practices so as to ameliorate quality of services to be offered to clients as to know how to well market their products.

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APPENDICES

Appendix 1: Questionnaire addressed to the respondents

KIGALI INDEPENDENT UNIVERSITY ULK

Dear Respondent,

My name is **MBONYIYEZE Theogene,** a student at Kigali Independent University ULK, in the School of Economic and Business Studies, Department of Accounting. I am carrying out an academic research as a partial fulfillment of the requirement for the Award of a Bachelor's Degree with Honors in Accounting. The research topic is: **ROLE OF MARKETING STRATEGIES ON PERFORMANCE OF COMMERCIAL BANKS IN RWANDA. CASE OF BANK OF KIGALI PLC (2021 – 2023)**. The questionnaire items are about the study and I kindly request you to participate in responding to the questions below to help me getting the information needed in my research. The information given will be treated confidentially and the results of the study will be used for academic research purposes only.

Thank you for commitment.

MBONYIYEZE Theogene

QUESTIONNAIRE ADDRESSED TO THE RESPONDENTS

Instructions:

a) Read all the questions carefully before answering.
b) Put a cross (x) in the box corresponding to your point of view and justify clearly and concise answer where necessary.

Section I. Demographic information

1. Age

Between 20-30	
Between 30-40	
Between 40-50	

2. Education level

a) Bachelor's level ☐
b) Master's degree ☐

3. How long have you been working in Bank of Kigali PLC?

Less than one year	
Between 1&2 years	
3 years and above	

Section II. Questions on specific objectives of the study

- ✓ Read all the questions carefully before answering.
- ✓ Put a cross (x) in the box corresponding to your point of view and justify clearly and concise answer where necessary. In your answers; **S.A** stands for Strongly Agree, **A** stands for Agree, **N** stands for Neutral, **D** stands for Disagree and **S.D** stands for Strongly Disagree

Q1. Questions on effectiveness of marketing strategies applied in Bank of Kigali PLC.

1. For what reasons of having effective marketing mix of Bank of Kigali PLC?

Questions	**S.A**	**A**	**N**	**D**	**S.D**
Attract new customers					
Market dominance					
Retain existing customers					
Make product awareness					

2. What are the channels used by Bank of Kigali PLC in marketing strategies implementation?

Questions	**S.A**	**A**	**N**	**D**	**S.D**
Television to sensitize					
Newspaper to communicate					
Billboards					
Radio media to advertise and sensitize.					
Sticker, Pull up, and Tear drop and Flayers					
E-mail					
Event website					
Magazine					
Meetings					
Personal information					

Phone					
Word of mouth					

3. What are the types of marketing strategies applied by Bank of Kigali PLC?

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
	Service delivery/ process strategy					
	Personal or people strategy					
	Distribution strategy					
	Promotion strategy					
	Product strategy					
	Pricing strategy					
	Physical strategy					

4. To what extent do you agree with the following statements regarding **to the effectiveness of pricing strategy applied by Bank of Kigali PLC?**

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
	Bank of Kigali PLC.'s pricing strategy is realistic and accurate					
	Bank of Kigali PLC.'s prices are below industry average					
	Bank of Kigali PLC uses pricing skills and systems to respond quickly to market changes					
	Bank of Kigali PLC monitor competitors' prices and price changes					

	Bank of Kigali PLC uses pricing skills and systems to respond quickly to market changes					
	Bank of Kigali PLC.'s pricing strategy is well applied and is below to the companys average					
	Bank of Kigali PLC sets clear pricing objectives for each product					
	Bank of Kigali PLC has a uniform pricing policy in all its branches					
	Bank of Kigali PLC considers competition in pricing					
	Bank of Kigali PLC has a flexible pricing policy					

5. To what extent do you agree with the following statements regarding **to the effectiveness of personal strategy applied by Bank of Kigali PLC**?

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
	The employees of Bank of Kigali PLC has technical and social skills in bears and soft drink production					
	Bank of Kigali PLC has trained its employees on service delivery/customer service					
	The employees of Bank of Kigali PLC interact with customers in order to understand their needs					

	Bank of Kigali PLC has right marketing mix of personnel in marketing their products					

6. To what extent do you agree with the following statements regarding **to the effectiveness of Product strategy**

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
	Bank of Kigali PLC is efficient in meeting customer wants					
	Bank of Kigali PLC provide products with a low probability of failure					
	Bank of Kigali PLC develop products that have broad market appeal					
	Bank of Kigali PLC develop innovative new products					
	Bank of Kigali PLC offer a broad services and product line					
	Bank of Kigali PLC develops innovative new services and products					
	Bank of Kigali PLC differentiates its services to meet different needs of customers					

7. To what extent do you agree with the following statements regarding **to the effectiveness of Promotion strategy**?

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
	Bank of Kigali PLC promotional strategy elicit attention, interest, desire and action					
	Bank of Kigali PLC use event sponsorship to					

	promote their products					
	Bank of Kigali PLC focus on consumer needs and integrating all activities of the organization to satisfy those needs					

8. To what extent do you agree with the following statements regarding **to the effectiveness of Distribution Strategy applied by Bank of Kigali PLC**?

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
	Bank of Kigali PLC has maintained cleanliness and appearance of its facilities					
	Bank of Kigali PLC has up-to-date and well-maintained facilities and equipment					
	Bank of Kigali PLC.'s branches and shops are conveniently located					
	Bank of Kigali PLC has enough parking for their customers					

9. To what extent do you agree with the following statements regarding **to the effectiveness of physical strategy applied by Bank of Kigali PLC?**

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
	Bank of Kigali PLC uses good equipment to deliver their products.					
	Bank of Kigali PLC.'s Service delivery/ process strategy is well applied					

	Bank of Kigali PLC.'s Physical strategy is well applied					

Q2. Questions on the contribution of marketing strategies on the financial performance of Bank of Kigali PLC

1. **What are the influences of marketing strategies on the influence of effective marketing strategies on improving the image of Bank of Kigali PLC**

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
1	It helps to increase the profits of the organization					
2	It enhances the purchase of organizational products by the consumer					
3	It helps in increasing sales volume and the market share of the company					
4	It enhances the organization relationship with its customers					

2. **Relationship between marketing strategies indicators and financial performance indicators**

	Questions	**S.A**	**A**	**N**	**D**	**S.D**
1	Pricing strategy contributes positively to the profitability and liquidity ratio in Bank of Kigali PLC					
2	Product strategy contributes positively to the profitability and liquidity ratio in Bank of Kigali PLC					
3	Promotion strategy contributes positively					

	to the profitability and liquidity ratio in Bank of Kigali PLC					
4	Distribution strategy contributes positively to the profitability and liquidity ratio in Bank of Kigali PLC					
5	Physical strategy contributes positively to the profitability and liquidity ratio in Bank of Kigali PLC					
6	Service delivery/ process strategy contributes positively to the profitability and liquidity ratio in Bank of Kigali PLC					
7	Personal strategy contributes positively to the profitability and liquidity ratio in Bank of Kigali PLC					

Thank you for your response!

INTERVIEW GUIDE ADDRESSED TO THE RESPONDENTS

1. Do you know what marketing strategy is?
2. If the answer of question 1 is yes, what is it?
3. What are marketing strategies applied in Bank of Kigali PLC?
4. How does Bank of Kigali PLC apply its marketing strategies?
5. Do Marketing strategies applied by Bank of Kigali PLC contribute to its financial performance?

Thank you for your response!

Appendix 2: Financial statement of Bank of Kigali Plc from 2021 to 2023

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Note	31 December 2022 FRw'000	31 December 2021 FRw'000
Interest revenue calculated using the effective interest	7	187,448,813	176,572,535
Interest expense calculated using the effective interest method	8	(49,673,037)	(40,301,177)
Net interest income		**137,775,776**	**136,271,358**
Fee and commission income	9	29,167,427	21,824,949
Fee and commission expense	9	(2,894,123)	(1,965,524)
Foreign exchange related income	10	13,529,522	11,779,561
Gross insurance premiums	11	11,581,822	10,140,525
Other operating income	12	2,087,671	2,170,394
Operating income before impairment losses and claims		**191,248,095**	**180,221,263**
Credit impairment losses	13	(10,006,879)	(34,068,752)
Premium ceded to reinsurance	11	(3,744,871)	(2,694,984)
Insurance benefits and claims paid	14	(3,247,645)	(3,359,441)
Net operating income		**174,248,700**	**140,098,086**
Employee benefits expense	15(i)	(35,039,416)	(31,333,019)
Depreciation and amortisation	15(ii)	(8,538,536)	(6,543,090)
Administration and general expenses	15(iii)	(41,994,760)	(25,153,532)
Total operating expenses		**(85,572,712)**	**(63,029,641)**
Operating profit		**88,675,988**	**77,068,445**
Interest on lease liabilities	15(iv)	(221,212)	(187,777)
Profit before income tax		**88,454,776**	**76,880,668**
Income tax expense	16	(28,730,466)	(24,985,698)
Profit for the year		**59,724,310**	**51,894,970**
Comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		**59,724,310**	**51,894,970**
Attributable to:			
Equity holders of the parent		**58,894,419**	**51,077,753**
Non-controlling interests		**829,891**	**817,217**
Basic and diluted earnings per share in FRw	**18**	**65.0**	**57.4**

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 december 2023

	Note	31 December 2023 FRw'000	Restated 31 December 2022 FRw'000
Interest revenue calculated using the effective interest	7	216,837,693	187,448,813
Interest expense calculated using the effective interest method	8	(51,452,655)	(49,673,037)
Net interest income		**165,385,038**	**137,775,776**
Fee and commission income	9(i)	43,288,034	29,167,427
Fee and commission expense	9(ii)	(3,726,771)	(2,894,123)
Foreign exchange related income	10	13,878,201	13,529,522
Insurance revenue	11	12,430,634	11,244,741
Insurance service expenses	12(i)	(9,163,399)	(8,213,198)
Net insurance finance expenses	12(iii)	(190,190)	(143,576)
Net expenses from reinsurance contract held	12(ii)	(944,004)	(772,989)
Other operating income	13	3,404,471	1,838,818
Operating income before impairment losses and claims		**224,362,014**	**181,532,398**
Credit impairment losses	14	(18,606,589)	(10,006,879)
Net operating income		**205,755,425**	**171,525,519**
Employee benefits expense	15(i)	(42,826,475)	(33,386,960)
Depreciation and amortisation	15(ii)	(10,245,958)	(8,285,599)
Administration and general expenses	15(iii)	(42,865,172)	(41,154,923)
Total operating expenses		**(95,937,605)**	**(82,827,482)**
Operating profit		**109,817,820**	**88,698,037**
Interest on lease liabilities	15(iv)	(105,900)	(111,769)
Profit before income tax		**109,711,920**	**88,586,268**
Income tax expense	16	(34,894,241)	(28,730,466)
Profit for the year		**74,817,679**	**59,855,802**
Other comprehensive income:			-
Total comprehensive income for the year		**74,817,679**	**59,855,802**
Attributable to:			
Equity holders of the parent		**73,869,360**	**58,986,464**
Non-controlling interests		**948,319**	**869,338**
Basic and diluted earnings per share in FRw	17	**80.6**	**65.1**

The notes set out on pages 135 to 216 form an integral part of these financial statements.

** Consolidated Profit or Loss has been restated to reflect the adoption of IFRS 17

Consolidated statement of financial position

As at 31 December 2022

		31 December 2022 FRw'000	31 December 2021 FRw'000
Cash in hand	19 (a)	21,757,316	21,723,165
Balances with the National Bank of Rwanda	19 (b)	328,750,207	231,758,146
Due from banks	20	48,979,707	77,839,613
Held to maturity investments	21 (a)	216,899,036	164,115,134
Investment in corporate bond	21 (b)	12,069,536	12,703,795
Investment in specialized fund	21 (c)	12,605,141	7,814,784
Loans and advances to customers	22	1,134,512,318	990,267,321
Insurance-related assets	23	5,518,539	6,517,668
Other assets	24	19,374,250	25,810,132
Deferred income tax	25	10,649,558	9,546,653
Right of use assets	26	1,760,557	1,659,359
Assets held for sale	27	566,145	734,678
Property and equipment	28(i)	30,057,613	29,608,750
Intangible assets	28(ii)	10,494,510	10,273,785
Total assets		**1,853,994,433**	**1,590,372,983**
Liabilities			
Due to banks	29	280,588,198	190,223,687
Deposits and balances from customers	30	1,075,188,572	974,494,626
Income tax payable	17	5,920,034	10,013,864
Dividends payable	31	30,704,511	26,928,781
Insurance liabilities	32	8,162,379	9,445,233
Other liabilities	33	29,848,038	35,470,426
Lease liabilities	34	1,787,992	2,069,256
Long-term finance	35	102,718,352	56,026,996
Total liabilities		**1,534,918,076**	**1,304,672,869**
Capital and reserves			
Share capital	36 (i)	9,185,147	9,045,474
Share premium	36 (ii)	79,953,617	76,573,491
Revaluation reserves	36(iii)	13,099,994	13,099,994
Statutory reserves	36(v)	2,321,973	2,321,973
Retained earnings	36(iv)	211,017,312	181,990,759
Equity attributable to the owners of the parent		315,578,043	283,031,691
Non-controlling interests		3,498,314	2,668,423
Total equity		**319,076,357**	**285,700,114**
Total liabilities and equity		**1,853,994,433**	**1,590,372,983**

These financial statements were approved by the Board of Directors on March 23rd, 2023 and were signed on its behalf by:

Director____________ Director____________

The notes set out on pages 137 to 237 form an integral part of these financial statements.

Consolidated statement of financial position

For the year ended 31 december 2023

	Note	Restated 31 December 2023 FRw'000	Restated 31 December 2022 FRw'000	Restated 01 January 2022 FRw'000
Cash in hand	18(a)	30,625,453	21,757,316	21,723,165
Balances with the National Bank of Rwanda	18 (b)	305,036,018	328,750,207	231,758,148
Due from other banks	19	251,404,182	48,379,707	77,804,267
Investments at amortised cost	20(a)	186,541,768	216,898,006	164,115,138
Investment in corporate bond	20(b)	18,533,463	12,068,536	12,703,795
Investment in specialised fund	20(c)	13,255,670	12,605,141	7,830,069
Loans and advances to customers	21	1,244,843,264	1,134,512,318	990,267,321
Insurance contract assets	23	5,111,545	3,092,783	4,590,192
Reinsurance contract	22	3,535,513	2,203,173	1,901,532
Other assets	24	12,552,527	18,111,508	25,433,010
Deferred income tax	25	4,734,412	10,647,666	9,546,653
Right of use assets	27(b)	1,352,743	1,760,517	1,658,358
Assets classified as held for sale	26	566,145	566,145	734,678
Property and equipment	27(a)	33,351,686	30,057,813	29,608,748
Intangible assets	27(c)	10,282,757	10,494,510	10,273,785
Total assets		**2,120,116,142**	**1,853,507,516**	**1,589,969,915**
Liabilities				
Due to banks	28	155,584,606	280,588,158	191,223,887
Deposits and balances from customers	29	1,374,342,881	1,075,188,572	874,484,626
Income tax payable	16(b)	1,079,710	5,820,034	10,013,868
Dividends payable	30	23,345,719	30,704,511	16,528,781
Insurance Contract liabilities	31(a)	10,944,628	7,813,889	7,757,524
Creditors arising from reinsurance	31(b)	1,026,489	933,761	1,235,706
Other liabilities	32	42,658,033	28,023,890	35,466,746
Lease liabilities	33	1,053,690	1,787,992	2,087,323
Long-term finance	34	103,723,062	102,728,352	56,036,990
Total liabilities		**1,753,758,724**	**1,534,265,179**	**1,304,235,313**
Capital and reserves				
Share capital	35(a)	9,383,625	9,185,147	9,045,478
Share premium	35(b)	83,423,468	79,953,817	76,573,481
Revaluation reserves	35(c)	13,099,363	13,099,093	13,099,363
Statutory reserves	35(d)	2,323,973	2,323,973	2,323,973
Retained earnings	35(e)	254,971,032	211,133,490	183,314,901
Equity attributable to the owners of the parent		**362,098,071**	**315,694,229**	**283,001,822**
Non-controlling interests		4,259,347	3,548,108	2,678,775
Total equity		**366,357,418**	**319,242,337**	**285,734,602**
Total liabilities and equity		**2,120,116,142**	**1,853,507,516**	**1,589,969,915**

These financial statements were approved by the Board of Directors and were signed on its behalf by:

Director

Director

The notes set out on pages 135 to 216 form an integral part of these financial statements.