COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

THE EFFECT OF DIGITAL MARKETING PRACTICES ON ORGANIZATIONAL PERFORMANCE: THE CASE OF AWASH BANK AND COOPERATIVE BANK OF OROMIA

BY

KAFTAMU TILAHUN

JUNE, 2026

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A THESIS SUBMITTED TO THE COLLEGE OF BUSINESS AND ECONOMICS OF ADDIS ABABA UNIVERSITY, IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER'S IN GENERAL MANAGEMENT

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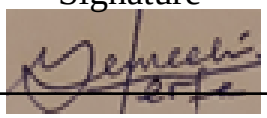
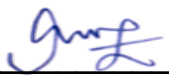
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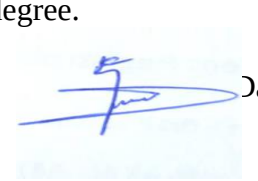
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DECLARATION

I the undersigned declare that the thesis entitled **"**The Effect of Digital Marketing Practices on Organizational Performance: The case of Awash Bank and Cooperative Bank of Oromia **"**is my original work, All materials and resources utilized in this thesis have been properly acknowledged; it has not been represented or submitted here or at any other university as a prerequisite for any other academic degree.

Name: Kaftamu Tilahun Signature  Date of submission **10/06/2026**

Place: *College of Business and Economics Department of Business Administration, Addis Ababa University, Addis Ababa, Ethiopia*

CERTIFICATION

I thus declare that Mr. Kaftamu Tilahun conducted research on the subject of "**The Effect of Digital Marketing Practices on Organizational Performance: The case of Awash Bank and Cooperative Bank of Oromia**": This research project is unique, has not been submitted for credit toward a degree from any university and is enough to be submitted for partial fulfillment of the requirements for a master's degree in general management. All sources of materials utilized for the study have been properly acknowledged.

Confirmed By Advisor:

Tilahun Teklu (PhD) Signature _____ Date June, 16/2026

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ABBREVIATIONS AND ACRONYMS

AACA	Addis Ababa City Administration
CP	Corporate Performance
COOP	Cooperative Bank of Oromia
CSA	Central Statistical Agency
DM	Digital Marketing
ICT	Information Communication Technology
NMA	National Meteorology Agency
PPC	Pay-Per-Click
SEO	Search Engine Optimization
SMM	Social Media Marketing

ABSTRACT

In this research, Effects of Digital Marketing on Organizational Performance in the banking sector was examined, focusing on Awash and COOP. Quantitative approach is used in this study, combining the descriptive and explanatory research designs. A total of 285 Convenience selected bank employees from the head offices of the Awash and COOP banks were participated in this research. Yamane formula was used to determine the sample size and data analysis was performed by using SPSS (statistical package for social science) descriptive and inferential analysis). The comparative analysis found that Awash Bank was perceived to have a more effective Search Engine Optimization (SEO) strategy (t = 2.292, p = 0.023), while COOP was viewed as higher in Social Media Marketing (t = -4.169, p = 0.000). Digital marketing practices and organizational performance show a positive correlation (regression model: R = 0.754). Approximately 56.8% of the variance in organizational performance can be explained by these practices (R^2=0.568, F = 45.014, p = 0.000). Mobile Marketing is the most influential variable (beta =.319, p = 0.000), followed by SEO (beta =0.306, p = 0.000). To improve digital marketing effectiveness, both banks should establish strategies that enhance customer engagement and performance monitoring including forming social media management teams for timely responses, creating content calendars for consistent posting and tracking email marketing performance.

Keywords: *Digital Marketing, Organizational Performance, SEO, Social Media Marketing, Email Marketing, Pay-Per-Click Marketing, Mobile Marketing, Awash bank, Cooperative bank of Oromia*

CHAPTER ONE
INTRODUCTION

This chapter presents the background, statement of the problem, fundamental research questions, and specific objective, significance of the study, scope, and limitations of the study, operational definitions of key terms and the organization of the study.

1.1. Background of the Study

The financial services industry, especially banking organizations, is facing a more competitive and digitally driven landscape that demands strategic adaptation for ongoing sustainability and competitiveness (Bueno *et al.*, 2024). Technological advancement are changing the bank's operation system and customer expectations (Domazet & Neogradi, 2019) and this digital revolution has changed the manner in which banks communicate with customers, provide services and sustain competitive advantages in the marketplace.

Digital marketing has become tool for the success of the organization across all sectors including banking sector. Research shows that digital marketing consists of multiple strategic dimensions (Zamri *et al.*, 2024). These practices are integrated approaches for improving organizational visibility, customer engagement and ultimately organizational performance. Banks will have a huge advantage in terms of brand awareness, penetration in the market and customer loyalty if they are effectively implementing comprehensive digital marketing strategies (Sayudin *et al.*, 2023).

In today's digital era, technology plays important role in molding human existence by simplifying chores and improving convenience. From commercial transactions to knowledge, recreation and social interactions, digital platforms and internet access are fundamental to almost every facet of everyday life (Nimgharen & Ayaz, 2025). The advancement of digital technologies has transformed business practices and personal experiences; Digital approaches, which use online platforms like social media for outreach and advertising, have replaced traditional marketing strategies (Agbaji, 2024).

Planning, promoting, pricing, selling and delivering goods and services are all part of marketing, which is essentially the activity of drawing in and interacting with potential clients to advertise business offerings (Nimgharen & Ayaz, 2025). In addition to drawing in new clients, marketing involves establishing access to goods and services, obtaining information about existing clients, matching their needs with the company's offers and creating strong client relationships. To carry out marketing procedures, digital marketing makes use of digital channels like promoting, selling, delivering goods or services, online communication and understanding client needs and behaviors (Barone, 2023). Organizations across diverse industries are employing digital marketing in the continually evolving digital landscape of today.

Pay-Per-Click (PPC) marketing generates targeted traffic through paid advertisements on platforms such as Google Ads (Agbaji, 2024); Social Media Marketing (SMM) utilizes platforms like Facebook and Instagram to engage consumers and enhance brand visibility (Nimgharen & Ayaz, 2025); Email marketing establishes direct communication with customers through personalized emails to foster engagement and loyalty (Barone, 2023); and Mobile marketing tailors content for mobile devices to expand audience reach and enhance user experience (Nimgharen & Ayaz, 2025).

Many researches dealt with the effects of digital marketing on, for example, Malhotra, (2024) found that social media marketing and SEO are especially successful in raising brand awareness and consumer interaction. The need for this study arises from the growing recognition that while digital marketing practices have thrived across the banking sector globally, their specific impact on organizational performance in Ethiopian banking institutions is poorly understood. Understanding how specific digital marketing channels (SEO, social media, PPC, mobile marketing and email marketing) contribute to the organizational performance at the institutional level (Sharabati et al., 2024). It is important for banking leadership and strategic managers.

This study aimed to analyze the impact of digital marketing practice on organizational performance in the banking sector. Identifying effective strategy can support decision for the banks and policymakers to plan for better organizational performance.

1.2. Statement of the Problem

The quick growth of digital marketing strategies, which offer new chances for consumer interaction, operational effectiveness and competitive advantage, has upended the banking sector globally (Mitiku, 2021). The banking sector has quickly embraced digital marketing techniques to better position itself in the market and navigates the digital world (Agbaji, 2024). However, few empirical studies specifically examine the impact of these digital strategies on organizational performance measures in Ethiopian banks (Alawan et al., 2017).

Awash Bank and Cooperative Bank of Oromia are financial service providers in the Ethiopian banking industry operating in a rapidly changing digital environment with increased competition. But these institutions face a major challenge, as they have invested more and more in various digital marketing channels, but there is limited empirical evidence about which specific digital marketing practices contribute to the organizational performance and to what extent (Yendra et al., 2024); such ambiguity introduces strategic uncertainty to bank management and hampers the digital marketing strategies.

The complexity of digital marketing further exacerbates the issue. SEO, social media, PPC, mobile marketing, and email marketing are some of the digital marketing channels that banks use simultaneously. Each channel has its own operational requirements, cost structure, and anticipated outcomes (Gabelaia & Tchelidze, 2022). With no empirical investigation on the differential impacts on organizational performance, bank leaders are unable to make informed decisions on how to allocate resources or where to focus marketing investments.

The existing literature has laid out a few basics in this regard. According to research, companies that adopt integrated digital marketing approaches experience increased customer engagement, revenue generation, brand development and competitive positioning (Sayudin et al., 2023). Digital channels have demonstrated their capability to leverage the customer experience and operational efficiency in the service industry, particularly in banking (Domazet & Neogradi, 2019).

However, research specific to Ethiopian banking institutions is limited. The organizational, cultural, regulatory and competitive context of Awash Bank and Cooperative Bank of Oromia differs from contexts in which most digital marketing effectiveness studies have

been conducted. The applicability and relative importance of various digital marketing practices in this specific institutional and national context remain unclear.

In addition, research in the African financial services sector has shown that knowledge sharing and effective leadership behaviors enhance organizational performance (Kyei-Frimpong *et al.*, 2022). In addition, specific digital marketing tactics have been studied individually. Research on SEO shows its importance for startups and business visibility (Saura *et al.*, 2020). Social media marketing has been extensively examined for its role in brand engagement and customer interaction (Dwivedi *et al.*, 2020). Email marketing effectiveness and mobile marketing adoption have been documented in various organizational contexts (Hajarian *et al.*, 2021). However, these studies examine digital marketing practices in isolation. No empirical research has systematically compared the relative contributions of each digital marketing strategy to organizational performance in Ethiopian banks specifically. Individual tactics have been studied separately, but their comparative effectiveness, synergistic effects and interaction pattern in a single organizational context is not documented.

Therefore, this research directly addresses these gaps by conducting an empirical investigation in Awash Bank and Cooperative Bank of Oromia. The study provided institution-specific empirical evidence on the contribution of each digital marketing practice (SEO, social media marketing, PPC, mobile marketing and email marketing) to organizational performance in these Ethiopian banking institutions. This context-specific knowledge will enable strategic decision-making appropriate to the actual competitive and organizational environment these banks face.

1.3. Basic Research Questions

This study answered the following research questions:

1. How does Search Engine Optimization (SEO) contribute to the organizational performance of banking sector?
2. What role does Social Media Marketing play in enhancing the organizational performance of banking sector?
3. To what extent does Pay-Per-Click (PPC) Marketing influence organizational performance in banking sector?

4. In what ways does Mobile Marketing contribute to the organizational performance of banking sector?
5. How does Email Marketing influence the organizational performance of banking sector?

1.4. Objectives of the Study

1.4.1. General Objective

The main objective of the study was to assess the effect of digital marketing practices on corporate performance at Awash and COOP and to recommend possible solutions.

1.4.2. Specific Objectives

1. To assess the contribution of Search Engine Optimization (SEO) to the organizational performance of banking sector.
2. To investigate the role of Social Media Marketing in enhancing the organizational performance of banking sector.
3. To determine the extent to which Pay-Per-Click (PPC) Marketing influences organizational performance in banking sector.
4. To evaluate the contribution of Mobile Marketing to the organizational performance of banking sector.
5. To analyze the influence of Email Marketing on the organizational performance of banking sector.

1.6. Significance of the Study

Ethiopia is seeing a dramatic change in financial activities in a time when the country is quickly moving toward a cashless society. The convenience of digital transactions in the midst of buys lives and the growth of online activities like streaming and buying are driving this trend. Financial institutions must use digital marketing platforms to expand their client base and brand awareness to obtain a competitive advantage in the face of increased market competition. The study contributed to the literature related to digital marketing and organizational performance in banking sector. It would enable Ethiopian banks and financial institutions to carry out additional study on maximizing the use of digital marketing and reaping its advantages.

1.7. Delimitations of the Study

Due to time, resource and technical constraints, the study's geographic scope was limited to Addis Ababa, the capital city of Ethiopia. Addis Ababa was considered a suitable location for this study because it served as a hub for economic activity and hosted numerous banking institutions. The study focused on Awash and COOP.

To ensure the accuracy of the findings, a survey of the Awash and COOP banks was conducted. The intention to include a broad representation of Awash and COOP operations in Ethiopia guided this choice. Awash and COOP was selected because it was one of the largest and most influential private banks, with a suitable customer base for digital banking services. Awash and COOP had extensive experience with digital banking systems in Ethiopia and was widely recognized as one of the oldest and most prominent private banks in the country.

Also, digital technology practice were organized and managed centrally by the banks head office. For this reason the research focused on the Awash and COOP head office. The result of the study was therefore considered representative of all Banking industries across the country.

Quantitative approaches were used in this study to investigate how digital marketing practices affect organizational performance in the Awash and COOP banking industry. Data were gathered using structured surveys with a 5-point Likert scale to ascertain how the dependent variables affected organizational performance.

1.8. Limitation of the Study

This study, which examines the effect of digital marketing practices on organizational performance through a comparative analysis of Awash Bank and Cooperative Bank of Oromia, has several limitations. First, the study focuses only on selected digital marketing practices, namely Search Engine Optimization (SEO), Social Media Marketing (SMM), Pay-Per-Click (PPC) Advertising, Mobile Marketing, and Email Marketing. Other factors that may influence organizational performance, such as organizational culture, technological infrastructure, market competition, customer relationship management, and economic conditions, are not included in the study.

Second, the research is limited to two commercial banks Awash Bank and Cooperative Bank of Oromia. Although these banks provide valuable insights into the application of digital marketing in the Ethiopian banking sector, the findings may not be fully generalizable to all commercial banks in Ethiopia due to differences in organizational characteristics, resources, and market positioning.

Third, the study relies primarily on data collected through questionnaires and respondents' perceptions, which may be subject to response bias and personal interpretation. Finally, the study is conducted within a specific time frame; therefore, changes in digital marketing technologies, customer behavior, and market dynamics over time may affect the long-term applicability of the findings. Despite these limitations, the study provides important empirical evidence regarding the role of digital marketing practices in enhancing organizational performance and offers useful insights for banking practitioners and researchers.

1.9. Definition of Operational Terms

This section comprises important key terms that contextually employed in the text to help readers understand easily.

Digital Marketing: Refers to marketing through digital marketing channels, technology and the internet

Corporate Performance: A potential at which an organization performs to reach its pre-set objectives and goals

Bank: A bank serves as an agent of finance between savers and borrowers, offering savings and checking accounts, loans and payment services.

1.10. Organization of the Study

This research report is organized into five chapters. The first chapter covered the background, problem statement, basic research questions, objectives, significance of the study, delimitation, limitations, operational definitions of key terms and the current part. The second part provided a survey of related literature. The third chapter discussed research methodologies. The fourth chapter focused on data presentation, analysis and interpretation. The fifth chapter focused on the study's summary, conclusion and recommendations. Finally, appendices and other relevant material are included at the end of the study report.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

Theoretical and empirical literature related to digital marketing and its effect on the organizational performance are reviewed and discussed in this chapter. The chapter starts with the theoretical review and proceeds to the empirical studies. At the end of the chapter conceptual framework developed for this study is presented.

2.1. Theoretical Literature Review

2.1.1. Marketing: An Overview

The advent of the marketing concept in the 1950s marked a significant shift from a product-driven "make-and-sell" strategy to a customer-driven "sense-and-respond" one. This shift changed marketing from a "hunting" strategy to a "gardening" one, where the goal is to locate products that meet consumer needs. This concept essentially maintains that a company's performance is determined by its capacity to surpass its competitors in terms of customer value (Fadoi & Boudabbous, 2023).

The growth of marketing education and corporate culture observed since 20th century has influence the concepts of marketing. The realization that marketing should collaborate closely with general management rather than operate as a distinct entity has been one significant advancement. These companies are frequently better at creating products and services that meet customer demands. More research on "market orientation" has resulted from this concept. According to Fadoi and Boudabbous (2023), a modern business in a market-oriented organization embodies these ideas and considers customer preferences and competitive factors, suggesting a stronger understanding of market dynamics.

2.1.2. Digital Marketing: An Overview

Digital marketing has emerged as a crucial element of contemporary business strategy in the early 21st century. In response to the challenges posed by a more interconnected society, businesses are transitioning from traditional marketing to a digital-first approach. This shift represents a significant shift in how companies engage with their customers. From one-way correspondence to creating interactive relationships, Businesses will concentrate on communicating with clients and promoting interaction and immediate feedback (Sahu et al.,

2024). For instance, social media marketing uses platforms like Facebook, Instagram, and Twitter to establish a community presence, while SEO facilitates the firm's discovery by prospective customers (Gheysari et al., 2012). By providing tailored messages and offers, email marketing has also improved client connections and produced continuous engagement and repeat business. By comprehending customer behavior and preferences, data analytics allowed organizations to create customized marketing campaigns. According to Fadoi and Boudabbous (2023), organizations were able to respond more swiftly to customer wants and market dynamics by analyzing client interactions in real time and making immediate changes to their plans.

Conversely, digital marketing uses digital media and internet platforms to carry out marketing campaigns. Digital marketing is defined by Desai and Vidyapeeth (2019) as the use of corporate software and applications, mobile marketing, website and search engine marketing, and social media marketing on sites like Facebook, YouTube, Instagram, and TikTok.

Marketers are adjusting by digitally engaging with and collecting customer data as consumers engage online more frequently through PCs, tablets, and mobile devices (Fadoi & Boudabbous, 2023).

2.1.3. Importance of Digital Marketing

Digital marketing tactics are now essential for firms in the current digital era. Reaching big audiences with little staff and resources is advantageous for marketers (Asikin *et al.*, 2024). They may utilize innovations in technology to access international markets and to study global trends and consumer behavior from the comfort of their desks. To stay competitive and flourish in the contemporary market, the Pashmina industry needs to adopt digital marketing techniques (Asikin et al., 2024; Sahu et al., 2024). Businesses can increase revenue and brand awareness by fully utilizing marketing efforts such as their online presence. Also, it boosts metrics such as client satisfaction and retention (Agbaji, 2024).However; I have solely addressed customer satisfaction and sales income in this thesis.

2.1.4. Digital Marketing Requirements

Successful digital marketing campaigns require conducting a comprehensive analysis of the target audience, setting clear goals, creating relevant content, managing social media

platforms, optimizing search engine rankings, implementing paid advertising strategies, creating websites, monitoring analytics, and tracking performance metrics (Nimgharen & Ayaz, 2025).

2.1.5. Types of Digital Marketing

Digital marketing has been a part of people's lives everywhere since the development of digital technologies and the internet (Alemayehu & Chawla, 2025). Now it includes social media platforms, private apps and software and website marketing. People are more engaged with activities on their smartphone and online and marketers reach out to potential clients through various online channels (Nimgharen & Ayaz, 2025). Here are some examples of a few different digital marketing tactics, in no particular order.

1. Pay-Per-Click (PPC)
2. Search Engine Optimization (SEO)
3. Social Media Marketing
4. Email Marketing
5. Mobile Marketing

2.1.5.1. Pay-Per-Click (PPC)

Advertisements exhibited on websites via advertising networks are also categorized as PPC marketing. This digital advertising strategy provides marketers with a cost-efficient alternative to engage their target audience, as payment is incurred solely upon ad clicks, potentially resulting in superior returns on investment (ROI) relative to conventional advertising techniques (Nimgharen & Ayaz, 2025) PPC marketing also includes advertisements that are shown on websites via ad networks. Because companies only pay when their ad is clicked, this digital advertising strategy gives marketers an affordable way and may result in higher returns on investment (ROI) than traditional advertising techniques (Nimgharen & Ayaz, 2025).

2.1.5.2. Search Engine Optimization (SEO)

Search engine optimization (SEO), a crucial element of digital marketing, attempts to increase a website's search engine results page (SERP) traffic in terms of both quantity and quality (Clarinda K, 2020). It consists of several strategies and techniques intended to raise a website's visibility and ranking in search engine results. Major search engines like Google, Yahoo, Microsoft Bing, and Amazon are crucial to SEO strategies because they are the primary

information sources for consumers globally. People rely more and more on search engines, particularly Google, in today's globalized world to swiftly and easily find a variety of information on various topics in an aesthetically pleasing manner (Agbaji, 2024).

2.1.5.3. Social Media Marketing

Social media marketing (SMM) is key element of modern digital marketing strategies. Facebook, Instagram, TikTok, YouTube, Telegram, LinkedIn and other major social media platforms are used by marketers (Nimgharen & Ayaz, 2025). These platforms provide businesses with an unmatched chance to build close, personal relationships with customers, encouraging meaningful exchanges and enabling feedback systems. According to Agbaji (2024), the selected social media platforms are useful tools for answering consumer questions, sharing information about goods and services and getting past possible roadblocks (Agbaji, 2024).

2.1.5.4. Email marketing

Email marketing is a productive way to provide information about new products, services, opportunities and bundles with clients through email (Abiye, 2019; Agbaji 2024). Among other pertinent subjects, these emails could contain announcements about openings or location changes, promotional offers, new product releases and firm status updates. Businesses confront more rivalry in the internet domain as digital marketing continues to gain popularity as an affordable form of advertising (Clarinda, 2020). According to Barone (2023). The website acts as a focal point for promoting goods and services, interacting with prospective clients and building credibility and brand awareness.

2.1.5.5. Mobile Marketing

Targeting new clients via mobile devices, such as smartphones and tablets, is the goal of mobile marketing, which includes a variety of tactics. This strategy entails creating mobile applications, optimizing websites for mobile viewing and utilizing mobile messaging and advertising channels to successfully interact with customers. Businesses may communicate with their clients more easily and improve their entire brand experience and customer happiness by providing mobile-friendly services. Mobile marketing offers companies a great chance to reach a wider audience and engage with consumers while they're on the go, as mobile usage continues to grow worldwide (Nimgharen & Ayaz, 2025). In addition, mobile marketing allows businesses to take advantage of the widespread use of smartphones by utilizing features like location-based

targeting and push notifications to send customers timely and customized marketing messages (Abiye, 2019).

2.2. Organizational Performance

The effectiveness of an organization in accomplishing its goals is known as organizational performance and it is assessed from a number of angles. This performance is evaluated using the organization's particular goals and objectives (Nimgharen & Ayaz, 2025).

The extent to which banks augment profit and, consequently, revenue while reducing expenses is a critical sign of their financial performance (Abiye, 2019).

The frequency with which potential consumers see or recognize a brand is referred to as brand visibility. It gauges the brand's ability to stand out from the competition (Fadoi & Boudabbous, 2023). In a market where there is competition from other companies, customer loyalty can be gauged by recurring and ongoing purchases, recommendations of the brand to friends, family, coworkers and others, long-term relationships, etc. (Abiye, 2019). The ability of firms to transform and provide new services is referred to as innovation. It is the company's capacity to introduce innovative business practices (Clarinda, 2020). A high degree of an organization's power and position against market rivals is referred to as market share competitiveness. It is the extent to which a company can maintain its position while controlling a part of the overall market.

2.3. The relationship Between Digital Marketing and Organizational performance

Digital marketing including email and social media marketing, has been linked to an impact on organizational performance in numerous researches (Yasir *et al.*, 2020; Zahay, 2021). Also, this association has been investigated in other commercial domains (Sulthana *et al.*, 2021). The findings show that mobile marketing may improve organizational effectiveness. The positive association between online advertising as a digital marketing strategy and its impact on organizational performance was examined by Addo *et al.* (2022). Also, research by Zahay (2021) shows that, although perceived quality has a moderating effect on organizational performance.

Ibrahim *et al.* (2022) have showed how important it is to comprehend the relationship between those aspects because previous research did not take into accounts all of the variables taken into consideration in this study. This study looked at these factors in the context of

Pakistani telecommunications since researchers have discovered that using digital marketing channels affects organizational effectiveness.

2.4. The Effect of Digital Marketing on Organizational Performance

By obtaining purchasing activities through customer support, the digital marketing platform enables banks to develop plans. Customers' genuine support or endorsement of a brand is referred to as client patronage. Patronage provides the foundation for a steady and growing market share, according to Sisay (2021). The results showed the company's extensive use of blogs and forums. The study's conclusions also showed that Facebook, the company's content communities and digital platforms had a significant and favorable impact on Kenyan real estate (Yamin, 2017). Yamin (2017) studied how Bangladeshi consumers responded to digital marketing as a marketing communication strategy. In a research on how digitization affects business models, Sisay (2021) found that social media marketing improves bank performance by increasing sales growth potential and lowering marketing expenses.

2.5. Empirical Review

Today's economic activity is mostly driven by financial institutions, especially the banking industry (Desai, 2019). Alalwan et al. (2017) assert that social media marketing positively correlates with an organization's financial performance, encompassing revenue growth, profitability, customer engagement and brand visibility. According to Sikdar et al. (2013), to promote a competitive banking environment in India, optimizing commercial banking operations requires minimizing branch-based client contacts and promoting internet banking from the start. Hajli (2014) identified a favorable correlation between customer behavior and social media advertising.

According to Vaibhava (2019), digital platforms are increasingly embedded in marketing strategies and everyday life. The analysis also notes that the area has expanded rapidly over the last few decades with the sophistication of digital marketing in particular with the proliferation of devices able to access digital media.

According to Mohammed (2020), digital marketing made it easier for businesses to communicate with previous clients and provide post-purchase services, which allowed them to get understandingly input and recommendations for ongoing development and consumer loyalty.

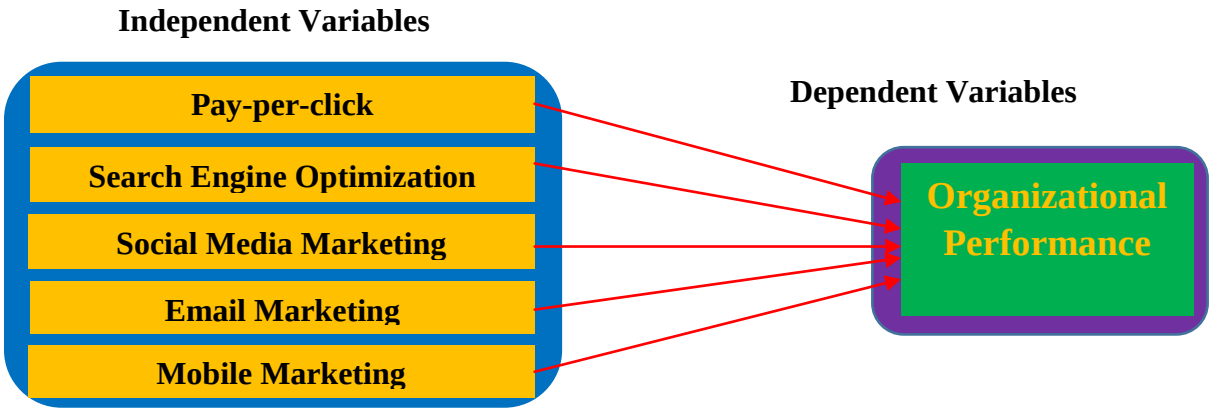
Research by Nguyen and Leblanc (2001) showed a positive relationship between email marketing and client loyalty, which in turn increases profitability and relative market share. According to study by Kifle (2021) on the determinants of e-banking adoption in Ethiopia, although the study covered significant facets of e-banking adoption, it did not adequately and clearly analyze the urgent problems pertaining to e-banking in Ethiopia and the function of digital marketing in this setting.

Positive connections between digital marketing and banking performance were found in a study by Fadoi and Boudabbous (2023) that the use of digital marketing helps to improve and streamline banking services, which makes it possible for the bank to successfully attract a wider clientele and grab their interest. Also, Kaur and Soch (2018) proposed that customer happiness is favorably correlated with mobile marketing, which includes SMS and mobile apps.

2.6. Conceptual Framework

The conceptual framework establishes the connection between the variables examined in the study and their empirical significance, showing how variables are interrelated (Mugenda & Mugenda, 2003). To illustrate the effect of digital marketing on oranizational performance in Awash and COOP, the researcher constructs a conceptual model that utilizes the digital marketing-organizational performance paradigm as a predictor variable for the specific objective of the study.

Figure 1: Conceptual Frame Work



2.7. Research Hypothesis

1. Hypothesis for Search Engine Optimization (SEO) (H1):

Hypothesis (H1): SEO exerts a substantial beneficial influence on the performance of organizations within the banking sector. Bakalo and Amantie (2023) demonstrate that SEO methods enhance website visibility and organic traffic, resulting in increased client acquisition and enhanced performance metrics within the banking sector.

2. Hypothesis Regarding Social Media Platforms (H2):

Hypothesis (H2): Social media platforms exert a substantial positive influence on the performance of organizations within the banking sector. Poorani (2021) asserts that social media marketing augments consumer involvement and brand visibility, hence enhancing performance outcomes in the banking sector.

3. Hypothesis Regarding the Utilization of Pay-Per-Click (PPC) Marketing Strategy (H3):

Hypothesis (H3): The PPC marketing approach exerts a substantial beneficial influence on the performance of organizations within the banking sector. Smith (2024) demonstrates that PPC advertising directs focused traffic to banking websites, leading to elevated conversion rates and enhanced performance results.

4. Hypothesis for Mobile Marketing Strategy (H4):

Hypothesis (H4): The mobile marketing strategy exerts a considerable favorable influence on the performance of organizations within the banking sector. Smith (2024) contends that mobile marketing allows banks to access a wider audience and provide cohesive customer experiences, hence improving organizational performance indicators.

5. Hypothesis for Implementing an Email Marketing Strategy (H5):

Hypothesis (H5): The email marketing technique significantly enhances overall organizational performance within the banking sector. According to Poorani (2021), focused and customized email campaigns increase client engagement and retention, which enhances organizational performance in the banking industry.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter outlined the research site, research approach, research design, data sources, data collection tools, study population, sample size, sampling strategy, validity and reliability assessment, ethical considerations, data collection procedures and data analysis methods.

3.1. Research Approach

According to Creswell (2014) mixed approach seems… "Useful strategy to have a more complete understanding of research problems"(p. 267). The qualitative technique entailed a detailed examination of opinions, attitudes and behaviors, whereas the quantitative approach concentrated on the methodical gathering of quantitative data, for strong statistical analysis. This study utilized a quantitative research approach to investigate the causal association between Digital Marketing and Organizational Performance in selected banks in Ethiopia.

3.2. Research Design

This study used a sequential explanatory design, incorporating both descriptive and explanatory research methodologies, to evaluate the impact of digital marketing practices on organizational performance in the context of Awash and COOP. A descriptive design intended to delineate the present state of digital marketing and examine its condition. Also, explanatory designs were employed to examine the relationships between the independent variable and the dependent variable, organizational performance (Creswell & Creswell, 2018).

3.3. Source of Data

Primary data were acquired from bank employees of marketing, Digital Banking and Customer relation managers. These respondents were chosen as primary data sources because they had a direct relationship with and extensive knowledge of digital marketing and the organizational performance of the Bank.

3.4. Population, Sample Size and Sampling Techniques

3.4.1. Target Population of the Study

A population is a group of organizations or individuals that share common characteristics (Creswell, 2014). The target populations of this study are Awash and COOP banks employees of

marketing, Digital Banking, and Customer relations managers working in head office. This is because they possess rich information about the phenomenon under study. The target population of this study consists of 1,082 employees of marketing sector, digital Banking sectors, and Customer relations managers working in Awash Bank and COOP head Office; out of which 683 are from Awash bank and remaining 399 are from COOP.

3.4.2. Sample Size and Sampling Techniques

Purposive and Convenience sampling techniques were employed in this study. Accordingly, the researcher selected Awash and COOP banks through convenience due to their accessibility enabled the researcher to establish rapport and efficiently collect the required data (Creswell, 2012).

Following the selection of the banks, purposive sampling was used to identify the relevant offices. Although banks consist of numerous functional units, the study focused on the Marketing, Digital Banking, and Customer Relationship Management offices because of their direct involvement in the implementation and management of digital marketing activities and customer engagement practices. Selecting these offices enabled the researcher to obtain focused and relevant insights aligned with the study's objectives (Creswell, 2012).

The total sample size required for this study was determined using Yamane's sample determination formula at 95% level of confidence and 5% error margin as provided below:

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

Where: n= is the sample size

N= is the population size

e= is margin error at 0.05

$$n = \frac{1082}{1+1082(0.05)^2} = 292$$

Accordingly, a total of 292 employees from these departments were selected using a convenience sampling method. The sample size for each bank was allocated using the proportional-to-size

method to ensure that the representation of employees from each bank reflected their relative population sizes.

Table 1: sample size allocation for the banks

Name of the Bank	Population Size (N)	Sample Size (n)	Sampling Technique
Awash Bank	683	184	convenience
Cooperative Bank of Oromia (COOP)	399	108	convenience
Total	**1,082**	**292**	

3.5. Data Collection Instruments

The researcher gathered data required for the study through structured questionnaire. Questionnaires were used to collect data from Awash and COOP employees, marketing, digital Banking and Customer relationship managements. The purpose of using questionnaires was to collect large amounts of data efficiently in terms of time and cost (Pedhazur & Schmelkin, 2013). The questionnaire was designed to incorporate close-ended questions, with responses quantified on a five-point Likert scale: Strongly Agree (SA) = 5; Agree (A) = 4; Neutral (N) = 3; Disagree (D) = 2; and Strongly Disagree (SD) = 1. The implementation of the Likert scale facilitates straightforward responses from participants. This study instrument facilitated the effective application of statistics for data interpretation.

3.6. Validity and Reliability of the Instruments

3.6.1. Validity of the Instrument

Kothari (2004) defines validity as the extent to which an instrument accurately measures its intended construct. A standardized questionnaire was employed as the principal data gathering tool for this investigation. The questionnaire was carefully designed to include items that directly evaluate how different aspects of organizational performance in the banking industry are affected by digital marketing strategies.

The degree to which the questions evaluate the intended constructs is known as content validity, and it was ensured by designing the questions to be consistent with accepted theories

and previous study findings. Before being used, the questionnaire underwent appropriate validation. This included a small pilot test to check for ambiguity or unclear questions. The comments from the pilot phase were utilized to enhance the questionnaire's reliability and validity. Additionally, the questions were formulated based on an extensive examination of the current literature regarding digital marketing and organizational performance.

The research advisor has examined the survey questions to ascertain their validity and ensure that the instruments thoroughly encompass the intended area or items. Input on the instruments was requested from the advisor of the student researcher. All remarks and critiques were included into the final iteration of the instruments.

3.6.2. Reliability of the Instrument

Reliability is the process of checking whether a research instrument would measure the same result when used on other occasions (Heale & Twycross, 2015). To ensure the tools reliability, the researcher piloted all of the survey questions and checks the reliability of the instruments by using Cronbach's alpha, which is very important to see the coefficient of items internal consistency. Accordingly, variable-wise analysis, reliabilities were identified. According to Heale and Twycross (2015), item reliability, which is greater than 0.7, is said to be acceptable. The Cronbach's alpha value calculated for this study is provided in the table below:

Table 2: Measure of Internal Consistency–Cronbach's Alpha

Reliability Statistics	Cronbach's Alpha	No of Items	Internal consistency
Search Engine Optimization (SEO)	.853	5	Good
Social Media Marketing platforms	.865	6	Good
Pay-Per-Click (PPC)	.919	5	Excellent
Mobile Marketing	.860	5	Good
Email Marketing	.908	5	Excellent
Organizational Performance	.903	5	Excellent

Source SPPS output.2026

3.7. Data Collection Procedures

To answer the research questions, the researcher went through a series of data gathering procedures. First, having obtained a letter of authorization from Addis Ababa University to gather data, the researcher consulted the Bank Human Resource Managers for consent. Then, the researcher agreed with the concerned participants to introduce their objectives and purposes. After the process of rapport building, a pilot study were conducted before the final administration of the questionnaires to protect the truthfulness of the instruments, whether or not the items of the instruments enable the researcher to gather reliable and valid information. Also, the final questionnaires were administered to a sample of bank employees and the questionnaires were collected at the appropriate time and prepared for data analysis, and the accomplishment of questionnaires took approximately 60 minutes.

3.8. Methods of Data Analysis

The acquired data were analyzed utilizing both descriptive and inferential statistics in the Statistical Package for the Social Sciences (SPSS) version 27.0 software. Descriptive statistics, including mean, percentage and standard deviation, as well as inferential statistics, such as independent samples t-test (to compare the digital marketing practices between the two banks), correlation (to test the relationships between the variables) and multiple linear regressions (to examine causal relationship between the dependent and independent variables) were employed.

Initially, descriptive statistics were utilized to ascertain the demographic attributes of the individuals. The criteria included gender, age, educational level and work experience. Descriptive statistics were utilized to compare employee perceptions of the impact of digital marketing practices on organizational performance, based on demographic characteristics, through central tendency measures including frequency, frequency distribution, valid and cumulative percentages and mean comparisons.

Secondly, inferential statistical analysis, t-test, correlation and multiple linear regression techniques were employed utilizing the Statistical Package for the Social Sciences (SPSS) software. The subsequent section delineates the application of these statistical tools and presentation styles.

The regression model was as follows:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 \cdots + \beta nXn + \varepsilon$$

Where: Y = Organizational performance

β0 = Constant Term; β1, β2, β3, β4 and β5 = Beta coefficients

ε = Error term

Table 3: Model Specification of Variables

No	Predictor Variable (X)	Beta Coefficient(β)	Predictor X-Value Assigned
1	Search Engine Optimization (SEO	β1	X1
2	Pay-Per-Click (PPC)	β2	X2
3	Social Media Marketing	β3	X3
4	Mobile Marketing	β4	X4
6	Email Marketing	β5	X5
7	Organizational performance	Constant	Y

The results derived from the SPSS study were meticulously analyzed and evaluated to ascertain the impact of digital marketing practices on multiple facets of organizational performance. Based on these research findings, inferences were drawn regarding the correlation between digital marketing and organizational success. Also, pertinent recommendations were formulated about the efficient execution of digital marketing strategies to improve organizational performance within the banking industry.

3.9. Ethical Considerations

Ethical consideration intends to declare participants' safety from any risk related to the study. In this regard, the student researcher collected a letter of contact from Addis Ababa University. After building a rapport with important officials, the researcher was explained the purpose of the study to the participants. Participation in the study was entirely voluntary and the participants were asked to sign the consent form before the data collection begins. Later, the confidentiality of participants and the anonymity of data was secured.

CHAPTER FOUR
DATA ANALYSIS AND INTERPRETATIONS

This chapter presents and discusses the data analysis results of the study. a total of 292 questionnaires were distributed to the employees of the Awash and COOP out of which a total of 285 questionnaire was completed and returned resulting in the response rate of 97.6%. This high response rate ensures the reliability of the data analysis results presented and discussed in the study.

4.1. Demographic Information of the Respondents

The distribution of questionnaires utilized Random sampling method among the respondents. The demographic attributes include gender, age and education level, working experience. This facet of the analysis focuses on personal data presented through charts and tables below.

Table 4: Demographic characteristics of the respondent

Characteristics		Frequency	Percent
Bank	Awash bank	180	63.2
	Cooperative Bank of Oromia (COOP)	105	36.8
Gender of Respondent	Male	205	71.9
	Female	80	28.1
Age of Respondent	25 - 30 Years	114	40
	31 - 35 Years	57	20
	36 - 40 Years	53	18.6
	Above 40 Years	61	21.4
Educational Status of Respondent	BA/BSc Degree	84	29.5
	MA/MSc Degree	201	70.5
Work Experience	5 - 10 Years	132	46.3
	11 - 15 Years	88	30.9
	16 - 20 Years	43	15.1
	Above 20 Years	22	7.7
	Total	285	100

Source: SPSS output, 2026

According to the table above, the majority of the respondents (63.2%), are employees of Awash Bank and the remaining 36.8% of the total belongs to COOP. In addition, the majority of the respondents were male with 71.9% and 28.1% were female. Regarding the age distribution of respondents, the largest age group is those between 25 and 30 years, (40%), followed by respondents aged 31 to 35 years at 20%, those aged 36 to 40 years at 18.6% and 21.4% of respondents are over 40 years old. The age distribution results indicate a youthful workforce, which may impact the banks' operational strategies and adaptability to new technologies.

The survey results about educational qualifications also show that the majority (70.5%) of respondents hold Master's degree (MA/MSc) and 29.5% holding a Bachelor's degree (BA/BSc). This shows high level of education among the employees of the banks, which may correlate with their roles and responsibilities in the banks and their expectations for professional development. The work experience of respondents varies, with 46.3% having between 5 and 10 years of experience, 30.9% have 11 to 15 years of experience and 15.1% possess 16 to 20 years of experience and only 7.7% of respondents have more than 20 years of work experience. This result concerning the work experience indicates that the majority of employees are relatively early to mid-career professionals and this can in turn influence their perspectives on organizational practices and employee engagement.

4.2. Descriptive statistics of the level of agreement of the respondents

A researcher employs an itemized rating scale to establish a range. The respondents' attitudes towards each variable were assessed using this range. The range is formulated using the subsequent equation (Bougie & Sekaran, 2025). The composite mean value signifies the average of all respondents' perspectives on a certain dimension. On the other hand, the standard deviation quantifies the variability in answers. A high standard deviation signifies increased variability in participants' perceptions, reflecting a broad spectrum of viewpoints on a specific dimension. In contrast, a low standard deviation indicates a more uniformity of opinion among respondents about the issue at hand.

Responses were gathered using a five-point Likert scale, where:

1 = Strongly Disagree,

2 = Disagree,

3 = Neutral,

4 = Agree and

5 = Strongly Agree.

To facilitate clearer interpretation, the scales were redefined as follows:

Itemized rating scale: $\frac{Max - Min}{5} = \frac{5 - 1}{5} = \mathbf{0.80}$

The mean of each individual item ranging from 1- 5 falls in the following interval:

Table 5: Interval Means of perception

Interval of Means	Perception
1.00 – 1.80	Strongly Disagree
1.81 – 2.60	Disagree
2.61 – 3.40	Neutral
3.41 – 4.20	Agree
4.21 – 5.00	Strongly Agree

Table 6: Mean Value and standard deviation of Respondents' Perception by their Demography

Variable	Category	SEO	SMM	PPC	MM	EM	OP
Bank	Awash Bank	4.16 (0.39)	3.58 (0.45)	3.83 (0.39)	3.90 (0.46)	3.61 (0.66)	3.82 (0.40)
	COOP Bank	4.04 (0.47)	3.82 (0.47)	3.86 (0.38)	3.84 (0.45)	3.64 (0.66)	3.87 (0.41)
Gender	Male	4.10 (0.45)	3.62 (0.46)	3.82 (0.39)	3.85 (0.46)	3.65 (0.66)	3.80 (0.41)
	Female	4.17 (0.36)	3.80 (0.46)	3.89 (0.37)	3.94 (0.45)	3.53 (0.65)	3.93 (0.39)
Age	25–30 Years	4.16 (0.38)	3.73 (0.47)	3.82 (0.36)	3.86 (0.43)	3.58 (0.69)	3.87 (0.42)
	31–35 Years	4.08 (0.47)	3.69 (0.46)	3.94 (0.40)	3.91 (0.42)	3.57 (0.61)	3.81 (0.43)
	36–40 Years	4.12 (0.43)	3.56 (0.50)	3.78 (0.39)	3.88 (0.46)	3.54 (0.70)	3.77 (0.43)
	Above 40 Years	4.06 (0.45)	3.63 (0.42)	3.84 (0.41)	3.88 (0.53)	3.79 (0.60)	3.88 (0.33)
Education	BA/BSc Degree	4.22 (0.39)	3.65 (0.48)	3.76 (0.36)	3.90 (0.43)	3.60 (0.68)	3.85 (0.40)
	MA/MSc Degree	4.08 (0.44)	3.68 (0.46)	3.87 (0.39)	3.87 (0.47)	3.63 (0.65)	3.83 (0.41)
Experience	5–10 Years	4.19 (0.37)	3.76 (0.48)	3.86 (0.36)	3.89 (0.45)	3.59 (0.66)	3.87 (0.42)
	11–15 Years	4.09 (0.48)	3.57 (0.46)	3.78 (0.40)	3.94 (0.37)	3.64 (0.62)	3.84 (0.38)
	16–20 Years	4.04 (0.40)	3.66 (0.46)	3.92 (0.42)	3.77 (0.53)	3.72 (0.70)	3.80 (0.40)
	Above 20 Years	3.97 (0.54)	3.56 (0.37)	3.81 (0.38)	3.75 (0.60)	3.48 (0.73)	3.75 (0.41)

Source: SPSS output, 2026

Notes: *SEO = Search Engine Optimization, SMM = Social Media Marketing, PPC = Pay-Per-Click, MM = Mobile Marketing, EM = Email Marketing, OP = Organizational Performance*

The comparison of respondents' perception towards digital marketing practices among various demographic categories shows how different groups perceive the digital marketing practices.

For example, employees of Awash Bank had a slight perception of Search Engine Optimization (SEO) (mean= 4.16, SD = 0.39) than Cooperative Bank of Oromia, (mean = 4.04, SD = 0.47). In terms of Social Media Marketing (SMM) employees at COOP Bank rated it higher (mean = 3.82, SD = 0.47) than Awash Bank (mean = 3.58, SD = 0.45) which shows that COOP employees have more positive view of SMM. The score for Pay-Per-Click (PPC) Marketing for both banks was almost the same with Awash Bank scoring 3.83 (SD=0.39) and COOP scoring 3.86 (SD=0.38), indicating that both banks generally agree on its effectiveness.

When analyzing perception by gender, female respondents rated SEO slightly higher (mean = 4.17, SD = 0.36) than male respondents (mean = 4.10, SD = 0.45). On the other hand, males rated SMM lower (mean = 3.62, SD = 0.46) compared to females (3.80, SD = 0.46), indicating that female employees have more positive perception about SMM strategies. For PPC, females again rated it higher (mean = 3.89, SD = 0.37) than males (mean = 3.82, SD = 0.39), but for Email Marketing (EM), male respondents had a higher mean (mean = 3.65, SD = 0.66) compared to females (3.53, SD = 0.65).

Respondents aged 25–30 years rated SEO with mean value of 4.16 (SD = 0.38), slightly higher than the other age groups, indicating strong agreement with this practice; Those aged 31–35 years rated PPC the highest (mean = 3.94, SD = 0.40), but, employees above 40 years rated Email Marketing the highest (mean = 3.79, SD = 0.60), indicating a particular appreciation for this channel among older employees.

Regarding educational status, employees with a BA/BSc degree rated SEO the highest (mean = 4.22, SD = 0.39), showing strong belief in its effectiveness, whereas employees with MA/MSc degree had slightly lower mean for SEO (mean = 4.08, SD = 0.44) but rated PPC higher (mean = 3.87, SD = 0.39) than their BA/BSc counterparts (mean = 3.76, SD = 0.36)

showing that those with advanced degrees may recognize the value of PPC marketing more than those with undergraduate degrees.

Employees with 5–10 years of experience rated SEO the highest (mean = 4.19, SD = 0.37), indicating strong confidence in this area. For SMM, employees with 11–15 years of experience rated it lower (mean = 3.57, SD = 0.46) compared to those with 5–10 years (mean = 3.76, SD = 0.48) and 16–20 years (mean = 3.66, SD = 0.46) indicating that as employees gain more experience, their perception of SMM may become less positive. For Email Marketing, employees with more than 20 years of experience rated it the lowest (3.48, SD = 0.73), indicating a potential disconnect with this marketing strategy among more seasoned employees.

4.2.1. Respondents' view on Digital marketing practices and the Organizational Performance

4.2.1 Search Engine Optimization

Table 7: Perception on Search Engine Optimization

Item	Mean	SD
The banks have a clear strategy for improving their online visibility through search engines.	4.34	0.718
The banks regularly update their website content to improve search engine ranking.	4.17	1.132
The banks use keywords and content optimization techniques to attract online customers.	3.92	0.872
The banks monitor website traffic and search performance using analytics tools.	3.86	0.718
SEO activities in the banks are consistent and well-managed over time.	4.3	0.759
Grand mean	**4.12**	**0.8398**

As shown in the table above, the results regarding Search Engine Optimization (SEO) practices among the banks indicate a generally positive perception of the respondents. For example if the banks have a clear strategy for improving their online visibility through search engines, respondents expressed their agreement with the calculated mean value of 4.34 (SD = 0.718) showing that employees believe the banks have a well-defined approach to enhancing their presence on search engines; this is important to attract online customers.

Concerning the regular updating of website content to improve search engine ranking,

the respondents have similarly scored high mean (mean = 4.17, SD = 1.132). This indicates strong agreement among respondents that the banks prioritize maintaining fresh and relevant content. This is also essential for SEO success. However, the higher standard deviation indicate that some variability in opinions, showing that many employees agree, but there are other respondents who are less certain about the frequency of content updates. Respondents rated the use of keywords and content optimization techniques to attract online customers with a mean of 3.92 (SD = 0.872); this is still in the "Agree" range but closer to the neutral zone. This indicates that though employees recognize the importance of keywords and content optimization, there is need for improvement in how these techniques are applied or communicated in the banks.

Regarding the monitoring of website traffic and search performance using analytics tools respondents indicated a general agreement that the banks utilize analytics to assess their SEO performance (mean = 3.86, SD = 0.718). This could imply that though monitoring is acknowledged, employees may feel that more emphasis could be placed on utilizing these understandings effectively. Also, the statement on consistency and management of SEO activities over time received a mean of 4.30 (SD = 0.759), indicating strong agreement from respondents. This suggests that employees feel that the banks maintain a systematic approach towards their SEO efforts. This is crucial for long-term digital marketing success.

4.2.2 Social Media Marketing

Table 8: Perception on social media marketing

Item	Mean	SD
The banks actively use social media platforms to promote their services.	4.08	0.839
The banks post marketing content consistently across social media platforms.	3.28	1.158
Social media marketing is used to engage customers through comments, messages and feedback.	3.09	1.094
The banks use social media advertising to target specific customer groups.	3.86	0.667
The banks measure social media campaign performance (likes, reach, engagement, conversions).	3.75	0.853
Social media platforms are used to improve customer awareness about the banks' products.	3.95	0.835
Grand mean	**3.668333**	**0.907667**

Based on the survey results in the table above it can be concluded that the respondents have a positive view of Social Media Marketing (SMM) practices. The first item “the banks actively use social media platforms to promote their services” scored a mean of 4.08 (SD = 0.839), which is within the range of “Agree” according to the criteria adopted in this study. This shows that the workers think that the banks are using the social media as a promotional tool for their services in an effective way. However, the second item regarding the consistency of posting marketing content across social media platforms scored significantly lower, with a mean of 3.28 (SD = 1.158). This score is closer to the “Neutral” range, showing that though some employees agree with the statement, there is considerable variability in opinions which indicate that employees perceive inconsistencies in the frequency or quality of social media posts. This can affect the overall effectiveness of the banks' social media strategies.

When asked about the use of social media marketing to engage customers through comments, messages and feedback, received a mean score of 3.09 (SD = 1.094), placing it in the “Neutral” range; this also indicate that respondents are uncertain about the effectiveness of the banks' engagement strategies on social media. The lower score indicates that there are areas the banks should improve to enhance their interaction with customers through these platforms to create better engagement. In addition, respondents have a general agreement that the banks are implementing targeted advertising strategies effectively as the mean score of 3.86 (SD = 0.667) for the use of social media advertising to target specific customer groups indicates. This is important for reaching the right audience with their marketing efforts.

Respondents rated the measurement of social media campaign performance including metrics such as likes, reach, engagement and conversions, with a mean of 3.75 (SD = 0.853). This score shows mixed perception of the respondents with both positive and negative stances pointing to the area the banks should consider improving. Also, for the item concerning the use of social media platforms to improve customer awareness about the banks' products, respondents mean rating was calculated as 3.95 (SD = 0.835) showing agreement among respondents that social media is effectively contributing to customer awareness.

4.2.3 Pay-Per-Click Marketing

Table 9: Perception on Pay-Per-Click Marketing

Item	Mean	SD
The banks use paid online advertisements (e.g., Google Ads, sponsored ads) to attract customers.	3.91	0.813
PPC campaigns are targeted to specific customer segments based on location, interest, or demographics.	3.94	0.882
The banks allocate a planned budget for PPC advertising activities.	3.88	0.762
PPC performance is monitored using metrics such as clicks, leads and conversion rate.	3.79	0.722
PPC advertising helps the banks attract customers more quickly than traditional marketing.	3.68	0.777
Grand mean	**3.84**	**0.7912**

Pay-Per-Click (PPC) is another digital marketing practice the two banks are applying and this marketing practice indicate a generally positive perception among respondents. The banks use paid online advertisements (e.g., Google Ads, sponsored ads) to attract customers (Mean= 3.91 SD = 0.813) falling in "Agree" range. This means employees believe the banks effectively utilize paid online advertisements as a strategy to attract new customers but there are respondents who disagreed with this statement or have neutral stance. Targeting of PPC campaigns to specific customer segments based on location, interest, or demographics, scored slightly higher with a mean of 3.94 (SD = 0.882); respondents showed agreement that the banks are implementing targeted advertising strategies, which is important for optimizing the effectiveness of PPC campaigns by reaching the right audience. Respondents rated the allocation of a planned budget for PPC advertising activities with a mean of 3.88 (SD = 0.762), show positive perception that the banks are financially planning for their PPC efforts indicating that employees recognize the importance of budgeting in ensuring the success of PPC initiatives and indicates a structured approach to managing these marketing activities.

The item regarding monitoring the performance of PPC using metrics such as clicks, leads and conversion rates received an average score of 3.79 (SD = 0.722), which shows general agreement that banks are measuring the effectiveness of their PPC campaigns. however, this score is relatively lower than the previous items, meaning that although monitoring is acknowledged, there is an opportunity to better utilize the metrics to enhance future campaigns.

The mean score for the statement about PPC advertising helping the banks to attract customers more quickly than traditional marketing was 3.68 (SD = 0.777) which is in the "Agree" range, suggesting that employees believe that PPC advertising is an effective way to speed up customer acquisition compared to traditional marketing methods. However, the relatively lower score compared to other items show that there may be some reservation about the speed and efficiency of PPC in comparison to other marketing strategies.

4.2.4 Mobile Marketing

Table 10: Perception on Mobile Marketing

Item	Mean	SD
The banks use mobile-based platforms (SMS, mobile apps, notifications) for marketing purposes.	3.97	0.836
Mobile marketing messages are timely and relevant to customers.	4.14	1.049
Mobile marketing helps the banks communicate promotional offers effectively.	3.79	0.849
The banks use mobile platforms to strengthen customer interaction and service accessibility.	3.75	0.72
Mobile marketing is integrated with other digital marketing activities of the banks.	3.73	0.848
Grand mean	**3.88**	**0.860**

According to the results presented in the table above, the respondents have generally positive view about the Mobile Marketing practices among the banks. When they asked if the banks use mobile-based platforms (SMS, mobile apps, notifications) for marketing purposes, the respondents mean response was 3.97 (SD = 0.836) indicating their agreement that employees believe the banks effectively utilize mobile platforms to reach their customers. The timeliness and relevance of mobile marketing messages, scored even higher at 4.14 (SD = 1.049) indicating that strong agreement among respondents that the banks provide timely and relevant information through mobile marketing channels. However, the higher standard deviation shows that there is some variability in opinions, but overall, it reflects a positive view of how well the banks communicate with their customers via mobile.

Respondents rated the effectiveness of mobile marketing in communicating promotional offers with a mean of 3.79 (SD = 0.849), the score which is in the "Agree" range, indicating that employees recognize the value of mobile marketing in promoting offers. However, the score is

lower than the previous items. This shows that though mobile marketing is effective to enhance the clarity and appeal of promotional communications. The use of mobile platforms to strengthen customer interaction and service accessibility has also received general agreement as the mean value of the items indicates (mean= 3.75, SD = 0.720). This score indicates a general agreement that mobile platforms facilitate better interaction and accessibility for customers; the employees see the potential of mobile platforms, but with some need to enhance customer engagement and service delivery through these channels.

The statement about the integration of mobile marketing with other digital marketing activities also scored similar mean value (mean = 3.73, SD = 0.848), which shows a positive perception, indicating that employees believe mobile marketing is being effectively integrated with other marketing strategies. However, the score is lower than the other items. this shows that there is a need for improvement in ensuring seamless integration across all digital marketing efforts.

4.2.5 Email Marketing

Table 11: Perception on E-mail Marketing

Item	Mean	SD
The banks use email marketing to communicate promotional information to customers.	3.54	0.94
Email marketing messages are personalized and targeted to specific customer groups.	4.07	1.039
Email marketing is used to educate customers about new products and services.	3.5	1.103
The banks send emails consistently and professionally.	3.5	1.016
Email marketing effectiveness is monitored using response metrics (open rate, click rate, customer feedback).	3.47	1.093
Grand mean	**3.62**	**1.038**

The table above shows the varied perception of the respondents regarding Email Marketing practices among the banks. Respondents have shown the banks use email marketing to communicate promotional information to customers," received a mean score of 3.54 (SD = 0.94). indicating that employees are agree with the effectiveness of email marketing as a promotional tool, indicate that though there is some recognition of its use. Regarding the personalization and targeting of email marketing messages to specific customer groups, scored higher mean, 4.07 (SD

= 1.039). This indicates general agreement among respondents that the banks effectively personalize their email communications. But the higher standard deviation indicates the presence of variability in responses though positive perception dominates.

Respondents rated the use of email marketing to educate customers about new products and services with a mean of 3.50 (SD = 1.103), which is in the "agree" range. This indicates that respondents acknowledged the educational efforts, but some employees feel that these initiatives are not as strong enough as the standard deviation shows. Also, the consistency and professionalism of email communications received agreement with the mean value of 3.50 (SD = 1.016), which indicates that employees believe in the regularity and professionalism of the banks' email marketing efforts. Also, the statement about monitoring email marketing effectiveness using response metrics such as open rates, click rates and customer feedback scored a mean of 3.47 (SD = 1.093) tending slightly to agreement. Respondents have believed that the banks are tracking the performance of their email campaigns, but it is relatively low. This shows that this practice needs improvement in how these metrics are utilized to inform and refine email marketing strategies.

4.2.6 Organizational Performance

Table 12: Perception on organizational performance

Item	Mean	SD
Digital marketing practices have contributed to the improvement of the banks' profitability.	4.24	1.12
Digital marketing practices have improved the banks' ability to attract new customers.	3.76	0.812
Digital marketing practices have improved customer awareness of The banks' services.	3.8	0.629
Digital marketing practices have improved customer satisfaction.	3.55	0.699
Digital marketing practices have improved the banks' market share.	3.85	0.818
Grand mean	**3.84**	**0.816**

The table above provides the descriptive results of the respondent's perception regarding organizational performance of the banks. The overall responses generally show positive perception among respondents. For example, the digital marketing practices have contributed to the improvement of the banks' profitability," received high mean score of 4.24 (SD = 1.12) indicating strong agreement of the employees that digital marketing initiatives have a significant

positive impact on the banks' profitability. They also agree that the banks have improved their ability to attract new customers through digital marketing practices (Mean =3.76 SD = 0.812). However, the mean score is lower than the profitability score showing that even though employees recognize the effectiveness of digital marketing in attracting new customers, there was some reservations about its overall impact compared to profitability.

Respondents rated the improvement of customer awareness of the banks' services through digital marketing practices with a mean of 3.80 (SD = 0.629) reflecting general agreement that digital marketing has effectively increased customer awareness. This strengthens the value of these practices in enhancing visibility and understanding of the banks' offerings. The impact of digital marketing on customer satisfaction was also perceived positively by received a mean score of 3.55 (SD = 0.699). Respondents have acknowledged the digital marketing's role in improving customer satisfaction, but some respondent feel that this impact is not as strong. In addition, the statement about the improvement of the banks' market shares due to digital marketing practices show a mean of 3.85 (SD = 0.818) that indicates a general agreement that digital marketing contributes positively to market share growth. This also agrees with the positive perception of profitability and customer acquisition.

4.3 Comparative Analysis of Digital Marketing Perception between Banks

Table 13: Results of independent samples t-test

	Levene's Test for Equality of Variances		t-test for Equality of Means				
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Search Engine Optimization	2.698	0.102	2.292	283	0.023	0.119	0.052
			2.188	188.161	0.03	0.119	0.054
Social Media Marketing	0.567	0.452	-4.169	283	0	-0.233	0.056
			-4.115	209.11	0	-0.233	0.057
Pay-Per-Click Marketing	0.007	0.936	-0.765	283	0.445	-0.036	0.047
			-0.77	221.728	0.442	-0.036	0.047
Mobile Marketing	0.298	0.585	0.922	283	0.357	0.052	0.056
			0.924	218.921	0.356	0.052	0.056
Email Marketing	0.309	0.579	-0.378	283	0.706	-0.031	0.081
			-0.377	216.783	0.706	-0.031	0.081
Organizational Performance	0.051	0.821	-1.011	283	0.313	-0.050	0.050
			-1.007	215.013	0.315	-0.050	0.050

The t-test results presented in the table above compares the perception of digital marketing practices between Awash Bank and Cooperative Bank of Oromia (COOP). Accordingly, for there is significant difference between the two banks regarding Search Engine Optimization (SEO). The results indicate that Awash Bank's practices this strategy more than those of COOP, ($t = 2.292$, $df = 283$, $p = 0.023$). Respondents believe Awash Bank has more effective SEO strategy compared to COOP. Also, Social Media Marketing also show highly significant difference as respondents perceiving COOP's practices to be superior to those of Awash Bank ($t = -4.169$, $df = 283$, $p = 0.000$); employees believe COOP is more effective in its social media marketing efforts than Awash Bank.

However, there is no significant differences between the two banks regarding Pay-Per-Click (PPC) Marketing ($t = -0.765$, $p = 0.445$), Mobile Marketing ($t = 0.922$, $p = 0.357$), Email Marketing ($t = -0.378$, $p = 0.706$) and Organizational Performance ($t = -1.011$, $p = 0.313$) - both banks in these areas to be relatively similar.

4.4 Inferential Statistics

The researcher used correlation and regression analysis to determine the effect of digital marketing practice on organizational performance in banking sector. The results of Correlation, ANOVA and regression coefficients are provided in the following sections.

4.4.1 Correlation Analysis

Evans (1996) states that the correlation coefficient varies from -1 to +1, with the sign denoting the relationship's direction, a correlation value of 0 indicates an absence of relationship between the variables. Values ranging from 0.00 to 0.19 signify a very weak relationship, from 0.20 to 0.39 suggest a weak relationship, from 0.40 to 0.59 denote a moderate relationship, from 0.60 to 0.79 represent strong link and values from 0.80 to 1.00 exemplify a very strong relationship. A coefficient of 1 signifies an ideal relationship.

Table 14: Classification of Correlation Coefficient Result

> 0.00 to 0.20; < -0.00 to –0.20	Very weak or very low
> 0.20 to 0.40; < -0.20 to –0.40	Weak or low
> 0.40 to 0.60; < -0.40 to –0.60	Moderate
> 0.60 to 0.80; < -0.60 to –0.80	Strong or high
0.80 to 1.00; < -0.80 to –1.00	Very high or very strong

Table 15: Correlation Matrix

		OP	SEO	SMM	PPC	MM	EM
OP	Pearson Correlation	--					
SEO	Pearson Correlation	.594**	--				
	Sig. (2-tailed)	.000					
SMM	Pearson Correlation	.370**	.123*	--			
	Sig. (2-tailed)	.000	.038				
PPC	Pearson Correlation	.088	-.017	.215**	--		
	Sig. (2-tailed)	.137	.780	.000			
MM	Pearson Correlation	.637**	.588**	.217**	-.054	--	
	Sig. (2-tailed)	.000	.000	.000	.368		
EM	Pearson Correlation	.478**	.371**	.094	.169**	.450**	--
	Sig. (2-tailed)	.000	.000	.114	.004	.000	
	N	285	285	285	285	285	285

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output, 2026

Notes: *SEO = Search Engine Optimization, SMM = Social Media Marketing, PPC = Pay-Per-Click, MM = Mobile Marketing, EM = Email Marketing, OP = Organizational Performance, *p = .05 (2-tailed), **p = .01 (2-tailed)*

As indicated in the table above, the strongest correlation is observed between organizational performance and mobile marketing (r = 0.637, p = 0.000) indicating strong positive relationship. This shows that effective mobile marketing strategies are closely associated with improved organizational performance. Search Engine Optimization (SEO) also shows strong positive correlation with organizational performance (r = 0.594, p = 0.000) showing that as the effectiveness of SEO practices increases, so does the perceived performance of the banks. Email marketing shows a moderate positive correlation with organizational performance (r = 0.478, p = 0.000). This indicates that improvements in email marketing practices are associated with better organizational outcomes. The Social Media Marketing, on the other hand shows a weaker correlation with organizational performance (r = 0.370, p = 0.000). Even though this correlation is statistically significant, it is less strong compared to SEO and mobile marketing.

Pay-Per-Click (PPC) marketing found to have negligible correlation with organizational performance (r = 0.088, p = 0.137); there is no significant relationship between PPC practices and organizational performance.

4.4.2 Regression Analysis

To consider the results of regression analysis valid, the model assumption should met. Accordingly different assumptions of multiple linear regression assumptions are tested and presented as follows:

4.4.2.1 Assumption one: Multicollinearity

Table 16: Multicollinearity test for all Constructs

Coefficients[a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Search Engine Optimization (SEO)	.640	1.563
	Social Media Marketing Practice	.898	1.113
	Using Pay-per-click (PPC)	.896	1.116
	Mobile Marketing practice	.559	1.790
	Using Email Marketing practice	.742	1.348
a. Dependent Variable: Organizational Performance			

Source: SPSS output, 2026

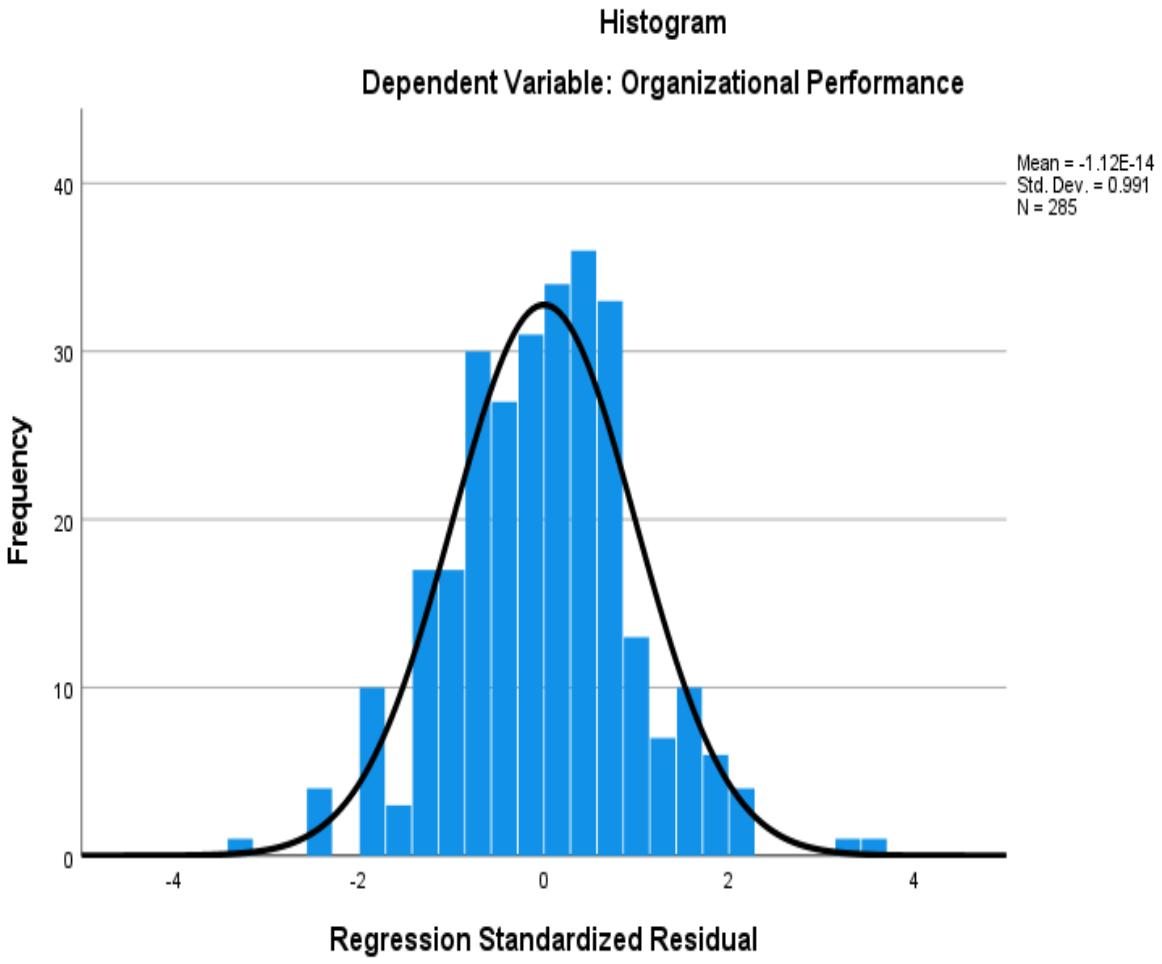
Independent variables must not exhibit multicollinearity to be incorporated in multiple linear regressions. This study assessed multicollinearity among independent variables using the variance inflation factor (VIF) in SPSS 27, with a VIF threshold of less than 5 and a tolerance range between 0.1 and 1 to confirm the absence of substantial multicollinearity among the dependent variable. As per Gujarati (2004), a VIF of 1 indicates no association among independent variables, while a VIF greater than 10 signifies a possible issue. This research reveals that all VIF values are below 10 and tolerance values exceed 10%, signifying the lack of multicollinearity among the explanatory factors. No multicollinearity issues were identified in the current data, as tolerance values were below 1 and VIF values ranged from approximately 1.00 to less than 1.79, signifying the absence of multicollinearity.

4.4.2.2 Assumption Two: Normal Distribution of Residuals

Parametric tests presume that the variable follows a normal distribution, indicating it is not skewed in either direction from the norm. In linear regression analysis, residuals must exhibit

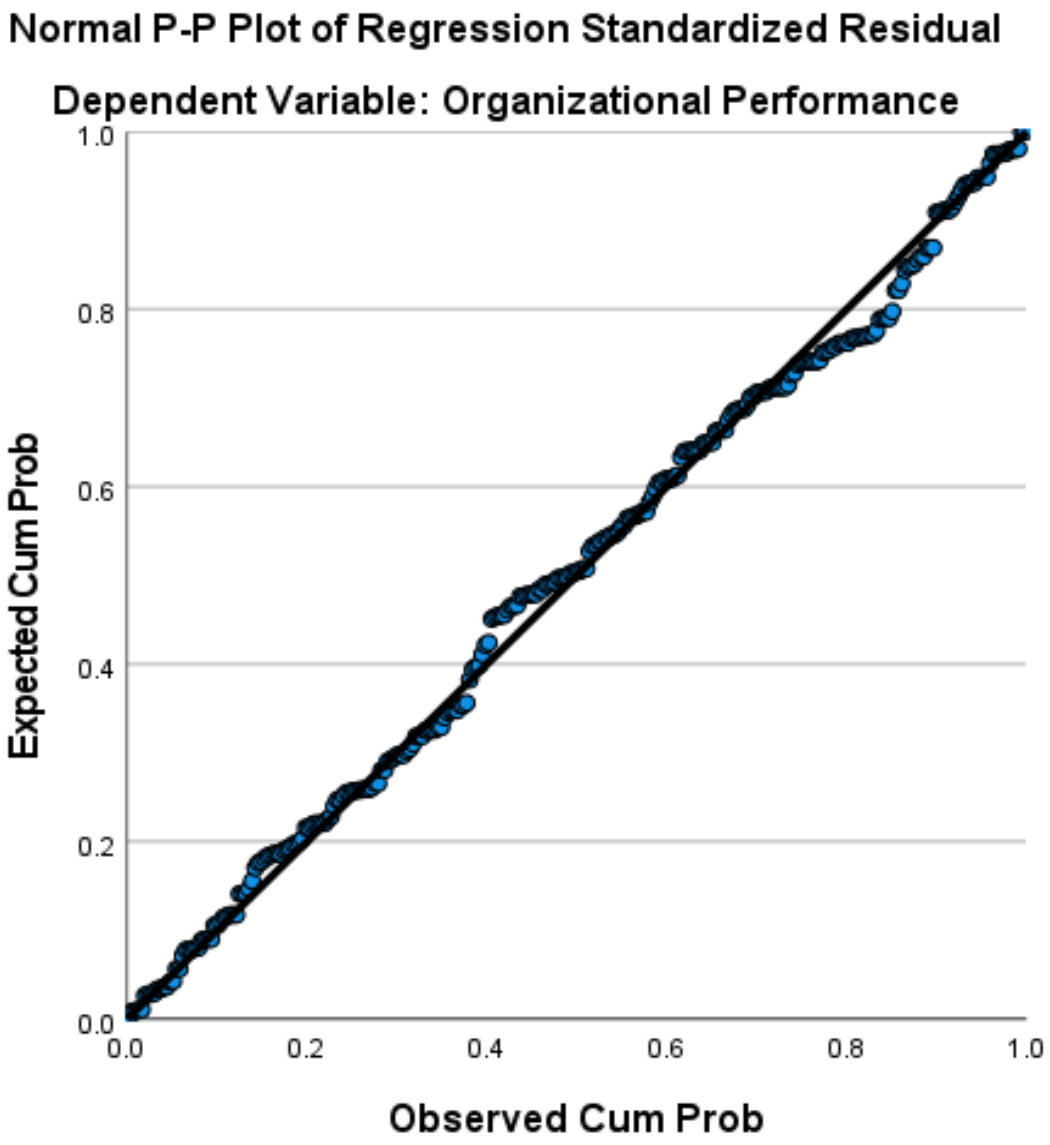
a normal distribution for the results to be deemed valid. The normal probability plot is an effective graphical method for evaluating the distribution of a data set. It necessitates plotting the data points against a theoretical normal distribution, with the expectation that the points will align closely along a straight line if the data adheres to a normal distribution. This method offers a visual evaluation of the extent to which the dataset aligns with the attributes of a normal distribution. Variations from the line in the graph indicate a departure from normalcy in the data. A linear trend in the graph suggests that the dataset is roughly regularly distributed. On the other hand, deviations, twists, or bends in the line signify potential departures from normality. The data exhibited a normal distribution, as seen by the bell-shaped curve of the histogram in this study. The P-P plot is a linear representation devoid of outliers, affirming normalcy.

Figure 2: Normality test using Histogram



Source: SPSS output, 2026

Figure 3: Normality test using P-P Plot

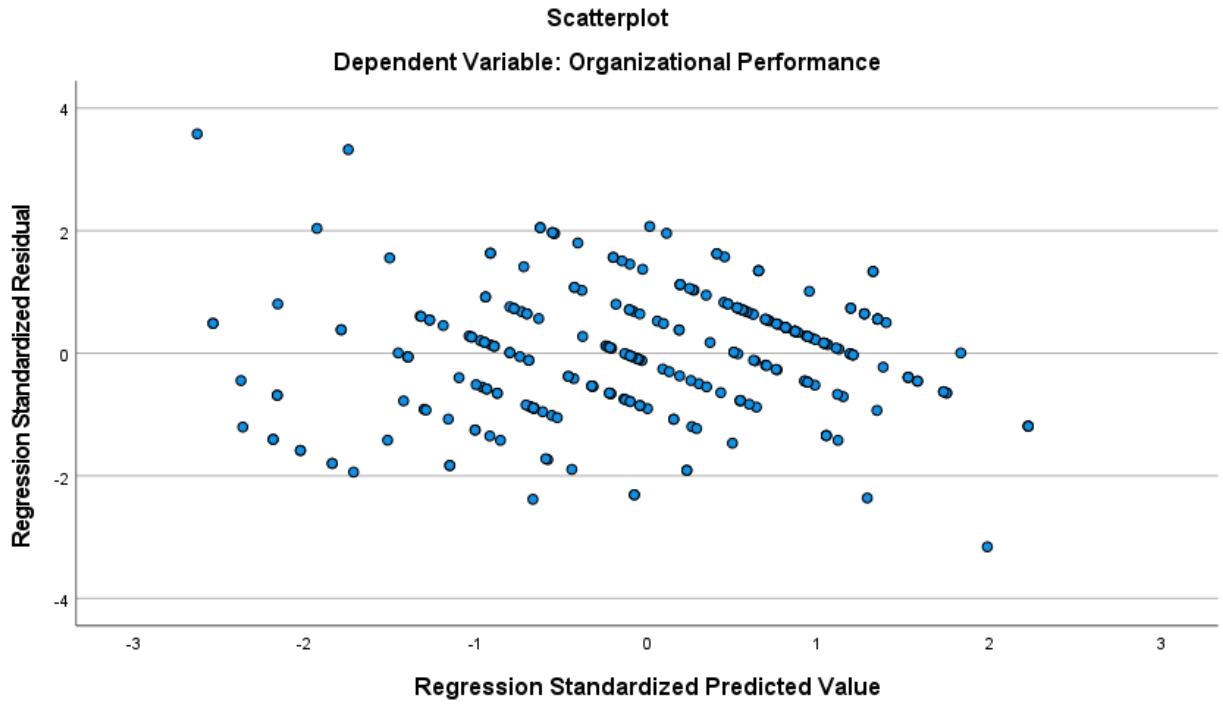


Source: SPSS output, 2026

The understandings gained from Figure 2 are data normality was tested using histogram and P-P plot presented above shows that the data is equally distributed. There is no significant skew in both sides.

4.4.2.3 Assumption Three: Homoscedasticity

Figure 4: Homoscedasticity test using scatterplot



Source: SPSS output, 2026

The scatter plot above indicates that the data points lack a consistent pattern. The absence of a distinct pattern enables us to determine if the regression model is free from heteroscedasticity concerns. In other words, there is no consistent alteration in the dispersion or variability of residuals throughout the spectrum of predictor values. The lack of a discernible pattern in the scatter plot suggests that the requirement of constant variance in the residuals, essential for proper regression analysis, is satisfied.

Assumption Four: Autocorrelation

Autocorrelation occurs when the dependent variable at time t is related to its value at the previous time period. The Durbin-Watson test detects auto-correlation in regression analysis. A value of 2 indicates no autocorrelation and the acceptable range for no autocorrelation is 1.5<DW<2.5. For this study the Durbin-Watson value is 2.051, which falls in the acceptable range showing no significant autocorrelation.

4.5 Model Results

Table 17: Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.754[a]	.568	.560	.26779	2.051

Source: SPSS output, 2026

The regression model shows positive correlation between the predictors (Email Marketing, Social Media Marketing, Pay-Per-Click Marketing, Search Engine Optimization and Mobile Marketing) and the dependent variable, organizational performance (R = 0.754). The R^2 value of 0.568 indicates that approximately 56.8% of the variance in organizational performance can be explained by these digital marketing practices.

Table 18: ANOVA results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26.320	5	5.264	73.404	.000[b]
	Residual	20.008	279	.072		
	Total	46.328	284			

Source: SPSS output, 2026

The ANOVA results support the significance of the regression model (F=73.404, P=0.000) indicating that the overall regression model is statistically significant. The low p-value also confirms the strength of the relationship between the predictors and the outcome variable.

4.6 Regression Coefficient Analysis

In regression analysis, the coefficient tells us the change in the dependent variable, given a one unit increase in the independent variable, holding the other variables constant. This is a measure of how strong the relationship is between the two. There are two kinds of coefficients: unstandardized (beta) coefficients and standardized coefficients. The former indicate the change in the dependent variable per unit change in the independent variable, while the latter indicate this change in units of standard deviation. The p-value tells us how likely it is that the coefficient we observe is due to chance and the p-value indicates how significant the coefficient is.

Table 19: Regression Coefficient result

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.262	.241		1.088	.278
	SEO	.289	.047	.306	6.212	.000
	SMM	.207	.036	.239	5.768	.000
	PPC	.028	.044	.026	.633	.528
	MM	.282	.047	.319	6.061	.000
	EM	.119	.028	.194	4.244	.000

a. Dependent Variable: Organization Performance

Source: SPSS output, 2026

Notes: *SEO = Search Engine Optimization, SMM = Social Media Marketing, PPC = Pay-Per-Click, MM = Mobile Marketing, EM = Email Marketing*

The regression coefficients show the effect of individual predictor on the dependent variable. As shown in the table above, the Mobile Marketing become the most influential variable having strong effect on organizational performance with the beta value of 0.319 (p = 0.000). This shows the importance of mobile strategies in engaging customers effectively and the finding is key in today's digital landscape where mobile usage is prevalent. Mobile Marketing is followed by SEO with the standardized beta value of (beta = 0.306, p = 0.000) this indicates that effective SEO practices significantly contribute to the visibility and reach of the banks' services resulting in improved organizational performance.

Social media Marketing also played a significant role in the organizational performance (beta = 0.239, p = 0.000); this means that effective social media strategies contribute positively to the organizational performance. The findings show that using social media platforms can result in more effective customer engagement and ultimately improve organizational performance. Email Marketing also shows a positive effect (beta = 0.194, p = 0.000), suggesting that targeted email campaigns can increase customer engagement and satisfaction, thus contributing to better organizational performance. However, its effect is lesser than that of SEO and Mobile Marketing.

Conversely, Pay-Per-Click (PPC) marketing has no statistically significant effect on organizational performance (β = 0.026, p = 0.528). The small beta coefficient suggests that PPC marketing contributes minimally to organizational performance and may be less effective in driving organizational success in the banking sector compared to the other digital marketing strategies investigated in this study.

4.6.1. The analysis for each hypothesis based on the regression results

To test the hypotheses, we need to examine the significance levels (Sig.) of the coefficients associated with each independent variable in the regression analysis. If the significance level (Sig.) is less than the predetermined alpha level (usually 0.05), we reject the null hypothesis (Ho) and conclude that there is a significant relationship between the independent variable and the dependent variable.

1. Hypothesis 1 (Ho1: Search Engine Optimization (SEO) has positive impacts on organizational performance in the banking sector): The coefficient for "Using the Search Engine Optimization (SEO) helps" is 0.306, with a t-value of 6.212 and a significance level of 0.000. Since the p-value is less than the significance level (α = 0.05), we reject the null hypothesis. Thus, there is evidence to suggest that Search Engine Optimization (SEO) has a statistically significant positive impact on organizational performance in the banking sector.
2. Hypothesis 2 (Ho2: Social Media Marketing practice positively impacts organizational performance in the banking sector): The coefficient for "Marketing on social media platforms" is 0.239, with a t-value of 5.768 and a significance level of 0.000. Since the p- value is less than the significance level (α = 0.05), we reject the null hypothesis. Therefore, there is evidence to support that Social Media Marketing strategy has a statistically significant positive impact on organizational performance in the banking sector.
3. Hypothesis 3 (Ho3: Usage of Pay-Per-Click (PPC) marketing strategies have positive impact on organizational performance in the banking sector): The coefficient for "Pay-Per- Click (PPC) has positive impact" is 0.026, with a t-value of 0.633 and a significance level of 0.528. Since the p-value is greater than the significance level (α = 0.05), we fail to reject the null hypothesis. Therefore, there is insufficient evidence to suggest that the usage of Pay-Per- Click (PPC) marketing practice has a statistically significant positive impact on organizational performance in the banking sector.

4. Hypothesis 4 (Ho4: Adoption of Mobile marketing practice positively impacts organizational performance in the banking sector): The coefficient for "Mobile Marketing has positive impact" is 0.319, with a t-value of 6.061 and a significance level of 0.000. Since the p-value is less than the significance level ($\alpha = 0.05$), we reject the null hypothesis. Hence, there is evidence to suggest that adoption of Mobile marketing practice has a statistically significant positive impact on organizational performance in the banking sector.

5. Hypothesis 5 (Ho5: Using Email marketing practice positively impacts organizational performance in the banking sector): The coefficient for "Email marketing has positive impact" is 0.194, with a t-value of 4.244 and a significance level of 0.000. Since the p-value is less than the significance level ($\alpha = 0.05$), we reject the null hypothesis. Thus, there is evidence to indicate that using Email marketing strategy has a statistically significant positive impact on organizational performance in the banking sector.

Table 20: Summary of hypotheses testing

Hypothesis	Evidence	Decision
H1: SEO has a significant positive impact on overall organizational performance in the banking sector.	($\beta = 0.306$, $p = 0.000$)	Supported
H2: Social media platforms have a significant positive impact on overall organizational performance in the banking sector.	($\beta = 0.239$, $p = 0.000$)	Supported
H3: PPC marketing strategy has a significant positive impact on overall organizational performance in the banking sector.	($\beta = 0.026$, $p = 0.528$)	Not Supported
H4: Mobile marketing strategy has a significant positive impact on overall organizational performance in the banking sector.	($\beta = 0.319$, $p = 0.000$)	Supported
H5: Email marketing strategy has a significant positive impact on overall organizational performance in the banking sector.	($\beta = 0.194$, $p = 0.000$)	Supported

Source: own survey, 2026

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 \cdots + \beta nXn + \varepsilon$$

$$OP = \beta 0 + \beta 1(SEO) + \beta 2(SMM) + \beta 3(PPC) + \beta 4(MM) + \beta 5(EM) + \varepsilon$$

$$OP = \beta 0 + 0.306SEO + 0.239SMM + 0.026PPC + 0.39MM + 0.194EM + \varepsilon$$

Where;
OP = Organizational Performance, SEO = Search Engine Optimization SMM = Social Media Marketing, PPC = Pay-Per-Click, MM = Mobile Marketing, EM = Email Marketing

4.7 Discussion

The findings of this study indicate that respondents generally perceive a positive impact of digital marketing practices on organizational performance. Employees recognize the value of these practices in fostering customer engagement, increasing visibility and enhancing overall efficiency. This positive perception indicates that banks are using digital marketing effectively to achieve business results, which is important in the current competitive landscape.

The current finding regarding Search Engine Optimization shows significant positive effect on the organization performance. The research shows that the employees of both banks have a good understanding of SEO strategies aimed at improving online visibility with a focus on regular content updates and keyword optimization. The regression analysis shows that SEO has a statistically significant impact on organizational performance. It means that better search engine leads to better customer acquisition and market reach (Dhungana, 2024). This finding is in line with recent studies on SME digital marketing adoption, where researchers found that search engine optimization significantly improved revenue, customer acquisition and profitability among small and medium-sized enterprises (Sharabati et al., 2024). The present study adds to this knowledge by showing that the effectiveness of SEO is not only limited to SMEs but also extends to the banking sector. This also means that systematic optimization of the digital presence is a benefit for financial institutions.

Findings from past studies have been consistent in their indication that SEO success is related to brand equity and market positioning, particularly for organizations in crowded digital environments (Chen & Sénéchal, 2023). The results of this research demonstrate the two-way relationship between SEO success and brand credibility among bank customers. The practical implication is the validation of theoretical models. However, the noted variability in employee opinions about SEO implementation suggests that while there is strategic commitment, some execution gaps may exist. In a thorough review of SME digital marketing, Caro et al. (2024) found that quality content, website interface and ranking algorithms are important factors influencing customer purchase intention and online visibility. It seems consistent with best practice that the banks focus on these elements.

The findings of this study on Social Media Marketing also show that the employees had

a positive perception of the social media strategies of both banks and acknowledged the effectiveness of the promotional tool and brand awareness. The regression analysis reveals that SMM has a positive effect on organizational performance. This validates the notion that better social media strategies result in enhanced customer interactions and organizational outcomes (Zeqiri et al., 2024). This finding is consistent with a wealth of empirical evidence from transition economies and emerging markets where social media marketing has significant positive effects on brand awareness, consumer brand engagement and purchase intention (Emini & Zeqiri, 2021). On this basis, the present study investigates the effect of SMM in the African banking context specifically. The results indicate that regular social media engagement adds meaningful value to organizational success metrics.

However, this paper finds some implementation challenges with the posting consistency and clarity of engagement strategy. Li *et al.* (2020) stated that the effectiveness of social media marketing depends on strategic consistency and targeted campaign design. Recent research on consumer brand engagement through social media shows that entertainment and trendiness significantly influence engagement levels. And that sustained customer-brand interactions drive loyalty intentions (Wahyu *et al.*, 2024). Another study on SME digital marketing performance found that developing targeted, consistent social media campaigns directly enhances customer engagement and business performance (Hamdani *et al.*, 2023). This indicates that addressing the identified gaps in posting consistency could support the positive effects observed in this research.

This study found that PPC Marketing does not have a significant effect on organizational performance despite employees' recognition of its use. This finding contrasts with literature on paid advertising effectiveness. Recent research on measuring ROI in paid advertising campaigns found that well-executed, data-driven paid advertising approaches can yield positive profitability effects (Almestarihi *et al.*, 2024). The current study shows that the banks' PPC implementations may suffer from measurement and optimization deficiencies rather than fundamental ineffectiveness of the strategy itself. This interpretation is consistent with findings from research on click fraud detection and PPC effectiveness, which shows that many organizations struggle with proper campaign optimization and performance monitoring (Rezaei et al., 2024).

Previous research on the effectiveness of digital marketing in financial services indicates that success in paid advertising relies on various elements such as the accuracy of targeting, the precision of conversion tracking and the ongoing optimization of campaigns (Yendra et al., 2024). The lower scores employees reported in performance monitoring and speed of customer acquisition shows that the banks may not be using advanced analytics capabilities to optimize their PPC campaigns. An analysis of digital marketing strategies in SMEs also found that monitoring customer engagement and adjusting campaigns based on data significantly improve paid advertising ROI (Sharabati et al., 2024). Thus, it is reasonable to assume that the current study's findings reflect a lack of implementation and optimization rather than inherent PPC inefficacy indicating the need for better campaign tracking infrastructure, better analytics capabilities and more sophisticated audience targeting strategies to unleash PPC's potential impact on organizational performance in banking.

The finding about Mobile Marketing shows that this marketing strategy has a significant positive effect on organizational performance. Respondents generally viewed the banks' mobile platform strategies positively and recognized the effectiveness of mobile marketing in enhancing customer engagement. This result is in line with a review result of digital marketing practices that found that mobile devices are key touch-points in customer journeys, with mobile marketing strategies significantly impacting customer engagement and satisfaction (Marino & Presti, 2018). Prior research examining customer engagement through mobile instant messaging and mobile platforms found that cognitive and emotional dimensions of customer engagement significantly affect satisfaction and service performance outcomes (Marino & Presti, 2018). The current study's finding that employees recognize strong relevance of mobile messages and appreciate the banks' engagement efforts through mobile channels validates theoretical models of mobile marketing effectiveness. Research on consumer attitudes toward mobile marketing indicates that when organizations exercise permission-based, trust-building and utility-focused approaches to mobile communication, customer acceptance increases (Watson *et al.*, 2013). Mobile marketing integration with other digital channels optimizes performance outcomes (Sharabati *et al.*, 2024), indicating that the banks can make use of mobile marketing's current positive effects through more comprehensive channel integration.

The findings regarding Email Marketing indicate that Email Marketing positively

affects organizational performance, though less influential than SEO or Mobile Marketing. This result agrees with recent literature on email marketing effectiveness establishes that despite evolving digital channels, email is key customer retention and engagement tool, with especially strong ROI potential (Sayeed, 2023). Prior research on the mechanisms of customer engagement and retention revealed that personalized e-mail communication has a significant impact on customer loyalty and satisfaction (Rini et al.,., 2024). The present research found lower scores in the educational content and performance monitoring dimensions, indicating that there are opportunities to improve the effectiveness of email marketing through content enrichment and analytics improvement. Machine learning applications in email marketing reveal that advanced segmentation, timing optimization and content personalization improve customer retention rate and engagement outcomes (Yadav et al., 2023). The positive but less pronounced effect in the current study compared to other channels suggests banks are not optimizing educational content, behavioral segmentation or advanced analytics-driven personalization but are instead using email primarily for promotional purposes. According to Hemalatha (2023), research on the incorporation of artificial intelligence into email marketing demonstrates that AI-powered tools for subject line optimization, send time determination and content recommendations can greatly enhance the effectiveness of email campaigns. Hence, the present finding of the positive, yet modest effect of email marketing, reveals a suboptimal application of advanced analytical and AI-driven optimization approaches, which recent research considers as important success factors.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

The purpose of this study was to look into how digital marketing affected COOP and Awash's organizational performance. This chapter offers a concise synopsis of the study's key findings, conclusions, suggestions based on the results found and future research directions.

5.1. Summary of Major Findings

The study examined how digital marketing strategies affected the COOP and Awash's organizational effectiveness. To ensure representativeness and relevance, the research methodology used purposive and random sampling techniques. Questionnaires were used to gather the data and informed permission and privacy protection procedures were adhered to.

The descriptive statistics shows that generally, the respondents have positive perception towards the implementation of digital marketing practices in the selected banks. Among the digital marketing dimensions, Search Engine Optimization (SEO) had the highest mean (Mean = 4.118, SD = 0.840), with respondents strongly agreeing that banks have been able to utilize SEO strategies to enhance their online visibility and customer reach. Mobile Marketing was rated second (Mean = 3.876, SD = 0.860) followed closely by Pay-Per-Click (PPC) Marketing (Mean = 3.840, SD = 0.791). This signifies positive perception about the use of mobile platforms and paid online advertising. In the meantime, Social Media Marketing (Mean = 3.668, SD = 0.908) and Email Marketing (Mean = 3.616, SD = 1.038) were also positively evaluated but their mean scores were lower compared to the previous. The mean overall score for Organizational Performance was 3.840 (SD = 0.816) indicating that respondents are in agreement that the banks are performing well and that there is a positive effect of digital marketing practices on organizational outcomes.

The independent samples t-test found significant differences between the two banks on only two dimensions of digital marketing. Awash Bank performed significantly better than COOP in Search Engine Optimization ($t = 2.292$, $p = 0.023$), whereas COOP performed significantly better than Awash Bank in Social Media Marketing ($t = -4.169$, $p < 0.001$). No statistically

significant differences were found for other digital marketing practices and organizational performance.

The results of the multiple regression analysis indicated that the digital marketing practices as a whole explained a high proportion of the organizational performance. The model yielded a high coefficient of correlation (R = 0.754) and an explanatory power of 56.8% (R2 = 0.568), meaning that more than 50% of the variation in organizational performance is explained by the five dimensions of digital marketing. The ANOVA results validated the overall significance of the model ($F = 45.014$, $p < 0.001$), indicating that the collective impact of digital marketing practices on organizational performance is statistically significant. The regression coefficients indicate that four of the five digital marketing practices significantly influence organizational performance. Mobile Marketing emerged as the strongest predictor ($\beta = 0.319$, $p < 0.001$), closely followed by SEO ($\beta = 0.306$, $p < 0.001$), showing the key role of mobile-based and search engine strategies in enhancing organizational outcomes. Social Media Marketing also exerted a significant positive effect ($\beta = 0.239$, $p < 0.001$), while Email Marketing showed a smaller but significant contribution ($\beta = 0.194$, $p < 0.001$). On the other hand, PPC Marketing did not significantly influence organizational performance ($\beta = 0.026$, $p = 0.528$). Therefore, the study supports the positive effects of SEO, Mobile Marketing, Social Media Marketing and Email Marketing on organizational performance, while the effect of PPC Marketing was not supported.

5.2. Conclusion of the Study

This study investigated the complex relationship of digital marketing practices and organizational performance in the Awash and COOP.

The study found that SEO is a core digital marketing capability and banks that have well defined SEO strategies enjoy the benefits of consistent employee understanding and buy-in. this results in better organizational performance. Results indicated that investment in SEO does not only increase visibility but also contributes significantly to organizational performance. Continued investment in SEO and clear internal communication regarding SEO goals and results will help fill customer acquisition pipelines and improve market visibility.

The findings shows that social media also has potential as a driver of performance. Employees have recognized social media's value for brand awareness and customer engagement, however, the inconsistencies in posting frequency and engagement strategy shows existing organizational gaps between strategic intent and operational delivery. Effective social media marketing is not just about showing up on a platform, it is about running coordinated campaigns, having clear engagement protocols and a consistent brand voice across touch points. The positive relationship with organizational performance suggests that banks that close these execution gaps with social media governance, editorial calendars and standardized engagement guidelines will see higher returns. This is in the sense that COOP was perceived as more powerful in social media, indicating that good performance in this channel is achieved when organizations follow structured, consistent methods instead of simply posting on impulse.

The Pay-Per-Click Marketing strategy was seen by the respondents as a good way for customer acquisition, but the lack of significant effect on organizational performance shows that there is an implementation gap regarding this strategy. PPC campaigns require sophisticated performance monitoring, conversion attribution accuracy and ongoing optimization to justify their investment. The lower confidence in performance monitoring and customer acquisition speed in this study suggests that banks may be deploying PPC tactically without the analytical infrastructure needed for effectiveness. Paid advertising also requires investment in ad spend and analytics capabilities, campaign tracking systems and optimization expertise.

The study reveals that Mobile marketing is a high impact channel where the strategic agreement between employee perception and organizational outcome is the strongest. The positive impact on performance and the high regard for mobile engagement efforts by employees suggest that banks are successfully linking mobile strategy to business results. This means that for mobile marketing to be successful, marketers need to think of mobile as the first customer touchpoint, not just an add-on channel and invest accordingly in mobile-optimized content, seamless user experiences.

Email marketing shows that a sustainable channel performance requires strategic depth beyond the simple use of promotional the findings indicate positive effects on organizational performance, but the smaller magnitudes compared to SEO and mobile, as well as the lower scores in educational content and performance monitoring, show that email is not used to its full

potential. This finding implies that the refinement of email strategy towards more personalized, educationally valuable and analytically optimized campaigns will greatly enhance customer loyalty and lifetime value, which will, in turn, result in improved organizational performance.

5.3. Recommendation

Based on the findings of this study the following recommendations are proposed:

- The findings show that the respondents were less positive about the banks using social media to interact with customers through comments, messages and feedback. Hence, both banks' marketing departments should have dedicated social media management teams, whose job will be to respond to customer inquiries, complaints and feedback on time.
- The results show that there are concerns about the consistency of social media content posting. Thus, marketing managers should develop monthly content calendars and assign staff to be responsible for posting relevant and high-quality content on all social media platforms on a regular basis.
- The findings of effectiveness of email marketing campaigns received relatively lower evaluations. So, marketing and customer relationship management units should keep a regular check on email performance indicators like open rates, click-through rates and customer responses. The results should be used to improve the effectiveness of communication and improve future email campaigns.
- The results indicate that the use of email marketing to inform customers about products and services requires improvement. Therefore, banks should design well-crafted email campaigns that are informative and customer-centric and that describe new products, digital services and financial opportunities in simple and plain language.
- The results revealed that PPC marketing did not significantly contribute to the organizational performance. Therefore, marketing managers should review the design, targeting and budget allocation of their PPC campaigns. Use customer data analytics to pinpoint the most relevant audience segments and boost the

effectiveness of paid advertisements.

- The findings indicate that some digital marketing practices should improve their monitoring and performance measurement activities. Hence, the bank management should invest in advanced digital analytics tools and train the marketing personnel on data analysis and performance monitoring.
- The results indicate that mobile marketing significantly influences the performance of the organization. Therefore, banks should also depend on the ongoing enhancement of mobile-based communication, via mobile applications, SMS notifications and personalized mobile services to strengthen their position.

5.4. Recommendation for Future Research

This study focused on private commercial banks and examined the direct effects of selected digital marketing practices on organizational performance. Future researchers are encouraged to extend the investigation to other sectors such as insurance, telecommunications, manufacturing, hospitality and retail industries to determine whether the observed relationships are consistent across different business contexts. In addition, future studies should incorporate moderating and mediating variables that may influence the relationship between digital marketing practices and organizational performance. Variables such as customer engagement, customer satisfaction, brand awareness, organizational innovation, digital capability, organizational culture and competitive intensity may provide a deeper understanding of the mechanisms through which digital marketing contributes to organizational success.

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APPENDICES

APENDICS I

Addis Ababa University

College of Business and Economics

Department of Management

INTRODUCTORY LETTER

Dear Sir/Madam,

I am conducting a study titled "The Effect of Digital Marketing Practice on Organizational Performance: The Case of Awash and COOP" as part of the requirements for my academic research.

The purpose of this study is to provide a comprehensive assessment of the impact of digital marketing practices on organizational performance in the banking sector and your understandings will be highly valuable in achieving meaningful findings.

I kindly request you to complete the attached questionnaire, as your responses will contribute significantly to the research. Please be assured that all information provided will remain strictly confidential and will be used solely for academic purposes.

I sincerely appreciate your time and cooperation in supporting this research. If you have any questions or concerns, please feel free to reach out.

Sincerely,

Kaftamu Tilahun

ht1219w@gmail.com

+251 919831283/+251 912410293

Thank you again!! Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

QUESTIONNAIRE

Dear Respondents,

This questionnaire is prepared for academic purposes to collect data for a research study entitled: "The Effect of Digital Marketing Practices on Organizational Performance: The Case of Awash and COOP."

The main purpose of this study is to assess the extent to which digital marketing practices (such as SEO, social media marketing, Pay-Per-Click, email marketing and mobile marketing) effect the organizational performance of Awash and COOP.

Your responses will be kept strictly confidential and will be used only for academic research purposes. You are kindly requested to answer all questions honestly and to the best of your knowledge.

General Instructions:

- ❖ Do not write your name on this questionnaire.
- ❖ Instructions for each section are provided before the respective questions.
- ❖ Answer all questions to the best of your knowledge.

SECTION I: Personal Information

Please respond the following question by writing the appropriate information on the space provided or by writing **"√"** mark in one of the boxes provided.

1. Gender: Male ☐ Female ☐
2. Age: 25-30 years ☐ 31-35 years ☐ 36-40 years ☐ above 40 years ☐
3. Educational Status: BA/BSc ☐ MA/MSc ☐ PhD ☐

   Other (please specify) _____
4. Work Experience: 5 -10 years ☐ 11-15 years ☐ 16 – 20 years ☐ Above 20 years ☐
5. Name of your bank: _____

SECTION II: Digital Marketing Practices

Direction: This section contains questions related to the extent of digital marketing practices adopted by Awash and COOP. Please indicate your level of agreement with each statement by putting **(√)** mark on the appropriate response on a scale from 1 to 5,

Where: 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No	A) Search Engine Optimization (SEO) Practice	1	2	3	4	5
1	The banks have a clear strategy for improving their online visibility through search engines.					
2	The banks regularly update their website content to improve search engine ranking.					
3	The banks use keywords and content optimization techniques to attract online customers.					
4	The banks monitor website traffic and search performance using analytics tools.					
5	SEO activities in the banks are consistent and well-managed over time.					
	B) Social Media Marketing Practice	**1**	**2**	**3**	**4**	**5**
6	The banks actively use social media platforms to promote their services.					
7	The banks post marketing content consistently across social media platforms.					
8	Social media marketing is used to engage customers through comments, messages and feedback.					
9	The banks use social media advertising to target specific customer groups.					
10	The banks measure social media campaign performance (likes, reach, engagement, conversions).					
11	Social media platforms are used to improve customer awareness about the banks' products.					
	C) Pay-Per-Click (PPC) Marketing Practice	**1**	**2**	**3**	**4**	**5**
12	The banks use paid online advertisements (e.g., Google Ads, sponsored ads) to attract customers.					

13	PPC campaigns are targeted to specific customer segments based on location, interest, or demographics.					
14	The banks allocate a planned budget for PPC advertising activities.					
15	PPC performance is monitored using metrics such as clicks, leads and conversion rate.					
16	PPC advertising helps the banks attract customers more quickly than traditional marketing.					
	D) Mobile Marketing Practice	**1**	**2**	**3**	**4**	**5**
17	The banks use mobile-based platforms (SMS, mobile apps, notifications) for marketing purposes.					
18	Mobile marketing messages are timely and relevant to customers.					
19	Mobile marketing helps the banks communicate promotional offers effectively.					
20	The banks use mobile platforms to strengthen customer interaction and service accessibility.					
21	Mobile marketing is integrated with other digital marketing activities of the banks.					
	E) Email Marketing Practice	**1**	**2**	**3**	**4**	**5**
22	The banks use email marketing to communicate promotional information to customers.					
23	Email marketing messages are personalized and targeted to specific customer groups.					
24	Email marketing is used to educate customers about new products and services.					
25	The banks send emails consistently and professionally.					
26	Email marketing effectiveness is monitored using response metrics (open rate, click rate, customer feedback).					

SECTION III:

Organizational Performance

Direction: This section contains statements that assess the organizational performance of Awash and COOP in relation to the adoption of digital marketing practices. Please indicate your level of agreement with each statement by putting **(√)** mark on the appropriate response on a scale from 1 to 5,

Where: 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

No	A) Financial Performance	1	2	3	4	5
1	Digital marketing practices have contributed to the improvement of the banks' profitability.					
2	Digital marketing practices have improved the banks' ability to attract new customers.					
	B) Customer Performance	**1**	**2**	**3**	**4**	**5**
3	Digital marketing practices have improved customer awareness of The banks' services.					
4	Digital marketing practices have improved customer satisfaction.					
	C) Market Performance	**1**	**2**	**3**	**4**	**5**
5	Digital marketing practices have improved the banks' market share.					

……. END of the questionnaire ……