KIGALI INDEPENDENT UNIVERSITY ULK

SCHOOL OF ECONOMICS AND BUSINESS STUDIES

DEPARTMENT OF ACCOUNTING

P.O. BOX 2280 KIGALI

EFFECT OF DIGITAL MARKETING ON FINANCIALPERFORMANCE OF COMMERCIAL BANKS IN RWANDA
A CASE OF BANK OF KIGALI (2019-2023)

A Dissertation Submitted 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

by

KWIZERA Timothée

Supervisor: Willy MUKOBANYA

Kigali; October 2024

DECLARATION

I, **KWIZERA Timothée** hereby declare that this thesis titled "The effect of digital marketing on performance of commercial banks, a case of Bank of Kigali Period 2019-2023" is my work and it has not been submitted for any degree. All the sources I have used or quoted have been indicated and acknowledged by complete references**.**

Signature…………………………………… Date………/………/…….

APPROVAL

This is to certify that this thesis titled "The effect of digital marketing on performance of commercial banks, a case of Bank of Kigali plc. Period,2019-2023" was conducted by **KWIZERA Timothée** under my supervision and guidance.

Supervisor: MUKOBANYA Willy

Signature…………………………….

Date……………………

DEDICATION

To my Family
To my friends and my colleagues.

ACKNOWLEDGEMENTS

My thanks go to Almighty GOD for His enormous love, guidance, protection and blessing towards me while doing this study. It is honor for me to thank the president of Kigali independent university **Professor Dr**.**RWIGAMBA BALINDA**

My deep appreciation goes to my Supervisor **Willy MUKOBANYA** for his vital professional guidance, sacrifice and careful Supervision which had made this research project feat, I appreciate and recognize your kind support for my research project. I would also like to recognize all the staff of ULK especially all my lecturers and my classmates for their generous and bright encouragement given to me to overcome some hindrances throughout my studies

My special gratitude goes to my parents, brothers and sisters for their encouragement and moral support while I was conducting this study.

I also wish to extend my sincere gratitude to my friends and classmates with whom I used to share materials and ideas and others. I also appreciate anyone who contributed to my academic success, for that thing, any contribution offered is valued. I would like to appreciate all those who contributed, immaterial or moral support that leads me to the accomplishment of this study.

KWIZERA Timothée

LIST OF ABREVIATIONS/ ACRONYMS

AIDA : Attention, Interest, Desire, Action

ATM : Automatic Teller Machines

ANZ : Australia and New Zealand

BK : Bank of Kigali

CRM : Customer Relationship Management (

Dr : Doctor

GCB : Ghana Commercial Bank

HSBC : Hong Kong and Shanghai Banking Corporation.

ICBC : Industrial and Commercial Bank of China Limited

IMC : Integrated Marketing Communications

IoT : Internet of Things

KCB : Kenya Commercial Bank

PPC : Pay-Per-Click

ROI : Return on investment

RDB : Rwanda Development Board

SEO : Search engine optimization

SMS : Short Message Service

SPSS : Statistical Packages for Social Sciences

ULK : Univerisite Libre de Kigali

TABLES OF CONTENTS

LIST OF TABLES

ABSTRACT

The study assesses the effect of digital marketing on performance of commercial banks in Rwanda. The specific objectives were to analyze the effectiveness of digital marketing in Bank of Kigali, To find out the relationship between digital marketing and financial performance of Bank of Kigali. And to assess how the application of digital marketing help in reducing marketing cost against traditional marketing in commercial banks in Rwanda. This study employed a descriptive cross-sectional survey design where it was used to gather information by 30 employees and customers from. To analyze the performance of Bank of Kigali Plc these indicators have been used: Net income, the trend of customers and the trend of deposit and ratio analysis method has been used in this study

Net operating income is very important factor as well as performance indicators, since it became in Rwanda market. Bank of Kigali Plc has come up with various innovations these were helping a company to achieve its targets, vision, mission, vision, this show how Bank of Kigali Plc gets net operating income from its normal business activities which are to sale Products and services to the customers

As it is shown by the table 4.8, Bank of Kigali Plc/main branch had made increment net operating income which varied in year 2020, the evolution of net operating income was36.7% in in 2021 , 22.4%in the year 2022 and 19.9%in 2023, where net operating income has increased by (36.7)% As the head of marketing department in BK main Branch said that the bank is always striving on digital marketing in while in 2021 because of covid 19 the net operating income was decreased. The correlation is equal to 0.851 which falls in intervals between 0.70 and 0.90 which means that there is a positive high correlation between the two variables of the study. Then Digital Marketing is significantly correlated to performance at0.851 of correlation coefficient implying a positive high relationship. Therefore, the hypothesis is verified and confirmed that this study test the relationship between Digital Marketing and financial performance

To conclude, according to the findings there is significant effect of digital marketing on performance of commercial banks in Rwanda. As recommendation, the commercial banks in Rwanda should invest in digital platforms so as to be in a position to take full advantage of the digital marketing potential.

KEY WORDS: Digital Marketing, Performance, and Commercial Banks

CHAPTER ONE: GENERAL INTRODUCTION

1.1. Background to the study

The global banking industry has undergone significant transformations due to technological advancements and the widespread adoption of digital platforms. Digital marketing has emerged as a crucial tool for commercial banks to engage with customers, enhance brand presence, and drive financial performance. This background section provides an overview of digital marketing in the banking sectors of various regions, from international to local contexts. In the United States of America, digital marketing in the banking sector is highly advanced, with banks leveraging sophisticated technologies such as artificial intelligence, big data analytics, and personalized marketing campaigns. Major banks like JPMorgan Chase, Bank of America, and Wells Fargo use comprehensive digital marketing strategies to attract and retain customers, enhance user experience, and improve operational efficiency (Krishnan, 2020).

European banks, particularly in the UK, France, Germany, and Italy, have also adopted digital marketing strategies extensively. In the UK, banks like HSBC and Barclays are at the forefront, utilizing digital channels to deliver personalized customer experiences. French banks, such as BNP Paribas, focus on mobile banking and digital transformation. German banks, including Deutsche Bank, emphasize data-driven marketing strategies. Italian banks like UnCredit are investing in digital tools to enhance customer engagement and streamline operations (Orlando, 2018).

In Asia, countries like Japan, China, and South Korea are leading in digital banking innovations. Japanese banks are known for integrating fintech solutions into their services. Chinese banks, such as ICBC and China Construction Bank, leverage social media and mobile apps to reach a vast customer base. South Korean banks use advanced digital marketing tactics, including AI and machine learning, to offer personalized banking services. In Southeast Asia, Malaysian banks are adopting digital platforms to expand their reach and improve customer service. Banks in Australia and New Zealand are pioneers in adopting digital marketing and online banking services. Australian banks like ANZ and Commonwealth Bank use digital platforms to enhance customer engagement and offer innovative financial products. In New Zealand, banks are focusing on digital transformation to provide seamless banking experiences (Kent, 2019).

In the Maghreb region, banks are gradually embracing digital marketing to meet the growing demand for online banking services. Moroccan banks like Attijariwafa Bank are investing in digital channels to attract younger customers. In Tunisia, banks are enhancing their digital presence to compete with international banks. Egyptian banks, such as the National Bank of Egypt, are using social media and mobile banking to reach a wider audience. In Libya, despite political challenges, banks are exploring digital marketing to improve customer engagement (Krishnan, 2021).

In West Africa, banks in Ghana and Nigeria are making significant strides in digital marketing. Ghanaian banks like GCB Bank are focusing on mobile banking and social media marketing to attract tech-savvy customers. Nigerian banks, such as GT Bank and Zenith Bank, are leaders in digital banking, using innovative marketing strategies to enhance customer experience and expand their market share. In East Africa, countries like Uganda, Kenya, Tanzania, Burundi, and Rwanda are witnessing rapid growth in digital banking. Kenyan banks, including Equity Bank and KCB, are pioneers in mobile banking and digital marketing. Ugandan banks are leveraging digital channels to reach remote customers. In Tanzania, banks are focusing on digital financial inclusion. In Burundi and Rwanda, banks are increasingly adopting digital marketing strategies to enhance customer service and drive financial performance (Khaddash, 2023).

The advent of digital marketing has transformed various sectors globally, including the banking industry. In Rwanda, commercial banks are increasingly adopting digital marketing strategies to enhance their competitiveness, improve customer engagement, and drive financial performance. Rwanda's banking sector is undergoing a digital transformation, with banks investing in digital technologies to improve service delivery and customer engagement. The Bank of Kigali (BK) is at the forefront of this transformation, leveraging digital marketing to enhance its financial performance. Digital marketing encompasses various online strategies, including social media marketing, email marketing, search engine optimization (SEO), content marketing, and mobile marketing. These strategies enable banks to reach a wider audience, offer personalized services, and improve customer interaction (BNR, 2023).

The rapid growth of internet usage and mobile technology in Rwanda has created a conducive environment for the adoption of digital marketing by commercial banks. BK actively uses platforms like Facebook, Twitter, LinkedIn, and Instagram to connect with customers, share updates, and promote products and services. Personalized email campaigns are used to communicate with customers about new products, special offers, and important announcements. BK invests in SEO to improve its online visibility, making it easier for potential customers to find information about its services. BK provides valuable content on financial literacy, investment tips, and banking solutions through its blog and online resources, positioning itself as a thought leader in the industry (Bank of Kigali, 2023).

BK's robust mobile banking app allows customers to conduct transactions, check balances, and access various services on the go, highlighting the convenience and security of digital banking. Targeted digital advertising on platforms like Google Ads and social media helps drive traffic to BK's website and increase conversions. Digital marketing has helped BK attract new customers and retain existing ones by offering convenient and engaging banking solutions. Effective digital marketing strategies have led to higher sales and revenue growth. Digital marketing allows BK to reach a large audience at a lower cost compared to traditional marketing methods. BK's presence on digital platforms has enhanced its brand awareness and reputation, making it a preferred choice for banking services in Rwanda (Bank of Kigali, 2023).

Nowadays Digital marketing played a big role to the development of commercial banks not only that but also in Economy as whole but we are looking for banking system especially to the case of Bank of Kigali plc and The world is currently undergoing a significant shift in the global economic landscape, marked by the prominence of information and communication technologies. A profound transformation is underway, where the dissemination of knowledge. these significant developments present considerable challenges for small developing economies such as Rwanda. however, there is a fortunate opportunity for countries like Rwanda, devoid of substantial natural resources and landlocked, as knowledge and technologies provide a platform for them to forge a path towards a digital economy on global scale (Mosawi et al.,2016)

Rwanda has paradoxically emerged as one of the top ten fastest-growing economies globally in the past 24 years following the tragedy of the Genocide against Tutsi that afflicted the land, severely impacting its economy. It is also considered among the top-performing economies in Africa, striving to lead in facilitating investment in the continent, as highlighted by the Rwanda Development Board (RDB). Despite the recent financial crisis, Rwanda's economy rebounded from a sharp downturn, expanding by 7.4% in 2010, with a robust outlook for 2013 according to the World Bank. Banking institutions have cautiously endeavored to adopt technology to enhance the products and services they offer, employing information communication technology to better serve their financial needs and meet customer requirements, thus increasing the utilization of internet-based operations in their daily business activities. The significance of the internet in business operations has been a topic of discussion among scholars (Bank of Kigali, 2023).

Digital marketing has played a crucial role in the performance of commercial banks, particularly during the COVID-19 pandemic, and this can be exemplified in the case of Bank of Kigali (BK). Here's how digital marketing has impacted BK's performance during this period with lockdowns and social distancing measures in place during the pandemic, traditional means of communication became limited. Digital marketing channels such as social media, email, and website communication became vital for BK to engage with its customers. BK likely utilized these channels to provide updates on their services, offer financial advice, and reassure customers about the safety measures implemented during the pandemic (Bank of Kigali, 2023).

As physical branches faced restrictions or closures, digital banking services became essential for customers to access banking services conveniently. BK likely leveraged digital marketing to promote its mobile banking app, online banking platforms, and other digital channels to encourage customers to conduct their banking activities remotely. Many customers may have been unfamiliar with digital banking services prior to the pandemic. Digital marketing provided BK with a platform to educate its customers on how to use digital banking tools effectively. This could include tutorials, webinars, and online guides to help customers navigate through the various digital banking features offered by BK. Educating customers on digital banking (Bank of Kigali, 2023).

The pandemic accelerated the shift towards digital channels for banking transactions as customers sought safer and more convenient ways to manage their finances. BK likely used digital marketing to adapt to this changing consumer behavior by highlighting the benefits of digital banking, such as 24/7 accessibility, contactless transactions, and enhanced security measures (Bank of Kigali, 2023).

During times of uncertainty, maintaining a strong brand presence and building trust with customers is paramount. Through digital marketing efforts, BK could reinforce its brand values, demonstrate its commitment to customer service, and showcase its resilience during challenging times, thereby strengthening trust and loyalty among its customer base. Brand building and trust. Overall, digital marketing has been instrumental in helping Bank of Kigali navigate the challenges posed by the COVID-19 pandemic by facilitating communication, promoting digital banking services, educating customers, adapting to changing consumer behavior, and reinforcing its brand presence and trust (Bank of Kigali, 2023).

1.2. Statement of the problem

Despite the increasing adoption of digital marketing strategies by commercial banks worldwide, there is limited empirical evidence on how these strategies specifically impact the financial performance of banks in different regional contexts. This gap is particularly evident in emerging markets like Rwanda, where the digital transformation of the banking sector is still evolving. Bank of Kigali, as the largest commercial bank in Rwanda, has invested significantly in digital marketing. However, the extent to which these efforts translate into improved financial performance remains unclear (BNR, 2023).

Therefore, there is a shortage of research that focuses on the impact of digital marketing on financial performance within the context of Rwandan banks, particularly Bank of Kigali. While Bank of Kigali has implemented various digital marketing strategies, there is insufficient data on the return on investment (ROI) of these initiatives. Bank of Kigali requires detailed insights into which digital marketing strategies are most effective in driving financial performance, customer acquisition, and retention. Understanding, the evolving digital behavior of Rwandan customers and how it influences their interaction with digital banking services is crucial for optimizing marketing efforts (Bank of Kigali, 2023).

There is a need to understand how digital marketing efforts align with Bank of Kigali's broader business objectives and operational strategies. The previous bank issues pushed the researcher to conduct this research for assessing how effective digital marketing provides the significant financial performance in Bank of Kigali.

1.3. Research objectives

This study is composed by research purposes including general and specific objectives, as follows:

1.3.1. General objective

This study is aiming to assess the effect of digital marketing towards financial performance of commercial banks in Rwanda with reference of Bank of Kigali in particular, for the period of 2019 up to 2023.

1.3.2. Specific objectives

i. To analyze the effectiveness of digital marketing in Bank of Kigali.
ii. To find out the relationship between digital marketing and financial performance of Bank of Kigali.

1.4. Research questions

It is from the above research issues where the researcher would like to present two research questions, as follows:

i. Is the digital marketing effective in Bank of Kigali?
ii. Is there any relationship between digital marketing and financial performance of Bank of Kigali?

1.5. Research hypotheses

The study guided by the following research hypotheses:

i. The implementation of digital marketing in Bank of Kigali is effective.
ii. There is significant relationship between digital marketing and financial performance of Bank of Kigali.

1.6. Scope of the study

This sub-section presents the time, domain and geographical scopes; as follows:

1.6.1. Scope in domain

The study was based in the domain of audit practices. This domain helps the researcher to put into practices, the theories learnt in classes.

1.6.2. Geographical scope

The study was based on the information that collected from the Bank of Kigali Headquarter, located in Nyarugenge District of Kigali City. Therefore, researcher chooses this area in order to investigate how in Bank of Kigali Headquarter, the digital marketing contributes in financial performance of commercial banks and it’s where all qualitative and quantitative information related to digital marketing operations are administrated and implemented.

1.6.3. Scope in time

The scope of this study covers the period of five years that is from 2019 up to 2023. Therefore, researcher chooses this period in order to assess the digital marketing functions in Bank of Kigali during the period of previous five years compared by other years.

1.7. Significance of the study

1.7.1. Choice of the topic

This topic has been chosen in order to talk about the role of digital marketing in financial institutions sector, putting into practice of related theories that the researcher has learnt during the university courses.

1.7.2. Interest to the topic

This study presents three different interests which are personal; scientific and socio-economic interest.

1.7.2.1. Personal interest

Personally, the findings of this research will provide the skills and knowledge related to the implementation of digital marketing in banks and even in other organizations.

1.7.2.2. Academic and scientific interest

The realization of this work complies with the academic requirements by which every student completing the provided undergraduate program of courses has to conduct research, compile and present a dissertation in order to be awarded a bachelor’s degree in accounting through academic rules and regulations of Kigali Independent University (ULK). This research will be useful for further researcher as related documentation while conducting their researches, to gain effective information about digital marketing used in banking sector.

1.7.2.3. Socio interest

This study is a great immeasurable importance to the community who believe that it will bring about the standard of digital marketing. The community will gain information related to digital marketing adoption. This study provided effective interest on behalf of Bank of Kigali through given recommendations of implementation on digital marketing.

1.8. Organization of the study

This research is composed by four chapters, where chapter one is called general introduction composed by background of the study, statement of the problem, research objectives, research questions and hypotheses, the scope and significance of the study and organization of the study. The second chapter is literature review and it reviews the related literature including definitions of key concepts, theoretical framework, empirical review, research gap identification and conceptual framework.

The third chapter is research methodology that shows how researcher collected the data. The fourth chapter is research findings and analysis that analyses and interpret the findings responding research hypotheses of the study. Finally, the study is ended by summarizing the findings of the study and providing the suggestions and references.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter reviews the existing literature on digital marketing and financial performance where the researcher attempts to bring out the fundamental issues and key concepts underlying as put forward by different authors; it basically related to the views extracted from books, electronic sources and journals; etc. Therefore, the researcher presents the concepts of key terms; related theories; empirical review; research gap analysis and conceptual framework.

2.2. Conceptual Review

Under this section, the researcher would like to review the theoretical literature through the description and explanation of key concepts; as follows:

2.2.1. Digital marketing

Digital marketing refers to the use of digital channels, platforms, and technologies to promote products, services, and brands to potential customers. Digital marketing encompasses a wide range of online marketing activities aimed at engaging with consumers through the internet and electronic devices (Chaffey & Ellis-Chadwick, 2019).

Key Components of Digital Marketing

Search Engine Optimization (SEO): Optimizing website content to improve its visibility on search engine results pages, thereby attracting organic traffic.
Content Marketing: Creating and distributing valuable, relevant content to attract and engage a target audience. This includes blog posts, videos, infographics, and ebooks.
Social Media Marketing: Using social media platforms (e.g., Facebook, Twitter, Instagram, LinkedIn) to promote products, interact with customers, and build brand awareness.

Email Marketing: Sending targeted emails to a list of subscribers to promote products, share news, and nurture relationships with customers.
Pay-Per-Click (PPC) Advertising: Running paid ads on search engines and social media platforms where advertisers pay a fee each time their ad is clicked.
Affiliate Marketing: Partnering with other businesses or individuals to promote products and services, where affiliates earn a commission for each sale generated through their referral links.
Influencer Marketing: Collaborating with influencers—individuals with a significant following on social media or other online platforms—to promote products and brands.
Mobile Marketing: Engaging with customers through mobile devices using SMS, mobile apps, and mobile-friendly websites.
Web Analytics: Using tools like Google Analytics to track and analyze website traffic and user behavior to inform marketing strategies.
Online Public Relations: Managing a company's online presence and reputation through media coverage, press releases, and responding to feedback on digital platforms (Chaffey & Ellis-Chadwick, 2019).

Importance of Digital Marketing:

Global Reach: Digital marketing enables businesses to reach a global audience cost-effectively and efficiently.

Targeted Advertising: Digital platforms allow for precise targeting based on demographics, interests, behavior, and location, increasing the relevance and effectiveness of marketing campaigns.

Measurable Results: Digital marketing provides detailed analytics and metrics, allowing businesses to measure the success of their campaigns and make data-driven decisions.

Cost-Effectiveness: Compared to traditional marketing methods, digital marketing often offers a higher return on investment (ROI) by reaching a larger audience at a lower cost.

Engagement and Interaction: Digital marketing allows for real-time interaction with customers, fostering stronger relationships and improving customer satisfaction.

Flexibility and Adaptability: Digital campaigns can be quickly adjusted based on performance data and changing market conditions, ensuring that marketing strategies remain effective and relevant (Chaffey & Ellis-Chadwick, 2019).

2.2.2. Financial performance

Financial performance is assessed by giving a summary of how the business incurs its revenues and expenses through both operating and non-operating activities. It also shows the net profit or loss incurred over a specific accounting period, typically over a fiscal quarter or year. The income statement is the one of the three major financial statements. The other two are the balance sheet and the statement of cash flows. The income statement is divided into two parts: the operating and non-operating sections (Weygand, 2016).

The process of evaluating businesses, projects, budgets and other finance-related entities to determine their suitability for investment, typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid, or profitable enough to be invested in. When looking at a specific firm, the financial analyst will often focus on the income statement, balance sheet, and cash flow statement. In addition, one key area of financial analysis involves extrapolating the firm's past performance into an estimate of the firm's future performance (Peter, 2022).

2.3. Theoretical framework

This section presents the theories related to the variables and views of the study, as follows:

2.3.1. Digital Marketing Theory

Digital marketing theory provides a framework for understanding how digital marketing strategies and practices influence consumer behavior, brand engagement, and business performance. It encompasses various models and concepts that explain the mechanisms through which digital marketing operates and its impact on the market (Stein, 2022). Below are some key theories and models that are central to digital marketing:

2.3.1.1.Generational Theory

Generational marketing theory holds that consumers born of the same generation (defined as a 20-year period) have common attitudes and behaviors because of shared experiences that influenced their childhoods and shaped their views of the world. The relevance of generational theory to digital marketing is primarily in the ways in which each generation communicates and the online places where marketers can reach them. For example, Pew Internet reported in a 2010 study that millennial, who are 18 to 33 years old, are most likely to access the Internet wirelessly. Generation X, on the other hand, who are ages 34 to 45, are more active than millennial in such activities as researching financial information. However, Pew's research emphasizes increasing homogeneity across groups for such activities as researching health information, shopping, making travel arrangements and downloading podcasts (Karambut, 2021).

2.3.1.1.2. Network Theory

According to (Claude, 2022) Network theory studies relationships of all sorts, whether between people, animals or things. Social network analysis is an overlapping tool for learning about patterns that develop within social networks and how they influence behavior. The "Harvard Business Review" reports on a social-network study conducted at Columbia University. Researchers -- two of whom authored the "Harvard Business Review" article -- found that that the success of entertainment products is impossible to predict based on traditional factors such as plot or star power because "hits" are the result of the influence consumers have over each other's decisions. Digital marketing channels such as Facebook, Twitter, Foursquare and Group on are useful in this regard, as they allow marketers to listen to what consumers are saying, and they allow marketers to leverage the power of influential users to spread messages throughout their networks. Research shows that the most powerful users are those with the most influence across a number of differentiated networks.

2.3.1.1.3. Customer-Led Positioning Theory

This theory attempts to explain how Positioning is the company's attempt to forge an image of the product in the customer's mind. Unlike physical retail, the customer manipulates and customizes the digital retail experience. Customers can organize an entire retail store based on product price, functionality or popularity. To better position products, managers should consider not only the specific product's features, but also present it in relation to the entire range of products and services the customer needs. For example, in pharmaceutical sales, customers are not just concerned about the effectiveness or price of a specific drug, but they are also keen on its interaction with other medications or health conditions. Additionally, effects of medication on general well-being and long-term health are important for a growing number of people (Subramaniam et al., 2023).

1. The 4 Ps of Marketing (Extended to 7 Ps for Digital Marketing)

Originally developed by Jerome McCarthy, the 4 Ps (Product, Price, Place, Promotion) are fundamental to traditional marketing. In the context of digital marketing, this model is often extended to include three additional Ps: People, Process, and Physical Evidence.

Product: The digital product or service offered, including its features, design, and quality.

Price: The pricing strategy, including discounts, offers, and payment terms.

Place: The distribution channels, especially digital platforms like e-commerce sites, social media, and mobile apps.

Promotion: Digital advertising, email marketing, content marketing, SEO, and social media campaigns.

People: Customer service and interaction with the brand through digital channels.

Process: The processes that deliver the product or service, including the customer journey and user experience.

Physical Evidence: The tangible aspects that support the digital experience, such as website design, packaging, and customer reviews (Stein, 2022).

2. AIDA Model (Attention, Interest, Desire, Action)

The AIDA model describes the stages a consumer goes through before making a purchase decision:

Attention: Capturing the consumer's attention through compelling digital content and advertising.

Interest: Engaging the consumer by providing relevant and interesting information.

Desire: Creating a desire for the product or service through persuasive messages and benefits.

Action: Encouraging the consumer to take action, such as making a purchase or signing up for a service (Stein, 2022).

3. The Digital Marketing Funnel

Similar to the traditional sales funnel, the digital marketing funnel outlines the stages a consumer passes through in the digital realm:

Awareness: The consumer becomes aware of the brand through digital channels.

Consideration: The consumer evaluates the brand and compares it with alternatives.

Conversion: The consumer takes action, such as purchasing or subscribing.

Loyalty: The consumer becomes a repeat customer and may advocate for the brand (Stein, 2022).

4. Customer Relationship Management (CRM)

CRM involves managing a company's interactions with current and potential customers using data analysis to improve business relationships. In digital marketing, CRM systems help manage customer data, track interactions, and facilitate personalized marketing efforts (Stein, 2022).

5. Social Media Marketing Theory

This theory focuses on the use of social media platforms to promote products and services, build brand awareness, and engage with customers. Key components include:

Content Creation: Producing valuable, relevant, and engaging content tailored for social media audiences.

Community Management: Building and maintaining a loyal community of followers.

Influencer Collaboration: Partnering with influencers to reach wider audiences and enhance credibility.

Engagement Metrics: Measuring success through likes, shares, comments, and other engagement metrics (Stein, 2022).

6. Theory of Consumer Behavior

Understanding consumer behavior is crucial for digital marketing. This theory explores how consumers make decisions, including the psychological, social, and cultural factors that influence their behavior. Key aspects include:

Decision-Making Process: The steps consumers take from recognizing a need to making a purchase decision.

Motivations and Needs: The underlying reasons why consumers seek out certain products or services.

Perception and Attitude: How consumers perceive brands and form attitudes based on their experiences and information received (Stein, 2022).

7. Big Data and Analytics Theory

Big data and analytics theory involves using large datasets and advanced analytics to gain insights into consumer behavior, market trends, and the effectiveness of marketing campaigns. This theory emphasizes the importance of data-driven decision-making in digital marketing.

Data Collection: Gathering data from various digital touchpoints, such as websites, social media, and email campaigns.

Data Analysis: Using analytical tools to interpret data and derive actionable insights.

Predictive Analytics: Forecasting future trends and consumer behaviors based on historical data.

8. Integrated Marketing Communications (IMC) Theory

IMC theory emphasizes the coordination of all marketing communications to provide a consistent message across all channels. In digital marketing, this includes:

Consistency: Ensuring that the brand message is consistent across all digital platforms.

Synergy: Leveraging different digital channels to complement and enhance each other.

Customer-Centric Approach: Focusing on delivering a seamless and personalized experience to the consumer (Stein, 2022).

Digital marketing theory provides a comprehensive framework for understanding and implementing effective digital marketing strategies. By leveraging these theories and models, businesses can enhance their digital marketing efforts, improve customer engagement, and ultimately achieve better financial performance. These theories underscore the importance of a strategic, data-driven approach to digital marketing that is adaptable to the rapidly evolving digital landscape (Stein, 2022).

2.3.2. Digital marketing theory of change

The Digital Marketing Theory of change is part of the program theory that emerged as an improvement to the evaluation theory (Stein, 2022). an digital marketing theory of change is a tool used for developing solutions to complex financial problems. It provides a comprehensive picture of early and intermediate term changes that are needed to reach a long term set goal (Anderson, 2022). It therefore provides a model of how a project should work, which can be tested and refined through digital marketing. an Digital marketing theory of change is also a specific and measurable description of change that forms the basis for financial planning, financial implementation and financial evaluation in firm. Most entities use the digital marketing theory of change although they are usually assumed. The digital marketing theory of changes helps in developing comprehensible frameworks for internal and external audit. Therefore, it is based on the program theory advanced by Suchman in the 1960's.

2.4. Empirical review

Banks take conservative, industry-specific approaches to defend against customer attrition, counting on customers to remain loyal simply because of the relative difficulty of changing banks. However, as they begin to accept that their brands can be displaced by more innovative, nimble and quick competitors and struggle to maintain relevance, banks are now employing strategies that look and feel a lot more like approaches used in the retailing industry. In the context of the aforementioned trends, digital has become the most critical focus area for bank marketers today. While many now use new tools and techniques to improve reach, customer engagement and, more importantly, new business acquisition, most marketers are still trying to grasp what it means to
"be" digital. With ongoing channel proliferation, marketers struggle to build out their strategies while reinforcing customer loyalty and brand awareness (Phillips, 2022).

Corporations now highlight the importance of creating a "digital relationship" with customers; moreover, digital technologies and devices such as smartphones, smart products, the Internet of Things (IoT), Artificial Intelligence, and deep learning all promise significant transformations of consumers' lives in the near future. It is against this backdrop that this paper seeks to understand how the developments in digital technology are re-shaping the process and the strategy of marketing, and the implications of this transformation for research in the broad space we call “digital marketing”.

According to Kotler & Armstrong (2020), the 4P model (a model which helps to reach and find marketing goals) can be used as an indicator for better marketing. It can be implemented in digital marketing although it needs some customization, meaning that place must be reconsidered as a digital channel because there is no physical place for digital marketing. The term digital marketing comes from using an electronic device (smartphones, computer, and tablets, game consoles) to reach customers.

According to Armstrong and Kotler (2023) Marketing channels are persons, organizations or even other activities necessary for transferring ownership of goods from when they are produced to when they get to the final consumer of the product or service, meaning the means in which the products get to the end user. Some scholar terms it distribution channels they go ahead to stress that marketing channels are useful tools for management and are crucial to creating an effective and well-planned marketing strategy.

There are basically four types of marketing channels: Direct selling; Selling through intermediaries; Dual distribution; and Reverse channels. Essentially, a channel might be a retail store, a web site, a mail order catalogue, or direct personal communications by a letter, email or text message. Marketing mix comprises of the options available to a marketer in order to affect the demand for a product or service according to Kotler and Armstrong (2023). This fundamental theory can be interpreted in the electronic marketplace to represent the e- product, e-price, e-place and e-promotion like the traditional marketing mix does.

According to Steven Dann in his book e-marketing strategies and application, say digital Marketing is basically the promotion of brands using all forms of digital forms of marketing mix on the internet most especially advertising mediums to reach the target segment. Those channels that do not include personal selling are done via Radio, mobile, Internet, Television, social media marketing and other less popular forms of digital media. In the biggest context, marketing electronically (e-marketing) can be considered as an innovative business practice involved with the marketing of goods, services, information and ideas through the Internet and other electronic means.

Strauss and Frost (2021) define it as: "The use of electronic data and applications for planning and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals". One potential problem that is likely to create confusion is the use of the terms: E-Marketing, Internet-marketing, E- commerce, Ebusiness as termed by individual researchers. It is therefore important to differentiate between these terms for instance internet marketing some scholars have justified it to refer only to the Internet, World Wide Web, e- mails whereas e-marketing includes all of that is included in internet marketing plus all other E-Marketing tools like: Intranets, Extranets and mobile phones. The marketing management has certainly played an important role to describe the most widely accepted view of the marketing philosophy and guidance for the implementation of the concept (Kotler, 2018). The marketing concept and the related concept have been of important components of the marketing academic and practice for quite some time. The fundamental importance attributed to this concept has triggered numerous projects while attempting to explore its application and relationship with other variance that affects business performance (Slater, & Naver, 2018).

In the views of Beckinsale, and Ram, (2023) ICT is defined as 'any technology used to support the gathering of information, its processing, its distribution and how the support of all these are put to use. The increase in technological evolution, internalization and the consumerism of completion are some of the conditions in the market that increases the competitive intensity levels.

Besides, using technology is a form of strategic innovation that is basically a different way of competing with competitors and also improving the financial of existing businesses. The progress in technology has provided an opportunity for commercial banks to introduce great innovations. The combination of banking services with electronic technologies means that commercial banks are able to advertise their products with ease and users are able to conduct banking services at any places overcoming challenges of traditional marketing platforms (Riddell, & Song, 2022).

E-marketing tools are developing swiftly as new technologies arise every day and firms are let with little or no choice rather to adopt these technological trends. A company using the internet as a part of its marketing mix is often perceived as a company at the leading edge of its sector. The new e-marketing tools era has dramatically reduced traditional media dependence, including Yellow Pages and mailing-list brokers. One of the most effective popular e-marketing methods is the banner advertising which is a form of advertising, often small four-sided and horizontal shaped advert which very often appears in most sites. The presence and importance for electronic-based business is immense. Banner adverts are typically hyperlinked to the advertiser's primary page or one with more information about the specific product or service advertised (Kaye & Medoff, 2021).

According to Banner Works (2020), there are three common file types of banners: static, animated, and flash. Static web banners are cost effective and simple ads, often containing graphics and text. Static banners are the most widely recognized and accepted file sizes. Similarly, animated banners are types of banners which use animation in the text or images to transfer their messages the movement attracts viewers more than the static banners. Flash banner is a sophisticated animated banner that flows smoothly like a movie and can also include sound. They can also be interactive, and include rollover buttons, checkboxes, in- banner navigation systems, sound on/off buttons, play-pause buttons, close buttons and so on (Banner Works, 2020).

Electronic mailing also known as e-mail has become an important online marketing tool as well. In addition to text, e-mail messages also contain pictures, videos and sounds, and can be personalized for certain customer groups (Kotler & Armstrong, 2018). Recent studies on email marketing. This should not be left unsaid that nearly half of all businesses used e-mail marketing to reach their customers.

According to Kotler and Armstrong, e-mail can be the best direct marketing medium. Internet based companies such as Amazon.com and Dell have been using email marketing successfully. Both companies have adopted a permission-based marketing approach and they offer highly personalized messages to customers. For instance, Amazon.com is known for sending marketing e-mails based on the customers' previous purchases (Kotler & Armstrong, 2018). However, given that fact, e-mail marketing has also some evident problems such as the spam messages. A spam message is an unwanted commercial e-mail message and at present 84% of all inbound e-mail is considered spam. Unwanted commercial e-mail messages may even distance the customer from the company and therefore companies are encouraged to ask for permission to send marketing email messages. This approach is called permission-based marketing and is considered the new standard model for e-mail marketing (Kotler & Armstrong, 2018).

Wheelen and Hunger (2020), describe performance as the end result of activity; they assert that, which measures to select to assess the performance will depend on the organizational unit to be appraised and the objectives to be achieved. Certo (2017) stipulates that before managers can determine what must make the organization more effective and efficient; they must measure current organizational performance. Organizational theory and strategic management offer much of the basis on which the performance construct can be measured. Organization theory provides three fundamental theoretical approaches to measuring organizational effectiveness.

According to Mosley (2018), a standard is a unit of measurement that can serve as a reference point for evaluating results, standards are important for managers in order to set clear objectives where all company's efforts will be sintered. Normally, goals, objectives and performance cannot only be expressed in physical, monetary but also qualitative standards:

Quantifiable standards: are standards that can be expressed in terms of numbers (unity, money and hours). These quantifiable standards include;

Physical standards; these include quantities of product, number of customers and clients or qualifying products and services.

Money standards; these expressed in dollars and include labor costs, selling, price, material coast, sales revenues and gross profits.

Non-quantifiable or qualitative standards: these are standards that play an important role. Quantifiable standards are no sufficient to measure performance, managers must also use nonquantifiable standards; including quality, personnel, promoting the "most proficient "person, having a cooperative attitude and also wearing appropriate dress on job, can be critical.

The term financial analysis is known as analysis and interpretation of financial statements. It refers to the assessing meaningful relationship between various items of the two financial statements. Profit and loss account statement and position statement. It determines financial strength and weakness of the bank (Wheelen and Hunger, 2020). Financial analysis is also the process of identifying the financial of the bank by properly assessing relationship between the items of the balance sheet and profit and loss account (Mosley, 2018).

Ratio analysis: In order to evaluate financial condition and performance of a bank, the financial analyst needs certain tools to be applied on various financial aspects. One of the widely used and powerful tools is ratio or index. Ratios express the numerical relationship between two or more things. This relationship can be expressed as percentage (25% of revenue), fraction (one-fourth of revenue), or proportion of numbers (1:4). According to Van Horne (2017), ratios are used to describe significant relationships, which exist between figures shown on a balance sheet, in a profit and loss account, in a budgetary control system or in any other part of the accounting organization. Ration analysis plays an important role in determining the financial strengths and weaknesses of a company relative to that of other companies in the same industry (Van Horne, 2017).

Profitability ratios: The main objective of a business is to earn a satisfactory return on the funds invested in it. Financial analysis helps in ascertaining whether adequate profits are being earned on the capital invested in the business. It also helps in knowing the capacity to pay the interest. Profitability ratios measure the efficiency with which the company uses its resources (Charles, 2017).

Gross profit margin: this ratio measures the bank's efficiency of operation. It reflects the relationship of prices, volume and costs.

Net profit ratio should be calculated as follows:

Net profit $=\frac{\text{net income}}{\text{sales revenue}}$

Return on total asset: this ratio measures the profit earned to the employment of asset (John, 2017).

Return on total asset ratio should be calculated as follows:

Return on total asset$=\frac{\text{net income available to common stockholders}}{\text{total assets}}$

Return on stockholder's equity: this ratio measures the percentage of profit on common stockholders 'investment in the company. In a theory a company attempting to maximize the wealth of its stockholders should be trying to maximize this ratio (John, 2017).

Return on stockholder's equity should be calculated as follows:

Return on stockholder’s equity = $\frac{\text{net income available to common stockholder}}{\text{stockholder's equity}}$

Liquidity ratios: liquidity ratios measure the short term solvency of position of a bank. These ratios are calculated to comment upon the short term paying of a concern or the bank’s ability to meet its current obligations. Following are most important liquidity ratios.

Current ratio: the current ratio measures the extent to which the claims of short term credits are covered by assets that can be easily converted into cash most companies should have ratio of at least one because of failure to meet commitments can lead to bankruptcy (John, 2017). The current ratio is calculated as follows:

Current ratio=$\frac{\text{current asset}}{\text{current liability}}$*100

Quick ratio: the quick ratio measures a company ability to pay off the short term credits without relying on the sale of its inventories. This is a valuable measure since in practice the inventory is often difficult (John, 2017). The quick ratio is calculated as follows:

Quick ratio=$\frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$*100

Leverage ratio: a company is said to be highly leveraged if it uses more debts than equity, including stock and retained earnings. The balance between debt and equity is called the capital structure. The optimal capital structure is determined by individual company. Debt has lower cost because credits take less risk, they will get their interest and principal payment. However, debt can be risky to bank because if enough profit is not made to cover the interest and principal payment bankruptcy can occur (John, 2017).

Three commonly used leverage ratios are debt assets ratio, debt equity ratio, and times covered ratio.

Debt assets ratio: the debt asset ratio is the most direct measure of extent to which borrower funds

have been used to finance a company’s investment.

Debt asset ratio is calculated as follows: Debt asset ratio=$\frac{\text{total debt}}{\text{total assets}}$ *100

Total debt is the sum of company’s current liability and long-term debt whereas total assets are the sum of fixed assets and current assets.

Eighty percent of the 695 executives surveyed by Ernst & Young stated that their company's digital marketing department could use some improvement. Strong risk management is seen as having a favorable impact on long-term earnings by 75 percent of the study participants. Equal numbers of respondents believe that their digital marketing function has a favorable impact on their overall risk management activities.

Digital marketingors are increasingly expected to have abilities that go beyond the more typical technical skills, such as the capacity to collaborate with management and business units on relevant business challenges, as the job of the auditor grows. It was shown that risk-based auditing has a positive impact on the financial performance of commercial banks in Rwanda. Although her research focused on risk-based auditing, she noted that financial performance needed suitable, effective, and efficient digital marketinging... Risk-based auditing could be improved through digital marketing standards and staffing in order for companies to better identify risks at an early stage, hence increasing transparency and accountability, and thus improving financial performance, according to the study's conclusions. This proved that there is a link between financial performance and digital marketing.

Ndege (2022) conducted a study on the performance and financial ratios of commercial banks in the Rwandan capital city. In his research, he sought to discover the elements that influence bank performance as assessed by ROA and ROE ratios (ROE). Using ROA and ROE, he argued that Rwandan banks' financial performance can be measured. Digital marketing activities and recommendations have a long-term impact on a company's operations, but they are also the foundation of a company's success or failure. To ensure its long-term existence, management should emphasize its effectiveness and acceptability at all levels. The effectiveness of digital marketing has only been evaluated in a few academic studies, and even fewer have explored the topic empirically. A permanent digital marketing role is recommended by the Basel Committee report (2002) in order to fulfill the bank's tasks and responsibilities. Efforts should be made to ensure that the bank has a sufficient digital marketing function commensurate to its size and the nature of its operations. These strategies include giving the necessary resources and manpower to the internal employees.

Eighty percent of the 695 executives surveyed by Ernst & Young stated that their company's digital marketing department could use some improvement. Strong risk management is seen as having a favorable impact on long-term earnings by 75 percent of the study participants. Equal numbers of respondents believe that their digital marketing function has a favorable impact on

their overall risk management activities. Digital marketing are increasingly expected to have abilities that go beyond the more typical technical skills, such as the capacity to collaborate with management and business units on relevant business challenges, as the job of the auditor grows.

It was shown that risk-based auditing has a positive impact on the financial performance of commercial banks in Rwanda. Although the research was conducted on behalf of risk-based auditing, she noted that financial performance needed suitable, effective, and efficient digital marketing... Risk based auditing could be improved through digital marketing standards and staffing in order for companies to better identify risks at an early stage, hence increasing transparency and accountability, and thus improving financial performance, according to the study's conclusions. This proved that there is a link between financial performance and digital marketing.

Ndege (2022) conducted a study on the performance and financial ratios of commercial banks in the Rwandan capital city. In his research, he sought to discover the elements that influence bank performance as assessed by ROA and ROE ratios (ROE). Using ROA and ROE, he argued that Rwandan banks' financial performance can be measured. Digital marketing activities and recommendations have a long-term impact on a company's operations, but they are also the foundation of a company's success or failure. To ensure its long-term existence, management should emphasize its effectiveness and acceptability at all levels.

2.5. Research gap analysis

Digital marketing has become an essential strategy for commercial banks aiming to improve their financial performance. While numerous studies have explored the individual impacts of digital marketing strategies, there is a gap in comprehensive research specifically addressing the connection between digital marketing and financial performance in the banking sector, particularly in developing countries such as Rwanda. This gap analysis identifies areas that require further investigation to enhance understanding and application of digital marketing in commercial banks.

Limited research addresses the impact of digital marketing on financial performance in developing countries, particularly in Africa. Specific studies on Rwandan commercial banks are sparse, there is a need for a more nuanced approach that includes various performance metrics like customer acquisition costs, lifetime value, return on marketing investment (ROMI), and market share. Lack of longitudinal studies that track the long-term effects of digital marketing strategies on financial performance. There is a limited understanding of how integrated digital marketing campaigns (combining SEO, content marketing, social media, etc) impact financial performance.

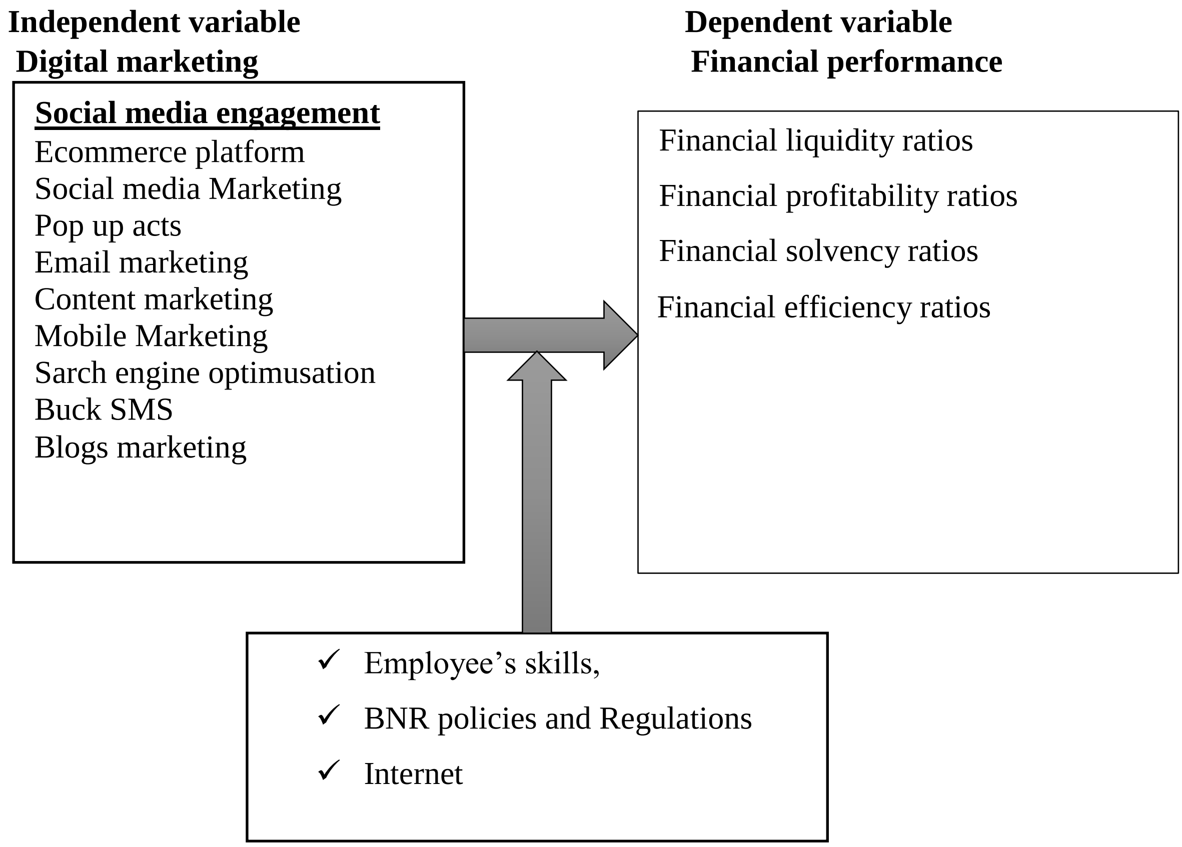
Insufficient exploration of how digital marketing affects customer behavior, engagement, and satisfaction, and how these factors contribute to financial performance. A gap exists in understanding how the adoption of these technologies influences digital marketing effectiveness and, consequently, financial performance. Need for research on the implications of data privacy regulations, ethical marketing practices, and compliance requirements on digital marketing effectiveness.

Therefore, the identified research gaps highlight the need for more focused and context-specific studies on the impact of digital marketing on the financial performance of commercial banks, particularly in developing regions like Rwanda. Addressing these gaps will provide valuable insights for banks to optimize their digital marketing strategies and improve their financial outcomes. By conducting comprehensive, longitudinal, and integrative research, scholars and practitioners can better understand and leverage digital marketing to drive financial success in the banking sector.

According to the different reports done by Bank of Kigali and other books (papers & journals) written by other scholars (and or authors), those read by current researcher; they found that there are only few studies done on digital marketing and its components including for example technology & infrastructure; social media engagement and budget & resources, etc; and yet they present mixed results, where their research findings show that the digital marketing contents towards the financial performance are often described with so many details. In other words, there are few studies made by different authors who did researches on digital marketing and financial performance of commercial banks, especially for the case of Rwandan banks; therefore, in order to provide effective contribution in academic researches; it is from that biased gap where current researcher was motivated to do research on: *"The* effect of digital marketing towards financial performance of commercial banks in Rwanda with the case of Bank of Kigali; during the period from 2019 up to 2023".

2.6. Conceptual framework

This section has two sub-divisions including digital marketing as independent variable (that is composed by technology & infrastructure; social media engagement & budget & resources) and financial performance of Bank of Kigali as dependent variable (composed by financial liquidity ratios; financial profitability ratios; financial solvency ratios and financial efficiency ratios) where their components are as follows:



Source: Researcher' design (2024)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This chapter is about the overall approach to the research process, from the rational foundation of the study to the collection and analysis of the data collected about the effects of digital marketing on the financial performance of Bank of Kigali. The chapter explains how the researcher collected the data, the nature of data that collected, where data collected and how they are analyzed. It presents the methodological techniques and approaches that were applied in data collection, sampling techniques as well as problems that encountered in the study.

3.2. Research design

Research design is a specification of methods and procedures for acquiring the information needed. According to Grinnell (2020) defined research design as the process of the study, the problem formulation through dissemination of findings. research design was used in this study by describing collected data that was obtained from across section of the population; and then the descriptive analytical design utilized in order to interpret data.

3.3. Source of data collection

Both primary and secondary source of data were used. The primary data were obtained from the staffs of Bank of Kigali Plc by using questionnaires and interviews. The secondary source of data was obtained by consulting existing literature on the problem under study.

3.4.Target population

Population is a group of individual, objects or items from which sample are taken (Kombo, 2016). In my research I use purposive sampling technique where i chose and picked only 30 respondents who can meet the purpose of the study, corresponding with 15 IT office Manager, 3 accountants and 12 marketing officer since the population is small thus 30 and less to a hundred, this research was consider the total population and ignores the sample size

3.5. Data collection techniques

This section is aiming to show the research collection techniques of the study such questionnaire and documentation research techniques as follows:

3.5.1. Questionnaire technique

The questionnaire helped the researcher as main means of communication between researcher and respondents. Questionnaire was included the series of closed questions about issues that are expected of the respondents' information, where these types of questions distributed by the researcher among respondents in order to collect the written and quantitative data (information) related to the digital marketing implemented in Bank of Kigali.

3.5.2. Documentation technique

According to Paige (2012) documentation is a system which formally acknowledges the sources consulted for the research. According to Robert (2023) said that, one of the basic advantages of document studies is to explore the sources more fully in order to obtain additional information on an aspect of the subject. This is the extensive study and review of published documents, reports, magazines, journals and policy reports related to the topic. This is important because it reviews the literature and tries to locate global perspectives in order to make a comparative framework for analysis and evaluation for readers; therefore, the researcher has used this documentary technique in order to conduct and get secondary data.

3.6. Validity and reliability of the study

This section to that has both validity and reliability respectively as follows

3.6.1. Validity of data

Validity is the extent to which the scores from a measure represent the variable they are intended to make effective research measurement (Kendall, 2016).

Pilot studies were allowing the researcher to identify potential problems in the proposed study. A pilot study is the process of carrying out a preliminary study, going through the entire research procedure with a small sample of questions. The testing of collected data conducted to respondents during one week before to test the validity and validity of the questions. The aims are to test whether the designed questions are logical and contextual, if questions are clear and easy to understand, whether the stated responses are exhaustive and how long it takes to complete the questions.

3.6.2. Reliability of research instruments

According to Kendall (2016), the reliability refers to the consistency of a measure. Psychologists consider three types of consistency: over time (test-retest reliability), across items (internal consistency), and across different researcher (inter-rater reliability). Therefore, the pre-test also were allowing researcher to check on whether the data that collected can easily be processed and analyzed. The research holds high reliability if it can be repeated several times and the outcome is the same. The researcher were develop the questionnaire which leading to the core topic. For this purpose, the researcher was developing the questionnaire and when it is realized to make respondents feel secured about the information asked.

3.7. Data processing methods

Data processing was used to transform the respondent's views into meaningful test. On this note, editing, coding and tabulating of data was applied in order to be able to handle it easily.

3.7.1. Editing

Mbaaga (2009) defined editing as the process whereby errors in completed collected data, schedule and the mail questions are identified whenever possible. For some unclear responses, the researcher was going back to the respondents so as to clarify their responses.

3.7.2. Coding

According to Kakooza (2011), coding refers to the assigning of symbol or a number to a response for identification purpose. This will be used in order to summarize data by classifying different responses that was made into categories for easy interpretation and analysis in order to present more understandings on behalf of readers.

3.7.3. Tabulation

Frequency distribution tables had used after editing and coding of data. Tables were constructed according to the main themes in the questionnaire to summarize all the findings of the study.

3.8. Methods of data analysis

Statistical methodology provides a forum for original, high-quality articles reflecting the varied facets of contemporary statistical theory as well as of significant applications. In addition to helping to stimulate research, the thesis intends to bring about interactions among statisticians and scientists in other disciplines broadly interested in statistical methodology.

3.8.1 Comparative methods

This method refers to the finding of similar and dissimilar elements in comparison of facts and is used to compare data of different periods concerned by the period of the study. (POLIT & BECK, 2006:508) states that, it enables researchers to detect other relevant causes between factors that generate similarities or dissimilarities between other things when compared them. This method helped the researcher to compare the profitability of Bank of Kigali Plc within the period of the study in different years.

3.8.2. Statistical method

This method consists of helping to quantify and to count the result of the study. During this research, this method will be used to present results in tables and figures.

3.8.3. Historical Method

This type of method would be resorted in order to outline the evaluation of the facts on the subject over the period of the study. This method helps the researcher to understand and to interpret the past fact in order to complete the present fact. During this study, this method was used to show how the change occurred on online marketing and financial performance from 2021-2023.

3.9. Ethical considerations

In conducting the research, ethics was also being considered; the adherence to ethical consideration help the researcher to have smooth process in data collection. In conducting this research, the researcher was consider it in order to provide a report showing the consent of respondents to help the researcher in doing research, because before the researcher was request permission from the respondents to participate in her research. The researcher was request the organization management in order to allow their members to participate in the data collection that was required through addressing a letter to the management. Confidentiality and privacy are the key issues to be observed where the researcher was observed the respondents confidentiality during the data collection process.

3.10. limitations of the study

The following limitations may encounter during the process of data collection:

Availability of respondents was a constraint because some time some of them were busy and refuse to respond.Biased respondents would be another limitation to the researcher. This is because some respondents in the interview could give wrong information or even refuse to give any information.

Financial constraints were presented 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 was 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.

CHAPTER FOUR: PRESENTATION, ANALYSIS, AND INTERPRETATION OF FINDINGS

Introduction

This chapter presents the findings obtained from data collected in relation with the effect of digital marketing on performance of commercial banks in Rwanda especially from selected respondents both staff and customers of from bank of Kigali. The results are presented and interpreted in accordance with the research objectives such as the effectiveness of digital marketing in Bank of Kigali and to find out the relationship between digital marketing and financial performance of Bank of Kigali..

4.1 Profile of Bank of Kigali

On December 22, 1966, the Government of Rwanda and Belgolaise, a Fortis Bank affiliate, formed Bank of Kigali as a joint venture within the Republic of Rwanda. 50% of the capital of the common shares was owned by the public-private partnership. When the bank first opened for business in 1967, it was among the market leaders in the banking industry.

The Rwandan government purchased the Belgolaise stake in 2007, bringing its direct and indirect stake in the bank to 100%, in accordance with Fortis Bank's 2005 goal of ceasing operations in Africa. In accordance with updated private company legislation in Rwanda the bank renamed itself as BK Group PLC in 2017 after changing from Bank of Kigali S.A. in 2011 to Bank of Kigali Limited, which includes three subsidiary companies: BK General Insurance, BK TechHouse, and BK Capital.

The bank will float 45% of its shares and list its shares on the Rwanda Stock Exchange (RSE), becoming the second domestic company to list on the RSE in an IIPO worth US$62.5 million, after plans were authorized by the Rwandan Capital Market Advisory Council on June 21, 2011. Trading in the bank's shares started on June 30, 2011.

According to allegations in the regional media in December 2012, the bank was expanding into Uganda, a neighboring country. The bank was given regulatory clearance to build an office in Kenya in February 2013. The bank's shareholders accepted plans to cross-list its stock on the Nairobi Stock Exchange (NSE), the biggest in the East African community, during the bank's Annual General Meeting in May 2018.

Presently, the Bank takes pride in its extensive network of 79 branches, which are bolstered by an expanding team of agents and mobile vans. Our extensive and expanding network enables us to connect with a greater proportion of Rwandans and supports BK in fulfilling its mission to improve lives financially and promote financial inclusion in the country. (Annual report for BK, 2017).

4.1.1 Location

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

4.1.2. Important Milestones on the Bank’s History are Summarized Below:

2000: Began providing international money transfers via Western Union

2005 saw the introduction of online banking.

2007: Belgolaise sold the Bank's 50% share interest to the Rwandan government.

2008 saw the completion of the Bank's contemporary headquarters in Kigali's downtown.

2009: The Bank established a new strategy calling for the Bank to pursue branch ubiquity and universal banking; it received awards for Bank of the Year (Rwanda) from The Banker magazine and Best Bank in Rwanda from emea finance magazine; it signed a €5 million credit line agreement with European Investment Bank for lending to private sector SME.
2010: Opened 12 new branches and service centers, The Bank became the first Company and Bank to be rated by a credit rating agency in Rwanda and received a rating of A+/A1/ by Global Credit Rating Company (South Africa), Received the Bank of the Year (Rwanda) and Best bank in Rwanda awards from The Banker and emea-finance, respectively, for the second consecutive years.

2011 saw the opening of 12 new branches and the signing of a €6 million sub-risk participation fund and a US$20 million credit line with the French Development Agency. A second domestic company listed for US$62.5 million in an initial public offering of 45% of its shares on the Rwanda Stock Exchange. signed a credit line with the African Development Bank for a Technical Assistance Grant between $542,000 and $12 million USD. kept the South African Global Credit Rating Agency's A+/A1 credit rating intact. Awarded the title of Bank of the Year by The Banker, Best Bank in Rwanda by emea finance, and Company of the Year by the Kenya Institute of Management Rwanda for three consecutive years.

2012 saw the opening of eleven new branches, the relocation of two, and recognition as the best East African bank at the 6th Annual African Banker Awards. It was also named the best financial reporting company in Rwanda at the Nairobi Stock Exchange's FIRE Awards, the best bank in Rwanda by emea finance, and the bank of the year in Rwanda by The Banker for four years running. Finally, Express Money Service was launched.

4.1.3. Goals of the Bank of Kigali

Our goal is to maintain our number one position in the market by growing our customer base through branch network expansion and enhanced customer loyalty in the years ahead.

4.1.4. Vision

BK Group PLC wants to be the area's top supplier of cutting-edge financial solutions.

4.1.5. Mission

Our goal is to lead the industry in adding value for our stakeholders by offering organizations and individual clients the best financial services possible through knowledgeable and well-motivated employees.

4.1.6. Values

The values of bank of Kigali are as follows:

Customer focus, Integrity, Quality, Excellence

4.2. Identification of respondents

The background information of respondents was deemed necessary because the ability of the respondents to give satisfactory information on the study variables greatly depends on their background. The background information of respondents solicited data on the samples and this has been presented below categorized into; gender, education levels, age group, experience and position.

4.2.2. Education level of respondents

The education of respondents was also taken into account for more analysis as it would help to get reliable information based on the knowledge of respondents as far as the topic is concerned.

Table4. 1: Identification of respondent according to their education level

Qualification	Frequency	Percentage
Master's degree	10	33.3
Bachelor's degree	15	50.0
Diploma	5	16.7
Total	**30**	**100.0**

Source: Primary data, 2024

This table shows the education level of respondents, 50% of respondent had undergraduate, 16.7% of respondent finished their secondary only and 33.3% of the respondents are postgraduates. This means that Bank of Kigali PLC have got basic academic qualifications that can facilitate them to achieve its goals properly adhere to procedures and policies of the authority due its high numbers of employees who have good qualifications.

Table4. 2: Distribution of respondent according to their Experience

Experience	Frequency	Percent
3 years	7	23.3

4years	9	30.0
More than 5 years	14	46.7
Total	30	100.0

Source: Primary data,2024

The large number of experienced people constituted 46.7% of sample size more than 5 years. That indicated that among respondents, those who work for more than five years know the situation of digital marketing in the BK PLC. 30% of the respondents have worked for four years means that four years working in a company is enough for an employee to know the activities of the company. Paarlberg, (2006) argued that experience of employees in working within commercial banks helps effectively the business performance

4.3. Effectiveness of digital marketing in bank of Kigali plc

4.3.1Common digital marketing platforms used by Bank of Kigali Plc

Digital marketing became popular because of the e-commerce, in other words, online shops. The main reason why digital marketing is being used in businesses is the lower cost and reachability compared to traditional marketing. A digital marketing platform unveils key elements as standardized services via a programmatic application programming interface for building custom applications, extensions and integrations with other custom and commercial applications and data sources

Table 4.3 Common Digital Marketing Platforms used by BK PLC

What are the types of Platforms of digital marketing used by BK PLC?	Frequency	Percent
Google Ad	28	93.3
Facebook	27	90
Instagram	28	93.3
Blogger	26	86.7
Tweeter	30	100
Email	29	96.7

Table 4.3 illustrates common digital marketing platforms used by Bank of Kigali. Google Ad was confirmed by 93.3% in BK to be digital marketing platform. Facebook was on 90% in Bank of Kigali. Instagram was on rate of 93.3% in bk ,Blogger was 86.7% in Bank of Kigali. Tweeter was confirmed on 100% rate at Bank of Kigali,E-mail was confirmed on 96.7% of respondents.

digital marketing comes from using an electronic device (smartphones, omputer, and tablets, game consoles) to reach customers. In other words, digital marketing means using one or more digital channels like Google Ad; Facebook; Instagram; Blogger; Tweeter; and E-mail to promote a product or a brand. Therefore, Bank of Kigali plc used Google Ad; Facebook; Instagram; Blogger; Tweeter; and E-mail for marketing their financial services to their clients as channel of reaching the performance.

4.3.2 Use of digital marketing platforms in Bank of Kigali plc

Bank of Kigali plc leverages various digital marketing platforms to enhance its reach, engage with customers, and drive business growth. Here's a breakdown of how they utilize these platforms

Table 4.4: Perception of respondents on the use of digital marketing platforms in Bank of Kigali plc

Questions	**Answers**	**Respondents**	**Percentage**
Does Bank of Kigali applied digital marketing platforms?	Strong agree	26	86.7%
	Agree	4	13.3%
	Total	**30**	**100%**

Source:Primary data,2024

Table 4.4 shows the perception of respondents on when their bank started using digital marketing platforms. 100% of respondents in bank of Kigali plc know when BK started using digital marketing platforms ,Digital marketing as activities, institutions, and processes facilitated by digital technologies for creating, communicating and delivering value for customers and other stake-holders, it has grown over time from a specific term describing the marketing of products and services using digital channels to an umbrella term describing the process of using digital technologies to acquire customers and build customer preferences, promote brands, retain customers and increase sales. All 100.0% of respondents from staff of BK confirmed that they are aware about digital marketing platforms used by their banks.

4.3.3. Digital marketing platforms

Digital marketing platforms are essential tools that businesses use to reach and engage their target audience online. These platforms provide a range of features and functionalities to help you create, manage, and measure your marketing campaigns.

Table 4.5: Respondents about digital marketing platforms

How did you know about digital marketing platforms?	**Frequency**	**Percent**
E-Mail	30	100
Phone Cell	30	100
Visiting	30	100
Television	30	100
Radio	30	100

Source :Primary data,2024

The table 4.5 shows the perceptions of respondents on the means that respondents know about digital marketing platforms. It was found that E-mail; Phone Call; Visiting the bank; Television; Radio; and Banners were confirmed as the means that respondents know about digital marketing platforms at bank of Kigali plc . E-mail was confirmed on rate of 100% of respondents. Phone Call was on rate of 100% Visiting the bank in bank of kigali as confirmed by 100%, Television was on 100% ,Radio was confirmed by 100% a research find digital marketing as an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders. Therefore, E-mail; Phone Call; Visiting the bank; Television; Radio; and Banners are the means that people should know in digital marketing platforms of various commercial banks.

4.3.4. Digital marketing platforms followed mostly in Bank of Kigali

Bank of Kigali, a leading financial institution in Rwanda, has embraced digital marketing to reach and engage its customers effectively.

While specific platform usage might vary over time, here are some common digital marketing platforms that Bank of Kigali likely utilizes:

Table 4.6: The digital marketing platforms followed mostly in Bank of Kigali

Do you follow your bank regularly on its digital marketing platforms? If yes, which one do you follow mostly?	**Frequency**	**Percent**
Google Ad	5	16.7
Facebook	8	26.7
Instagram	4	13.3
Blogger	3	10
Tweeter	6	20
Email	4	13.3
Tatal	30	100.0

Source:Primary data,2024

Table 4.6 illustrates perceptions of respondents about the digital marketing platforms followed mostly by Staff of bank of Kigali ,Google Ad was most followed by 16.7%; Face book was most followed by 26.7% Instagram was most followed by 13.3% of respondents Blogger was most followed by 10% Tweeter was confirmed to be most followed by 20%.E-mail marketing was most followed by 13.3%

4.3.5 The application of digital marketing has improved customers convenience in the Bank of Kigali plc

During this study with the staff from Bank of Kigali plc the researcher found that application of digital marketing has improved customers' convenience in these commercial banks in Rwanda where the services inquire from bank on the digital marketing platforms like mobile banking; account opening; account management; card payments; and money transfers.

Table 4.7: The services of Digital Marketing Platforms inquire in the Bank of Kigali Plc

What services do you inquire from your bank on the Digital Platforms?	**Frequency**	**Percent**
Mobile banking	30	100
Account opening	28	93.3
Account management	29	96.7
Card Payments	26	86.7
Money transfers	27	90
Saving/withdraw	30	100

Source:Primary data,2024

Table 4.7 illustrates the services of digital marketing platforms inquire in bank of Kigali plc. Mobile banking was confirmed by 100% Account opening was on 93.3%; account management was on rate of 96.7% and 86.7% in BK Card Payments ,Money transfers was confirmed by 90% of respondents while 100% and. Saving/withdraw was confirmed

4.4 Analysis of Contribution of Digital Marketing in financial performance of Bank of Kigali

To analyze the performance of Bank of Kigali Plc these indicators have been used: Net income, the trend of customers and the trend of deposit and ratio analysis method has been used in this study

4.4.1.Evolution of net operating income in Bank of Kigali Plc

Net operating income is very important factor as well as performance indicators, since it became in Rwanda market. Bank of Kigali Plc has come up with various innovations these were helping a company to achieve its targets, vision, mission, vision, this show how Bank of Kigali Plc gets net operating income from its normal business activities which are to sale Products and services to the customers.

Table4.8: Evolution on net operating income in Bank of Kigali Plc

Year	Net operating income in (000Rwf)	Evolution (%)
2019	102,591,637	-
2020	102,468,483	(0.1)
2021	140,098,086	36.7
2022	171,525,519	22.4
2023	205,755,425	19.9

Source: Bank of Kigali Plc, annual report and financial statement (2019-2023)

As it is shown by the table 4.8, Bank of Kigali Plc/main branch had made increment net operating income which varied in year 2020, the evolution of net operating income was36.7% in in 2021 , 22.4%in the year 2022 and 19.9%in 2023, where net operating income has increased by (36.7)% As the head of marketing department in BK main Branch said that the bank is always striving on digital marketing in while in 2021 because of covid 19 the net operating income was decreased.

4.4.2. Trend of deposits

The customers deposit means that the money transferred into a customer's account in a financial accounting system. Those amounts of deposit constitute the financial means of financial institutions. A deposit account is a savings account, current account, or other type of bank account, at a banking institution that allows money to be deposited and withdrawn by the account holder. These transactions are recorded on the bank's books, and the resulting balance is recorded as a liability for the bank and represents the amount owed by the bank to the customer. Some banks may charge a fee for this service, while others may pay the customer interest on the funds deposited.

The deposits consist of money a customer provides the bank timely or credit by the bank in favor of this client; the deposit is a major resource of banking. The table below shows the evolution of deposits within Bank of Kigali Plc for the period under the study.Evolution of deposit may show how the bank stands; because sufficient deposit allows the bank to perform well.

Table 3.9.Evolution of deposits in Bank of Kigali Plc

Year	**Deposit in (000Rwf)**	**Evolution (%)**
2019	642,698,799	-
2020	790,811,261	23%
2021	974,494626	23,2%
2022	1,075,188,572	10.3%
2023	1,374,342,881	27.8%

Source: Bank of Kigali Plc, annual report and financial statement (2019-2023)

In above table shows that from 2019 to 2023 deposit have been increase to correspondent of 23.2%in 2021 ,10.3%in 2022 and 2023 there has been an increase of deposits of 27.8%. Through the interview with the operation head department the increase of that deposit come from to the good service delivered and users of digital marketing in mobilization as one of made by the bank of Kigali.

4.4.3 Evolution of Net profit in Bank of Kigali Plc

The net profit is defined as the turn over minus the cost of return purchasing of sells product. Or sells prices minus the net profit of return to find the net profit of company in brief, He must subtract the turnover some changes which realized .As all other factors which complete for the performance of Bank of Kigali Plc/main branch. Researchers analyzed the evaluation of Bank of Kigali Plc/main branch' net profit from 2019-2023 in the following table:

Table 4.10: Evolution of net profit in Bank of Kigali Plc (000 Rwf)

Year	Net result	Variation
2019	37,308,336	-
2020	38,533,134	32.8%
2021	51,894,970	34.6%
2022	59,855,802	13.3%
2023	74,817,679	19.9%

Source: Bank of Kigali Plc, annual report and financial statement (2019-2023)

The table 4.10 shows the evolution of net profit of Bank of Kigali Plc/main branch 2020to 2023 the result increase of 34.6%, in 2020 to 2021 the bank realized the result was 13.3% in 2021to2022 and the result was 19.9% in 2022 to 2023 The increase of operating income result to many factors as well as good management of loans, because the main party of income come from the interests on loans, good customer services because this issues required to pay attention on its management so as to have sufficient liquidity and to allow the continuity of banking activities, this will have the positive impact to the increase of numbers of customers received a good services and operating income increase. As presented in the above table, the level of profit increased during the period of this study as result of application of digital marketing where contributed much on the increment of profit in Bank of Kigali

4.4.4 Net Profit Margin

The net profit margin looks at net profit as a percentage of sales. This ratio looks at how well a company controls the cost of its inventory and the manufacturing of its products and subsequently passes on the costs to its customers.

Net profit margin: Net profit margin is the percentage of profit earned on sales long run. The following table shows the net profit margin Bank of Kigali Plc during the period of study.

The formula:

Net profit margin=$\frac{\boldsymbol{NetIncome}}{\boldsymbol{operating\ income}}$*100

Table 4.11: Net Profit Margin ratio(000Rwf)

Year	2019	2020	2021	2022	2023
Net Profit	37,308,336	38,433,289	51,894,970	59,855,802	74,817,679

Net operating income	102,591,637	102,468,483	140,098,086	171,525,519	205,755,425
Net Profit ratio	36.3%	37.5%	37%	34,8%	36.3%

Source: Bank of Kigali Plc, annual report and financial statement (2019-2023)

In the table 4.12, shows that the Net Profit Margin ratio of Bank of Kigali Plc/main branch was 36.3%,37.5%.,37%,34.8% and 36.3% respectively in2019, 2020, 2021,2022 and2023. The net profit margin indicates how the bank will be able to survive, researcher noticed that underwent a progress followed by a regression was caused by several factors such, the transformation of bank of Kigali into a Group such as Bk group,bk insurance,bk take house etc. This has obliged it to put in place infrastructures and equipment in order to be to the required standards of any commercial bank. .

4.4.5. Return on Assets (ROA)

Return on assets ratio measures the overall profitability of assets in terms of the income earned on dollar invested in asset. A measure of a company's profitability, equal to fiscal year's earnings divided by its total assets (John Wiley, 2012)

Table 4.13: Return on Assets (000Rwf

Year	**2019**	**2020**	**2021**	**2022**	**2023**
Net Profit	37,308,336	37,220,588	51,894,970	59,855,802	74,817,679
Total asset	595,286,823	1,304,004,486	1,590,372,983	1,853,507,516	2,120,116,142
ROA	6.2%	2.8%	3.2%	3.2%	3.5%

Source: BK PLC, Annual reports and financial statements 2020-2023

The table4.13 represents in 2019 ROA ratios 6.2%,ROA was 3.2% in 2020 in 2021 ROA ratios were 3.2%,in 2022 ROA Ratios was 3.2% and in 2023 ratios was 3.2% respectively it means that within rwf100 invested in Assets, the bank of Kigali generated profit of 3.2%. Thus, ROA ratios were appreciable during the period of study As presented in the above table, the level of profit increased during the period of this study as result of application of digital marketing.

4.4.6. Return on Equity (ROE)

Return on equity a measure of how well a company used reinvested earning to generate additional earnings; equal to a fiscal year's after-tax, that below table shows the ratio of Return on Equity during ours period of study.

Return on equity (ROE) measures the rate of return on the ownership interest (shareholder's equity) of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholder's equity (also known as net assets or assets minus liabilities).ROE shows how well a company uses investment funds to generate earning growth (John Wiley & sons, 2012).The formula:

Return on Equity =$\frac{\text{Net Profit}}{\text{Equity Shareholder's}} * 100$

Table 4.14: Return on equity ratio for Bank of Kigali Plc(000Rwf)

Formula	**2019**	**2020**	**2021**	**2022**	**2023**
Net income	37,308,336	37,220,588	51,894,970	59,855,802	74,817,679
Total Equity	220,810,886	259,344,020	285,700,114	319,242,337	**366,357,418**
ROE	16.8	14.3	18.1	18.7	20.4

Source: Bank of Kigali Plc, annual report and financial statement (2019-2023)

According to this table 4.14, the 100Rwf owner's Bank of Kigali Plc invested in16.8 in 2019 in 14.3 in 2020, 18.1 in 2021, 18.7in 2022 and 20.4on 2023,. The best return on equity ratio did bear a satisfactory position was realized in 2019,2020, 2021,2022 and 2023 where 100RWF invested in equity has generated 16.8 in 2019,14.3in 2020, 18.1 Rwf in 2021 , 18.7 RWF in 2022 and 20.4 as profit in 2023. The digital marketing has enabled the Bank of Kigali Plc to react on the net profits and the increase of equity by shareholders, Bank of Kigali Plc has greatly improved its profits and performance through the retention of customers and attracting new customers, the information obtained with the help of accounting system has contributed to the performance of the Bank.

Table4.15: Correlation between Digital Marketing and Performance of financial institution

	Digital Marketing	**Performance**
Pearson Correlation	1	.851**
Sig.(2-tailed)		.009
N	30	30

Pearson Correlation Sig.(2-tailed) N	.851** .009 30	1 30

**. Correlation is significant at the 0.01 level (2-tailed).

[-1.00 - 0.00[: Negative correlation;

[0.00 - 0.25 [: Positive and very low correlation;

[0.25 - 0.50 [: Positive and low correlation; [0.50 - 0.75] Positive and high correlation and [0.75 - 1.00] Positive and very high correlations

The findings show that independent variable, Digital Marketing is correlated to dependent variable, performance. The correlation is equal to 0.851 which falls in intervals between 0.70 and 0.90 which means that there is a positive high correlation between the two variables of the study. Then Digital Marketing is significantly correlated to performance at0.851 of correlation coefficient implying a positive high relationship. Therefore, the hypothesis is verified and confirmed that this study test the relationship between Digital Marketing and financial performance.

GENERAL CONCLUSION

The general objective of this study is aiming to assess the effect of digital marketing towards financial performance of commercial banks in Rwanda with reference of Bank of Kigali

For achieving the above objective, the researcher has tried to answer the following questions which helped to test the hypothesis

iii. Is the digital marketing effective in Bank of Kigali?

iv. Is there any relationship between digital marketing and financial performance of Bank of Kigali?

In order to respond to those statement problems, the researcher formulated the following hypotheses

iii. The implementation of digital marketing in Bank of Kigali is effective.

iv. There is significant relationship between digital marketing and financial performance of Bank of Kigali.

Referring to these hypotheses we have organized this study into Four chapters with the general introduction at first in which we have presented the significance of the study, scope, problem statement, and hypothesis and research objectives to attend which are:

This study is aiming to assess the effect of digital marketing towards financial performance of commercial banks in Rwanda with reference of Bank of Kigali in particular, for the period of 2020 up to 2023

The Specific objectives was

iii. To analyze the effectiveness of digital marketing in Bank of Kigali.

iv. To find out the relationship between digital marketing and financial performance of Bank of Kigali.

The research was classified into following Four chapters:

The first chapter introduce the work in general, discuss about the problem statement, and outline the objectives of the study, research questions and the study hypotheses. The researcher also clarifies the significance of the study, the scope of the study and the organization of the study.

The second chapter is literature review which presents a full description the research topic related terms and concepts.

The third chapter presents research methodology which contains research design; Data Collection Methods; Validity and reliability tests, Data processing; Data analysis; Limitation of the study and Ethical considerations.

The chapter fourth presents the findings obtained from data collected in relation with the effect of digital marketing on performance of commercial banks in Rwanda especially from selected respondents both staff and customers of from bank of Kigali. The results are presented and interpreted in accordance with the research objectives such as the effectiveness of digital marketing in Bank of Kigali and to find out the relationship between digital marketing and financial performance of Bank of Kigali.

On the Effectiveness of digital marketing in bank of Kigali plc,Table 4.3 illustrates common digital marketing platforms used by Bank of Kigali. Google Ad was confirmed by 16.7% in BK to be digital marketing platform. Facebook was on 26.7% in Bank of Kigali. Instagram was on rate of 13.3% in bk ,Blogger was 10% in Bank of Kigali. Tweeter was confirmed on 20% rate at Bank of Kigali,E-mail was confirmed on 8.7% of respondents. digital marketing comes from using an electronic device (smartphones, omputer, and tablets, game consoles) to reach customers. In other words, digital marketing means using one or more digital channels like Google Ad; Facebook; Instagram; Blogger; Tweeter; and E-mail to promote a product or a brand. Therefore, Bank of Kigali plcused Google Ad; Facebook; Instagram; Blogger; Tweeter; and E-mail for marketing their financial services to their clients as channel of reaching the performance.

The table 4.5 shows the perceptions of respondents on the means that respondents know about digital marketing platforms. It was found that E-mail; Phone Call; Visiting the bank; Television; Radio; and Banners were confirmed as the means that respondents know about digital marketing platforms at bank of Kigali plc . E-mail was confirmed on rate of 10% of respondents. Phone Call was on rate of 13.3% Visiting the bank in bank of kigali as confirmed by 16.7%, Television was on 30% ,Radio was confirmed by 23.3% Banners was on rate of 3.3% a research find digital marketing as an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders. Therefore, E-mail; Phone Call; Visiting the bank; Television; Radio; and Banners are the means that people should know in digital marketing platforms of various commercial banks.

the services of digital marketing platforms inquire in bank of Kigali plc. Mobile banking was confirmed by 23.3% Account opening was on 3.3%; account management was on rate of 26.7% and % in BPR; Card Payments was on 10%, Money transfers was confirmed by 21.7% of respondents while 6.7% and. Saving/withdraw was confirmed on rate of 33.3%

Analysis of Contribution of Digital Marketing in financial performance of Bank of Kigali

To analyze the performance of Bank of Kigali Plc these indicators have been used: Net income, the trend of customers and the trend of deposit and ratio analysis method has been used in this study

Net operating income is very important factor as well as performance indicators, since it became in Rwanda market. Bank of Kigali Plc has come up with various innovations these were helping a company to achieve its targets, vision, mission, vision, this show how Bank of Kigali Plc gets net operating income from its normal business activities which are to sale Products and services to the customers

As it is shown by the table 4.8, Bank of Kigali Plc/main branch had made increment net operating income which varied in year 2020, the evolution of net operating income was36.7% in in 2021 , 22.4%in the year 2022 and 19.9%in 2023, where net operating income has increased by (36.7)% As the head of marketing department in BK main Branch said that the bank is always striving on digital marketing in while in 2021 because of covid 19 the net operating income was decreased.

The table4.13 represents in 2019 ROA ratios 6.2%,ROA was 3.2% in 2020 in 2021 ROA ratios were 3.2%,in 2022 ROA Ratios was 3.2% and in 2023 ratios was 3.2% respectively it means that within rwf100 invested in Assets, the bank of Kigali generated profit of 3.2%. Thus, ROA ratios were appreciable during the period of study As presented in the above table, the level of profit increased during the period of this study as result of application of digital marketing. The findings show that independent variable, Digital Marketing is correlated to dependent variable, performance. The correlation is equal to 0.851 which falls in intervals between 0.70 and 0.90 which means that there is a positive high correlation between the two variables of the study. Then Digital Marketing is significantly correlated to performance at0.851 of correlation coefficient implying a positive high relationship. Therefore, the hypothesis is verified and confirmed that this study test the relationship between Digital Marketing and financial performance.

Recommendations

The study recommends that given that the traditional one-to-many way of sending marketing messages to potential customers is no longer enough and should be complemented by collaborative communication media to achieve the most effective and competitive communication, management should increase their investment in digital platforms so as to be in a position to take full advantage of the digital marketing potential.

Digital marketing technology has greatly advanced playing a major role in improving the standards of service delivery in the financial institution sector and given that the high cost of acquiring the digital facilities and the lack of adequate IT infrastructure could act as a challenge to the adoption of digital marketing in Rwanda. However, the study recommends that the government through the relevant ministries has to increase its investment in laying of the fibre optic cable so as to provide the necessary IT infrastructure that would reduce the costs associated with the adoption of the digital marketing platforms by the commercial banks.

Due to the high growth rate of social communities most businesses ought to realize the potential of social media marketing in reaching the larger audience. The study recommends that the sooner the marketers dive in and begin experimenting in the Digital Marketing Platforms, the more successful they will be in the future. The use of digital communication platforms is important to commercial banks so as increase their visibility and increase their customer base.

Suggestions to Further Researches

The future researchers are advised to take this document as reference by considering other elements to show also the result of performance of commercial banks and accomplish what the researcher did not reach. The study explored the influence of digital marketing on performance of commercial banks in Rwanda; the study recommends that that similar study should be done in other industries other than commercial banks to check if there will be a variance in the results. Further researcher could be done to investigate whether digital marketing could lead to sustainable competitive advantage and business performance of commercial banks.

REFERENCES

Anderson, M., (2022). Companies Branding and Relationships: Digital marketing and Evaluation. Journal of Management, Vol. 8 No.3 PP. 218-230.

Armstrong, L., and Kotler, K., (2023). Measuring progress towards digital marketing of companies' development. Project development indicators for the European Union".

Banner, W., (2020). Integrated Advertising, Promotion, and Marketing Communications (7th ed.).
Pearson.

BNR, (2023). Digital Marketing: Strategy, Implementation, and Practice in Rwandan Banks.

Certo, K., (2017). Dimensions of digital marketing performance, International development, department partnership study program. The University of Birmingham City.

Chaffey, V.., & Ellis-Chadwick, R., (2019). The implementation based on digital marketing and M&E: Identifying likely adopters via digital marketing and M&E process networks.

Chaffey, D., & Ellis-Chadwick, F. (2019). Digital Marketing: Strategy, Implementation, and Practice (7th ed.). Pearson.

Charles, V., (2017). The policy programs, economic and environmental gains of digital marketing policy initiatives.

Kaye, E., & Medoff, W., (2021). The project planning and digital marketing. American Management Association, Philadelifia.

Kenton, K., (2019). Communicating digital marketing for public institutions. Define digital marketing at Dictionary.com. New York: M.E. Sharpe.

Khaddash, T., (2023). On the idea of a management control system: integrating accounting and management control. Journal of management studies.

Kotler, P., & Armstrong, K., (2020). Financial relationship and integration: Towards a model of the projects performance. International Journal of Financial Management.

Kotler, P., (2018). Role of Financial Resources Information Systems in Organization. Journal of Advanced Management Science.

Krishnan, T., (2020). Management control systems: performance measurement, evaluation and incentives. Harlow, England.

Mosley, C., (2018). "A Resource based Analysis of Financial Competition: the case of the bearing industry", Strategic Management Journal, 14, 551-568.

Ndege, S., (2022). Dimensions of digital marketing, International development, department partnership study program. The University of Birmingham City.

Bank of Kigali, (2023). Social Media Marketing in Commercial Banks. Kigali-Rwanda

Orlando, Y., (2018). The digital marketing planning and process: A practical, systematic digital marketing approach for community (2nd ed.). Sudbury, MA: Jones and Bartlett Publishers.

Peter, A., (2022). Introduction to Management Accounting, New Jersey, Pearson.

Phillips, F., (2022). Understanding Digital Marketing: Marketing Strategies for Engaging the Digital Generation (4th ed.). Kogan Page.

Riddell, T., & Song, R., (2022). Marketing 4.0: Moving from Traditional to Digital. Wiley.

Slater, K., & Naver, Y., (2018). Digital Marketing Strategy: An Integrated Approach to Online Marketing. Kogan Page.

Stein, C., (2022). Competing on Analytics: The New Science of Winning (Updated, with a New Introduction). Harvard Business Review Press.

Strauss, I., and Frost, F., (2021). Understanding Digital Marketing: Marketing Strategies for Engaging the Digital Generation (4th ed.). Kogan Page.

Van Horne, O., (2017). Customer Relationship Management: Concepts and Technologies (4th ed.). Routledge.

Weygandt, L., (2016). Measuring progress of financial indicators of companies".

Wheelen, M., and Hunger, D., (2020). Digital Marketing: Strategy, Implementation, and Practice (7th ed.). Pearson.

Will Kenton, K., (2019). Digital marketing planning and process: A practical, systematic projects approach for community (2nd ed.). Sudbury, MA: Jones and Bartlett Publishers.

APPENDICES

QUESTIONNAIRE

Dear participant; I, **KWIZERA Timothée;** student at Kigali Independent University ULK; Bachelor Degree in Accounting; for fulfilling the academic requirements, I have undertaken the study called **"*effect of digital marketing on financial performance of commercial banks in Rwanda with reference of Bank of Kigali (2019-2023)".***

With reference to this project, there are questions which have been designed for collecting information that lead to the successful completion of the research. Therefore, I compassionate request you to fill this questionnaire and you may feel free when answering the questions. I kindly respect your significant collaboration. This Information is only for academic purpose; therefore, will not be used to any third party.

Thank you for your cooperation.

KWIZERA Timothée;

Signature:……………; Date:…./…./……

QUANTITATIVE QUESTIONS

Instructions: 1} Tick in brackets the answer for true information

2} So, kindly grade by order of importance form: Strongly Agree (SA=1); Agree (A=2); Neutral (N=3); Disagree (D=4) and Strongly Disagree (SD=5) SECTION ONE: GENERAL IDENTIFICATION OF RESPONDENTS Q_1: Gender of respondent

Male…………..…[ ]

Female………..….[ ]

Q_2: Education level of respondent

Bachelor level……......[ ]

Master level………..….[ ]

PhD level……………..[ ]

Q_3: Marital status of respondent

Single…………….[ ]

Married…………..[ ]

Q_4: Age of respondent

Below 20 years old..................[ ]

Between 21-30 years old …… [ ]

Between 31-40 years old..........[ ]

Between 41-50 years old …….[ ]

51 and above years old ……....[ ]

SECTION TWO:
QUESTIONS RELATED TO THE RESEARCH OBJECTIVES OF THE STUDY

Q5: The following aspects are the factors that determine the effect of technology & infrastructure on financial performance of Bank of Kigali:

Statements	SA	A	N	D	SD
Through technology & infrastructure, the internet penetration influence financial performance of Bank of Kigali	**1**	**2**	**3**	**4**	**5**
Through technology & infrastructure, mobile technology influences financial performance of Bank of Kigali	**1**	**2**	**3**	**4**	**5**
Through technology & infrastructure, digital platforms influences financial performance of Bank of Kigali	**1**	**2**	**3**	**4**	**5**
Others? Please specify,………………...................................……………………………………					

Q6: The following aspects are the factors that assess the effect of social media engagement on financial performance of Bank of Kigali:

Statements	SA	A	N	D	SD
Through social media engagement, platform selection influences financial performance of Bank of Kigali	**1**	**2**	**3**	**4**	**5**
Through social media engagement, community building influence financial performance of Bank of Kigali	**1**	**2**	**3**	**4**	**5**
Through social media engagement, the influencer collaboration influences financial performance of Bank of Kigali	**1**	**2**	**3**	**4**	**5**
Others? Please specify,……………………………………………………………………………...					

Q7: **Do you know when your bank started using the digital marketing platforms?**

a) Yes ☐
b) No ☐
c) Not sure ☐

Question 8

Are you aware about digital platforms used by your bank?Yes ☐ No ☐

If yes, which means of communication the bank did use?

a) E-mail ☐
b) Phone Call ☐
c) Visiting the bank ☐
d) Television ☐
e) Radio ☐
f) Banners ☐

g) Others please specify............................

Question 9 Do clients follow your bank regularly on your digital platform?
Ys ☐ No ☐
If yes, which is most followed most?

Platforms	**Most Followed**	**Regular followed**	**Rarely followed**	**Less followed**
Google Ad				
Face book				
Instagram				
Blogger				
Tweeter				
E-mail				

Question 10 What services do you inquire from your bank on the above Digital Platforms?

a) Mobile banking ☐
b) Account opening ☐
c) Account management ☐
d) Card Payments ☐
e) Money transfers ☐
f) Others, please specify.............................

I really thank you for your time in answering to these questions.

KWIZERA Timothée; Signature:……………; Date:…./…./……