

THE EFFECT OF MARKETING MIX STRATEGIES ON ADOPTION OF INTERNET BANKING IN COMMERCIAL BANKS :THE CASE OF COMMERCIAL BANKS IN DAR ES SALAAM, TANZANIA

Felix Joseph Chille. Assistant Lecturer, Department of Marketing, College of Business Education, Tanzania,
P. O. Box 1968, Dar es Salaam; E-mail:f.chille@cbe.ac.tz

ABSTRACT

The objective of the paper was to find out the impact of the adoption of internet banking technology on the marketing mix strategies in Dar es Salaam commercial banks in Tanzania. Both quantitative and qualitative research methods were applied. The study comprised of the sample of 150 respondents, where, 100 were external customers and 50 internal customers/ employees from 3 respective commercial Banks, namely CRDB Bank Limited, NBC Bank Limited and NMB Bank Limited. Promotional efforts of internet banking products was found to be important factors on encouraging customers adoption of internet banking, and quality of internet banking products and services were found to be the limiting factors in adoption of internet banking. In determining the significance of the Marketing mix elements in the adoption of internet banking, neither of the marketing mix elements was found to be significant. Therefore commercial banks in Dar es Salaam, needs to improve their product planning strategies on effective use of the marketing mix strategies. There is a need of internet products to be market driven, accompanied by increasing the promotional effort. Training of employees on effective customer care and delivery should be emphasized. This will ensure that customers gets the internet products timely and adequately.

Key words; Marketing mix, internet, banking, adoption, customers, Dar es salaam

1.0 INTRODUCTION

1.1 Background Information

The development of internet and electronic business has changed the consumers needs and wants and business process and performances, including the banking sector. Information Technology has become the engine for the companies to win the competitive edge. The issue of Digital Financial Services(DFS) has grown much in every part of the world. Therefore, businesses need to effect strategies in developing electronic related products and services that will improve electronic business transactions as an important marketing channel (Abbasi and Weigand 2017).

Electronic banking aims at supporting customers to access banking services through the internet. According to various literatures, electronic money transactions refers to the use of electronic technology to transfer money direct from one account to another as a replacement of cheques and hard paper transactions (Magutu, 2013). Previous banking services were done over the counter and the customers would have travelled long distance in making financial transactions. Internet has changed the banking business and the customers business transactions. It has increased the banking performances by making the banking services are available 24 hours in 7 days of a week at minimum costs. Internet banking assists customers to access their accounts and transact their money between different ledgers. Among the devices used are the Automated Teller Machines (ATM), mobile phones, personal computers, point of sale (POS), and other devices.

Internet banking transactions emerged from revolutionaries of technology in America in the mid-1990s (Sarreal, 2017). It offered an alternative and a better method for the commercial banks in meeting customers' satisfactions (Chan and Lu, 2004). Some commercial banks of India also adopted internet banking earlier (Miyazaki and Krishnamurthy, 2002). This was done mostly by private banks in order to compete with the National Banks of India such as the State Bank of India and Indian Banks.

Commercial banks in Kenya adopted internet based transactions to cater for higher income earners and few segments of the low income earners. In Tanzania, the majority do not use electronic money transactions in their businesses.

Despite its positive contribution in the economy of various countries in both developed and developing countries, there has been inadequate literature that has shown its significance in fostering economic growth. Little studies have been done to reveal its contribution and how marketing mix strategies can make customers perceive it as a new product and channel in the market. According to the Tanzania Communication Regulatory Authority (TCRA) First Quarter Report of 2016, internet users in Tanzania were about 20 million but the overall internet penetration rate was 20% compared to developed countries such as UK with internet penetration of 80% (Research ICT, 2017). This suggests that electronic Banking in

Tanzania is still at the primary stage, due to the fact that internet users are still few. In comparison with the overall internet users and the population of about 50 million Tanzanians (National Bureau of Statistics, 2016 Tanzania), internet users are very few in the country. The number of internet users does not reflect government efforts in developing internet and communication facilities. For example, the establishment of the National Information and Communication Technology Broadband backbone (NICTBB) project in 2009 (Kowero, 2012), the amendment of the National Act and establishment of the Electronic Regulation of 2015 which protects the agents, operators agents and consumers on electronic transaction (BOT 2016) and the enactment of the ICT policy in 2016. Despite having these developments, internet usage in financial institutions especially commercial banks is still low in Tanzania.

1.2 Statement of the problem

According to the European Countries Banking Statistics (ECB) of 2013, the use of electronic money (e-money) transactions by rating, Luxemburg was the leading nation on the use of internet banking products in 2012 whereby almost 80% of all its banking transactions were done by e-money transactions that accounted to 34.8 billion Euros followed by Italy whereby 12.7 billion Euros of money were transacted through internet banking (Poposka and Neda, 2014). This is a big number of electronic transactions in comparison with African countries. There are 9.3 % internet users in Africa out of the total world population, with internet penetration rate of 27.7% of the total world as of March, 2017 (Internet world stats, 2017). Many countries in Africa have not adopted the use of electronic money transactions in the majority of their population. A study by Gatembe (2002), in four African countries namely Mauritius, Ethiopia, Uganda and Kenya found that there was very little use of internet banking by financial institutions by customers on the respective countries.

Despite various efforts made by the Government of Tanzania on improving communication such as the enactment of electronic financial acts and regulations to enable electronic money transactions and launching of the National Cyber Network, whereby all the organizations and institutions should be connected in order to increase efficiency and productivity, there are still few internet users in Tanzania. According to Tanzania Communication Regulatory Authority (TCRA) report of 2014, there were about 6 million internet users in Tanzania out of the 45 million. A study by Kiunsi (2013) at CRDB Bank on electronic banking and customers' perception in Tanzania found that 80% of Customers spend less time on internet banking and were not fully satisfied with the internet transactions. Another study on Small and Micro entrepreneurs adoption on use of electronic business transactions which was done by Robert and Rumanyika (2015) in Tanzania, it revealed that only few consumers made use of electronic money transactions in Tanzania. This means that many customers still carry large batches of cash which expose them into risking their lives sometimes. This also reduces productivity and efficiency on business activities. Complaints have been many from customers in various commercial banks and service firms in Tanzania and Africa as a whole due to ineffective use of Information Technology (IT) to communicate with customers (Gikonyo, 2014). But this is not an exception as there are many technological opportunities for electronic money transactions. If the marketing mix strategies are performed effectively in business companies, especially on commercial banks, will assist effectively the adoption of internet banking products. Therefore it is the duty of the companies to design effective and appropriate marketing mix strategies to entice more customers on the banking adoption of its products and services (Youssef, 2003). Therefore, there are many questions that need to be answered like, what does the Tanzanian population use internet for? Why is it that a small population use internet banking? What are the reasons behind? How are the marketing mix strategies implemented at commercial banks in Tanzania? This study wanted to determine the marketing mix strategies and how they are implemented at commercial banks namely CRDB Bank, NBC Bank and NMB Bank Limited respectively in adoption of internet banking products.

1.3 Research objective

The general objective was to establish the effect of Marketing mix strategies on the adoption of internet banking in commercial banks in Tanzania. The study was specifically aimed to identify major challenges facing internet banking transaction for its competitive positioning; to find out the significant marketing mix elements in determining performance of internet banking transaction and to examine the strategies in improving the adoption of internet banking transactions among customers.

1.4 Significance of the study

The study unveils the appropriate marketing strategies to be implemented for effective business of financial institutions in Tanzania. This in turn will increase the business growth of the financial institutions management of commercial banks in Tanzania, that will be able to plan and execute effective marketing and make appropriate managerial decisions in order to attract more customers on the use of electronic money transactions. Nevertheless, the findings from this study will help and guide the government in formulating, redesigning and implementing appropriate business policies for improving on the use of electronic business transactions in Tanzania. This study will also add to the body of knowledge by investigating on the determinants of the marketing mix elements in adoption of internet banking in Tanzania and its impact on business performances of commercial banks.

2.0 RELATED LITERATURE REVIEW

2.1 Definitions of key terms

Marketing mix in Services refers to the planned mix of controllable factors of marketing, commonly termed as 7Ps namely product, price, promotion place, physical evidences, people and process (Kotler, 2012).

Internet is the global system of interconnected computer network that use internet protocol suite(TCP/IP)to link digital devices(Youssef, 2003).

Banking refers to financial institutions that accepts deposits from the public and create credit(Youssef,2003).

Customers refers to a tatrget market that is willing to purchase products or services from the business or financial institutions(Kotler,2012).

Promotion isa means of persuading the prospect so that, they can adopt the organization's products by the use of advertisement, personal selling, sales promotions, publicity, brochures, billboards, etc. (Kotler, 2012).

Adoption refers to the purchasing or usage decisions taken by adopting marketing channels members including customers to use new technology in financial transactions activities (Frambach, 2000).

Internet Banking refers to banking services that are offered over the internet by the financial institutions(Harvey,2012)).

2.2 Theoretical Literature Review

The study was guided by the Technological Acceptance Model(TAM), Theory of Reasoned Action(TRA), and Social Network Analysis Theory. Technology Acceptance Model assumes that the Management of the respective Commercial Banks should utilize properly the marketing mix elements of the financial services(7Ps) that is product, price, promotion, place, physical evidence and process that in turn will induce the behavioral intentions to the consumers on the adoption of internet banking products (Danaher, Hardie and Putsis,2001).The theory of Resoned Action contends the need of the management of Commercial Banks to promote the belief strengths of an attitude to support persuasive objective of the brand, through effective use of the marketing mix strategies,which will reinforce new attitude and beliefs and thus adoption of internet banking technology(Borgatti, et al,2015). The same with Social Network Analysis theory that human being when have adopted the products or services will spill over the effects to their peers, therefore marketing mix strategies are of importance to the management for the effective adoption of the interndet banking products(Borgatti, et al,2015).

Therefore the Management of commercial banks will be in a position to understand the inhibiting factors and utilize effectively important significant factors of the marketing mix elements in influencing the adoption of the internet banking technology to the consumers.The study adopted some of the models and theories pertaining to Electronic money Technology as follows.

2.2.1 The Technology Acceptance Model in Electronic Money Technology

Technology Acceptance Model (TAM) was initially developed by Davis (1989) modified by Venkatesh and Davis (2000), and many scholars have proposed the use of the model in assessing the perception of consumers in adoption of Information Technology in various products,of which electronic money transactions has been one of them (Venkatesh and Bala et al.(2003). The model has shown that the consumers behavior and intentions to use and adopt the products are the most significant factors in adoption of the electronic technology (Peters and Rinas, 2007). Kleijnen et al. (2004) investigated the use of TAM in the context of small and mediums sized enterprises in Germany. The research was looking on the intention to adopt or not and developed some factors on the model which were Perceived Usefulness(PU), Perceived ease of using(PEOU) and the attitude towards usage (ATU) and Behavioral Intention (BIU). The study revealed that Behavioral Intention was also found significance whether the consumers will use the new technology on Enterprises or not (Yi and Hwang, 2003).The figure 1.0 below illustrates the Technology Acceptance Model (TAM).

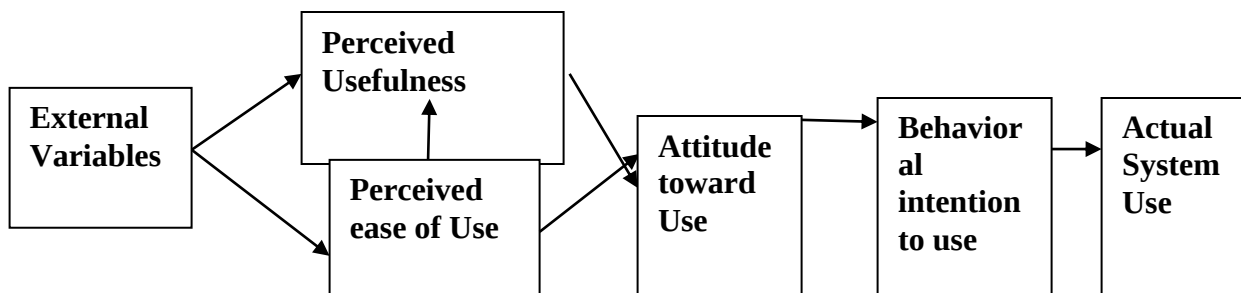


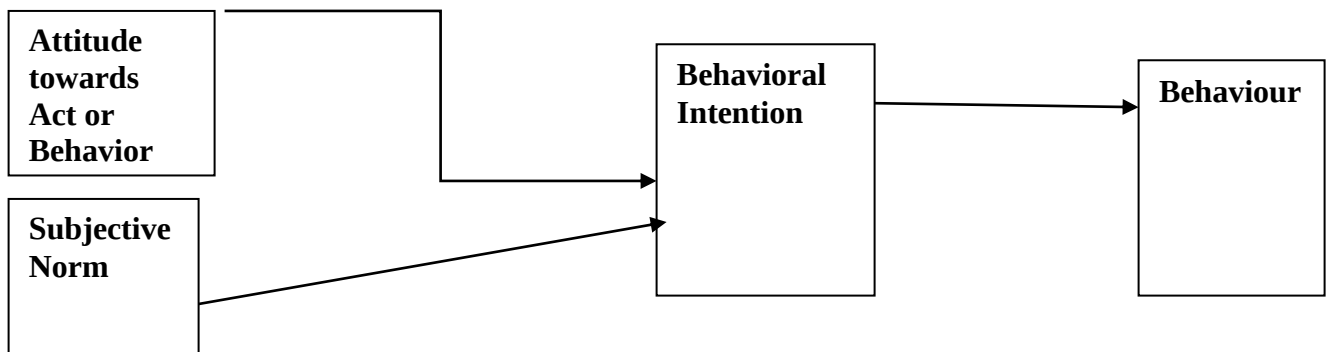
Figure 1.0 The Technology Acceptance Model by Davis et al, (2005)

2.2.2 Theory of Reasoned Action (TRA)

This theory was developed by Martin Fishbern and Icek Ajzen(Fishber,1980:Ajzen,1975). The theory explains that attitude and social norms environment determine consumer's adoption towards a product or service. In order to understand the consumers purchasing decision towards the products or services, there is a need of assessing the consumers attitude towards the performing behavior of the consumer (Lutz,1990). The theory asserts that, instead of predicting the attitude as the TAM argues there is a need of prediction on the behavior of the consumer. Therefore this theory focuses on behavior of the consumer for decision to use the product or not to use. The theory assumes that there are certain factors that limit the attitudes of the consumer's behavior towards particular products or services and that consumer will not adopt them. Therefore in order to understand the consumers purchasing decision towards products, there is a need of assessing the consumer's attitude towards performance of that product and then predict or facilitate towards the behavioural patterns of the consumers in order to accept the particular brands of products.

For example a person can admire an iphone6 as the best cellphone product, but he will never purchase the same, despite the better purchasing power and income he possesses. Therefore attitude may be positive but the structural norms behavior deter him to adopt. So TRA assess the second variable of Subjective norms (SN). These are social influences on Consumer's decision towards the product. As Gilbert(2003) propound that family members and friends influence the purchasing decision of a person. Therefore Customers' adoption on Product as per TRA theory is embedded in attitude towards purchasing decision, Subjective norms and purchasing behavior. So when all these elements are predicted effectively;there will be maximum adoption of products or services. Therefore a marketer should promote the belief, strength and attitude to support persuasive objective of the brand, through effective advertising and promotional means or create a new attitude with belief, strength and evaluation that support the persuasive objective of the brand through both promotional efforts and relevant testimonials towards the product.

Figure2.0 ; The model showing the Theory of Reasoned Action



Source: Adopted from Martin Fishben,1980 and Acek Ajzen,1975)

2.2.3 Social Network Analysis Theory.

Social Networks regards the society as connected in one way or another, and hence applied the mathematical models in its implications and efficiencies in organizations or business performances (Wasserman and Faust,1994). Social Networks regards society from individuals, peers communities, coherent interests groups, families and the nations that have some commonalities which binds them together. Network theory focuses on closeness, density, centrality and these characteristics are measured mathematically on the role of participation of each actor in order to understand the effectiveness of the network. The measurement can be studied on its efficiency on the information that individuals and the network can do and thus be improved, so that its performances can be increased (Borgatti, et al,2015)

2.2.4 Performance Advantage of electronic technology to Customers and to the Company

Mougayan(1997) elaborated that cost minimization of doing work in the organization in the entire production line is one of the benefits associated with adoption of the internet technology thus companies have minimal time response in dealing with customers' problems. These can be effective in cost reductions by selling orders and transferring money online, commercial banks can send money to different destination by online platforms. Costs are also reduced by online purchase and online points of sale.

Another benefit is the enhancement of the Customer Relationship Management (CRM). Customers are the focal point of any business performances and process. As the marketing Orientation implies, the essence to satisfying customers is understanding their needs and wants(Kotler,2012). According to Soliman and Youssef (2003) internet banking improves Customers care and services as customers get what they need on time and customers problems are solved instantly as the internet assists in receiving the customers feedback at inception. Moreover internet enhances income generating activities

of the organization. As new technologies are innovated, new products are developed and new markets and marketing channels are introduced and existing services and products are sold through internet and probably improved by the managerial innovation of the firm (Kotler, 2012; Courchane et al, 2002a, b; Nickerson and Sullivan, 2003). All these are aimed at enhancing customers satisfaction.

Electronic money technology also facilitates effective marketing strategies to cater the market whereby it is easy for a company to understand the strengths and weaknesses of its products and services. The concerned company gets immediate feedback from customers hence understanding the brand equity of the products or services and how customers are impressed with the products or services (Soliman and Young, 2003). Electronic Money transactions have facilitated the improvement of internal and external communications, such that new and innovative products are created in the internet by marketers and companies benefit on the increased sales growth, new services and products (Soliman, 2003). Internet marketing has changed communication from paper based to internet based hence better than the Electronic Data Interchange (EDI) that has been previously being used in commercial banks that there is reduction in cost of doing business.

2.2.4.1 Drawbacks of Electronic Technology in Business Firms

According to Soliman and Youseff, (2003) security issue has been a problem in many electronic banking products and services, but the risks have been minimized. The confidence of customers towards internet is growing and it has been revealed that security is no longer a limiting factor in the use of e-commerce and banking. Developments of protecting consumers' security are enhanced towards the electronic banking. However, there is the challenge of keeping trust with the methods of payment by customers both in developed and developing countries. This challenge has been mitigated by encryption. Credit cards are encrypted with Secure Electronic Transactions (Soliman and Youseff, 2003).

2.2.4.2 Determinants on the Adoption of Internet Banking Products.

The nature of the market, which refers to the different types of the market from monopoly, monopolistic competition, perfect competition, determines the types of demands and supplies of customers who will adopt or not adopt electronic banking products or services (Courchane et al, 2002a, b; Nickerson and Sullivan, 2003). Participants as part of the marketing mix elements and their purchasing powers in the market are very important factors in determining the use of electronic banking products, this will give rise into specific issues like the location of the bank-whether urban or rural will determine the numbers of individuals who can adopt to electronic products. Nevertheless, the push (Supply or bank specific) efforts in utilizing effectively the seven marketing mix elements and pull (demand or consumers) factors and the level of technology of commercial banks in effectively serving its customers, will be influenced by properly marketing efforts of commercial banks can determine the adoption of the internet banking products. Adoption of internet banking products is determined by the marketing environments which are the forces of factors like cost of the products, pricing of product and the perception of customers (Courchane et al, 2002a, b; Nickerson and Sullivan, 2003).

2.3 Empirical Literature Review

2.3.1 Global related Literature Review

Adoption of electronic banking services has been increasing in Europe especially in Germany and Finland (Reichel and Ramey, 2000). Short Message Sent (SMS) Marketing has become a legitimate advertising channel in European Countries and China respectively (Reichel and Ramey, 2000) on promoting Electronic Banking services. Heiko and Dibbem (2009) showed that customers have shifted their focus from cost savings to increased business process value and quality factors like process improvement, investment and non core business process in adoption of electronic money transactions. In Germany and majority of customers in the banking industry (90%) were satisfied with the electronic banking services in transacting their products and services.

The study done in Indonesia by Sciffman and Kanuk (2010) on electronic money adoption factors described consumers perceived risks towards purchasing products or financial services that reinforced uncertainties and the unexpected consequences were regarded as the limiting factors in early adoption of electronic money adoption technology in the respective country.

In India the study conducted by Lee (2009) found that there are necessary factors that will contribute to consumers on the adoption of e-money when using the financial transactions which are associated with perceived risks such as security risk (privacy risk, financial risk, social risk, and time convenience). The author suggested that performance loss on internet banking needed more further studies in order to promote the use of e-service to customers and this could be applied also in Tanzania.

Kuan and Chau (2001) in their study on assessing the factors that differentiate EDI adopters and non-adopters on commercial banks in Hong Kong. The study further assessed the perception towards the transactions costs which revealed to be the limiting factors to non-adopters, also perception towards the use of technology by the employees of the firms and the customers was found also to be significant factors. Authors developed a model and tested it with the survey on sampled

population of customers. The findings revealed that perception of direct benefits by customers were the main contributing factors in the early adoption of electronic money products and services.

2.3.2 African Related Literature Review

The study by Chidindi, Niekerk and Matiza, (2014) on the Perceptions of Electronic Banking services by Clients in the Limpopo Province of South Africa showed that customers were satisfied with the easiness of completion of online transactions, easiness of logging on online portal, easiness of the ability of the internet portal in helping customers to complete the transactions quickly, validity of the hyperlink on the banks portal, better and fast web internet availability on the internet services on the electronic transactions on ATM. However, they were dissatisfied on the prompt reception of the responses to the customer's request, internet banking services to guide customers to resolve problems and reasonability of transaction fee for the banking portal site.

Another study by Gatembe, Magutu and Muro (2013) on the electronic money transfer system and business process management among Commercial banks in Kenya revealed that majority of the respondents preferred efficiency and speed and few preferred reliability. None of the respondents preferred low cost of Electronic Fund Transfer(EFT). This showed that managers in commercial banks in Kenya were willing to bear the cost of money transfer system and resulted into efficiency of the e-service. Most Customers were satisfied with the transactions costs and they explained that electronic money transactions have made their life easier and reduced time wastage. However, electronic banking is still a challenge to the traditional banking. The problem in effective electronic money transactions were highlighted by the sampled population as the skill gap, poor information and communication and availability of guidelines on the use of internet banking (Gatembe, 2014).

2.3.3 Tanzania Experience

The studies conducted by Omary, Lupiana,, Mtenzi and Wu(2010) in Tanzania showed that challenges facing the perception of internet technology in Financial institutions in Tanzania is the lack of internet connection especially in rural areas, the lack of computer security to users and lack of understanding by the customers on Information technology policies . With these reasons there is a need of promoting more on the effective adoption and perception of internet banking in the financial institutions in Tanzania.

Another study by Mkoka (2014) in Tanzania on factors affecting adoption of e- banking in Tanzania banking industry, came up with an integrated model including seven variables (Organizational Capabilities, Received Benefits, Perceived Received Benefits, Perceived Credibility, Perceived Regulatory, Institutional Readiness and Institutional Influence) which influence the adoption of e-banking in developing countries. The findings revealed that all these seven variables jointly provide an excellent understanding of the factors affecting the adoption of E-banking in the Tanzania's Banking Industry.

In another study by Kang and Park (2014) on the factors influencing electronic commerce in developing countries, the case of Tanzania, findings revealed that technology infrastructure and e-commerce trust are the hindrance in adoption of electronic commerce in business transctions in Tanazania. Thus little is known on studies conducted on the effects of the marketing mix strategies in determing the adoption of internet banking in commercial banks in Tanzania,

3.4 Conceptual Framework

In Tanzania especially in the financial sector, the major yardstick to measure the perception of customers on the use of electronic money can be attributed to effective technology adoption process which has been promoted by the respective financial institution. This conforms to Technogy Adoption Model . The TAM model explains the relationships between these variables, which among them are consumers' preference on the products/ services, quality of services, costs incurred by consumers, promotion, external environmental factors, physical evidence, product, process and technology. Independent variables are Physical evidence, Process (operationalized as quality of services), Product (operationalized as product/service preferences), Price(operationalized as cost incurred by consumers) , level of technology and consumers preferences. Moderating variable is external environment and intervening variable is promotion which guide the dependent variable which is the number of customers using internet banking products.

The premise of TAM models and Theories of Reasoned Action(TRA) seems to be important factors which influence the perception of Customers towards adoption of technology (Ajzen and Fishbein, 2000). People who have positive perception towards e-service, will also have higher acceptance on the use of the e-money technology (Davis et al, 1989; Agarwal & Karahanna & Straub, 2000).

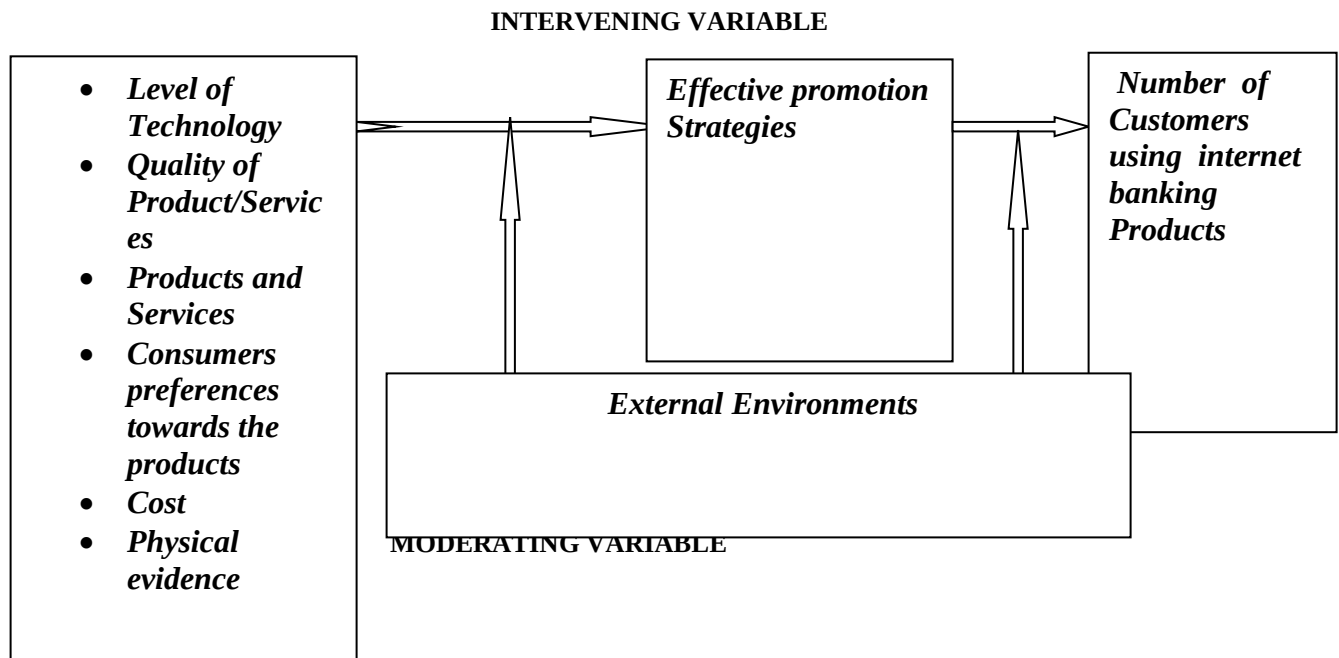
Figure 2.1 depicts the Conceptual Framework of important factors that influence the marketing mix elements for effective perception of customers towards the use of electronic money transactions at the Commercial Bank in Dar es salaam, Tanzania.

In summary the model can be presented as follows:

Effective marketing mix strategies towards adoption of electronic money transactions in Tanzania = f (Level of Technology and process, Quality of Product/Services, Consumers preferences towards the products, Cost, physical evidences, promotion and Environmental scanning)

INDEPENDENT VARIABLES

DEPENDENT VARIABLE



Source: Modified from Technology Acceptance Model and Theory of Reasoned Action

3.0 METHODOLOGY

The Nature of study was descriptive with cross sectional research design. The design was adopted due to the fact that it allows economies of scale in data collection, minimizes time and resources and undertakes in-depth data collection (Kumar, 2011). By collecting data in the commercial banks in Dar es Salaam Tanzania, the researcher was able to obtain an in-depth understanding of the variables of the phenomenon under study, and drew on comprehensive information from both qualitative and quantitative information.

3.1 Area of the Study

The study was conducted in Dar es Salaam Tanzania. Three commercial banks were chosen as the sampled population during data collections, namely CRDB Bank, NMB Bank and NBC Limited respectively. The targeted population were Commercial Bank employees at all levels and the Customers. The study collected data from head of directorates and departments, senior officers and other workers. A sample size of 150 of commercial banks employees and Customers were studied ($n=150$). This involved 100 customers and 50 employees. Employees were regarded as internal customers as the marketing management concepts describes as they are the focal point in any business and performances growth before going to the external customers. Both external customers and internal customers (Employees) were involved in finding out the results of the studied objectives.

3.2 Source and Type of Data

Primary data were collected using semi structured questionnaires and interview guides to answer the objectives of the study. Secondary data applied, supported the findings and results of the primary data. Data were collected at 3 commercial banks namely CRDB, NBC and NMB respectively from Dar es Salaam city. Quantitative data were processed using the Statistical Package for Social Scientists (SPSS) Software, whereby descriptive Statistics analysis were used in analysis and concluding the findings. Qualitative data were processed manually.

3.3 Measurements and Scales

A 10 questions Likert scale measurement questionnaire were tapped with six personal information items: age, gender, education, marital status, name, occupation and job status for customers and employees were asked. Independent variables measured by single item were level of technology and process quality of product/services, cost, physical evidences the intervening variable was promotion. The dependent variable was the number of adoption of internet banking by customers.

4.0 RESULTS INTERPRETATION AND DISCUSSION

4.1 Challenges faced on the adoption of internet banking by Customers

The researcher wanted to understand barrier on the use of internet banking among commercial bank customers in Dar es salaam, both commercial banks employees and the customers were involved and the results were as follows;

Table 1.0 Challenges that are barriers on use of internet banking among Commercial Bank Customers.					
		Frequency	Percent	Valid percent	Cumulative percentage
	Security	40	27	27	27
	Consumers information	30	20	20	47
	Price of products	20	13	13	60
	Quality of products	45	30	30	90
	Accessibility of Products	15	10	10	100
	Total	150	100%		
Type of Respondents = Customers					

Source; Researchers Data, 2017

a) Results on the significant challenges/barriers on use of internet banking among CRDB Bank Customers.

The objective was to find out the major challenges facing internet banking transaction. This question was asked to both internal and external customers. Findings revealed that the quality of products and services is the most limiting factors on the use of internet banking among the customers which was ranked 45 (30%), followed by the second challenges which was shown as Consumers security on Banking products and services 40(27%), consumers information 30(20%), price of products 20 (13%) and accessibility of products 15(10%). Therefore the management of the respective Commercial Banks should think of improving its technology to keep pace with the changes on the consumers demand and needs especially on the quality of the internet banking products and services.

4.2 Significant marketing mix factors influencing the adoption on use of internet banking among Commercial Bank Customers

The dependent variable adoption of internet banking among commercial bank customers in Dar es salaam was regressed against Marketing Mix elements. A regression model was used to find out and answer the question . Statistical Package for Social Science(SPSS) Software was used in determining the significance of the elements in predicting the traditional marketing mix elements that determine the adoption if internet banking in commercial banks. The general linear regression equation is given as;

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where;

a = constant

X_1 = Effect of Product design, X_2 = Effect of Pricing

X_3 = Effect of Promotion, X_4 = Effect of Placing

β_1 to β_4 = Regression coefficients that measured the relationships between the predictor variables and the dependent variable.,

e = Standard error

The regression results obtained for the model are given in Table 1.1 below

Table 1.1 Regression results for marketing mix determinants on the adoption of internet banking at commercial banks

Predictor (Marketing Mix Element)	B	T	p-value
Constant	2.806		
Product Planning (X_1)	0.078	1.020	.309
Pricing (X_2)	0.049	.679	.497
Promotion (X_3)	-0.037	-.582	.561
Placing (X_4)	0.125	1.747	.072

Source; Researchers Data,2017

Where T values tested the significance relationship between the predictor variables and the dependent variable and P values are values that show the relationship between predictor variables and the dependent variable. From the results, the regression equation for adoption of internet banking was found to be;

$$Y = 2.8 + 0.078X_1 + 0.049X_2 - 0.037X_3 + 0.125 X_4.$$

The results show that all elements have a p-value greater than 0.05, there is no any element which is statistically significant in predicting adoption of internet banking for the Surveyed commercial banks in Dar es salaam. This implies that other factors should be considered rather than the factors tested as the marketing mix elements on finding the effective adoption of internet banking technology at commercial banks. The same analysis was done by splitting the respondents in to their respective groups (employees and external customers).

4.2.1 Significance of the Marketing mix Elements by specific Respondents

By splitting the category of respondents, the results are given in Table 4.6 for employees and Table 1.2 for external Customers.

Table 1.2 Regression analysis results by employees of commercial Banks

Coefficients ^{a,b}						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.820	0.508		7.703	0.000
	Perception of performance of on Product Planning	-0.027	0.062	-0.039	-0.457	0.649
	Performance of on Pricing	-0.082	0.062	-0.147	-1.327	0.185
	Performance on Promotion	0.050	0.085	0.053	0.580	0.564
	Performance of Placing	-.093	.115	-0.097	-0.805	0.421
a. Type of Respondent = Employees (Internal Customers)						
b. Dependent Variable: Adoption of internet Banking						

Source; Researchers Data, 2017

Table 1.3 Regression analysis results by external Customers

Coefficients ^{a,b}						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.20	.639	2.209	3.461	.001
	Perception of performance on Product Planning	.100	.097	.105	1.020	.311
	Performance on Pricing	.205	.107	.198	1.938	.057
	Performance on Promotion	-.080	.097	-.086	-.838	.405
	Performance o Placing	.072	.102	.071	.699	.486
a. Type of Respondent = External Customers						
b. Dependent Variable: Adoption of internet banking						

Source; Researchers Data, 2017

The results from Table 4.6 and 4.7 indicate that, the P-value for all marketing mix elements for employees and external customers are having p-value greater than 0.05. This implies that the results of individual groups are the same as the results of the combined analysis hence no any marketing mix element is statistically significant in determining the adoption of internet banking products or services. This means that the management of the commercial banks should find out other important driving forces of the extended marketing mix elements and not the stated one in the study. Regarding the TAM, TRA and Social Network Analysis theories and model, the management should also find out what are the limiting factors of the stated marketing mix elements in creating effective adoption of the internet banking products.

4.3 The suggested strategies in improving the adoption of internet banking transactions among Customers.

The researcher wanted to find out questions from the respondents on how best the strategies could be improved for effective adoption of internet banking products, in order to understand the strategic factors that when effectively implemented will increase the internet adoption among customers in Dar es salaam. The results of the findings were as follows:

Table 1.4 Suggested strategies by customers on the effective adoption of internet banking

Major Strategy to improve adoption of internet banking adoption in Dar es Salaam					
		Frequency	Percent	Valid Percent	Ranking
Valid	Market driven products	15	10	10	4
	Promotion Campaigns	80	53.3	53.3	1
	Adequate supply of products when needed	22	14.6	14.6	2
	Training of employees on service delivery	18	12	12.5	3
	Others(e.g,partnerships,branding..)	15	10	7.6	5
	Total	150	100.0	100.0	
a. Type of Respondent = Customers					

Source;Researchers Data,2017

The results show that Customers are strongly suggesting to Commercial banks to design promotional campaigns 80 (53.3%), among other strategies. The next suggested strategy by Customers were adequate supplies of internet products and services when needed 22 (14.6%). This is in conformity with the theories of Reasoned Action, Technology Acceptance Model and the Social Network Analysis which emphasize that, if consumers are enticed to understand the benefits of products or services, they will in the future adopt on the use of them in this case will adopt on the use of internet banking products or services.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The objective of the study was to determine the effects of marketing mix strategies on the adoption of internet banking transactions on products and services. The study was driven by specific objectives which were to identify major challenges facing internet banking transaction for its competitive positioning; to find out the significant marketing mix elements in determining performance of internet banking transaction and to examine the strategies in improving the adoption of internet banking transactions among Customers.

The study aimed at determining the marketing mix strategies on the adoption of internet banking among customers in Dar es salaam, Tanzania, and the findings revealed that Customers were not satisfied with the level of technology that has been used on the internet banking. The study further shows that accessibility is limited as most of the time customers do not get the services due to network failures, therefore Commercial banks should think of improving their internet technology to keep pace with the consumers' need. Security issue have been outlined by customers in this study, therefore the commercial banks should also improve the security and trust of its products and services to customers. In determining the significance of the 4Ps(traditional marketing mix elements) in the adoption of internet banking, neither of the marketing mix elements was found to be significant. This gives impression that commercial banks have not integrated effectively the elements of marketing mix in determining the effective adoption of internet banking technology. This is because customers were not aware on the significance of the marketing mix elements. It is therefore recommended that commercial banks needs to manage their marketing mix by looking on the limiting factors of the traditional marketing mix elements(4Ps) which hinders the adoption of internet banking products and thus extend other marketing mix elements of services(7Ps) such as their staff and management(People), improve their technology and enhance innovation (process) and enhance their working environments such as its building, customer services,etc (physical evidences) so that they can make the significant influence in adoption of internet banking products and services.

5.2 Study Recommendations

The following recommendations need to be considered.

(i) Products should be market Driven

Commercial banks ought to have a good strategy for products development. This is in line with the management of the elements of marketing mix (7Ps) as one components is product planning. The Technology Acceptance model (TAM) and the theory of Reasoned Action(TRA) should be used when introducing new products in the market. The market structure of the

commercial banks is not monopolistic but competitive. This calls for commercial banks in Dar es salaam to conduct various Researches and Development from time to time research and development (R&D) in order to cope with competition and changes on the market demand. However customers satisfaction should be emphasized as the customers were complaining on the needs of effective internet infrastructure, that is accessible in 24/7 days that when they need the banking products, they must get them.

(ii) Promotional campaigns are needed

Having different internet banking products without informing the market is as good as not having them. Commercial banks in Dar es Salaam need to improve their promotional campaigns to create market awareness. The promotion function is one of the elements of marketing mix which once perfectly implemented results into maximum use of the service. This is the strategy which can create new customers as well as retaining the existing ones as well as assuring of the quality of banking products and services which is available and accessible in 24/7 days per week.

(iii) Internet Banking Product Supplies should be adequate and Timely

Internet banking supplies to the customers should be done effectively and efficiently in order to avoid frustrations and disturbances to customers when they need money. This strategy has been ranked the fourth by customers.

(iv) Employees need to be Trained on Service Delivery

The interaction of employees with other stakeholders is crucial in determining customers' satisfaction. It is suggested that the quality of customer service given by commercial banks employees need to be improved, hence a need of training to the employees. This strategy was ranked the third by customers. This interaction is necessary as it is the one which will determine the success or failure of the adoption of internet banking for commercial banks in Dar es salaam.

5.3 Basis for Further Research

The study covered only three commercial banks in Dar es salaam namely CRDB,NBCand NMB Banks Limited respectively.The results of the conducted study may not be the representative of all Commercial Banks in Tanzania.The end of this study is an opening for further researches on the same area of study in other commercial Banks or even in the same commercial banks using different methodology. The findings, conclusions and recommendations given suggest a need for further research in order to have profound solutions for the identified gaps.

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