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ADDIS ABABA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

**THE EFFECT OF DIGITAL MARKETING ON
ORGANIZATIONAL PERFORMANCE IN BANKING
SECTOR:**

***THE CASE OF SELECTED COMMERCIAL BANKS IN ADDIS
ABABA CITY***

A Thesis Submitted to the School of Graduate Studies of Addis
Ababa University in Partial Fulfilment of the Requirements for the
Master of Business Administration (MBA)

By: Dilargachew Dames Shafi

Jun, 2024

Addis Ababa, Ethiopia



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**The Effect of Digital Marketing on Organizational Performance
in banking sector: *In the case of selected Commercial Bank (Addis
Ababa Area)***

Advisor: Yohannes Workaferahu (Ph.D.)

Jun, 2024

ADDIS ABABA, ETHIOPIA

Approval Statement

This dissertation titled " The Effect of Digital Marketing on Organizational Performance in banking sector: In the case of selected Commercial Banks (Addis Ababa Area)," has been presented to the Addis Ababa university, School of Graduate Studies for assessment under my guidance as a university advisor.

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

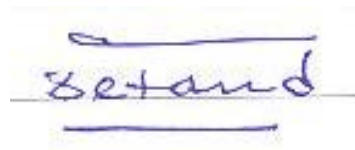
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Declaration

I, Dilargachew Dames, hereby declare that the research work titled " The Effect of Digital Marketing on Organizational Performance in banking sector: In the case of selected Commercial Bank (Addis Ababa Area)" represents my own efforts and study. I affirm that all sources utilized in this study have been appropriately acknowledged. The content of this work is the result of my independent effort, with the exception of guidance and suggestions provided by my Research Advisor. Furthermore, I confirm that this study has not been previously submitted for any degree at this University or any other institution. It is submitted as partial fulfillment for the Master's in MBA program.

By: **Dilargachew Dames**



Signature _____

26 JUNE 2024

Date _____

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Abstract

This study delves into the examination of the Effect of Digital Marketing on Organizational Performance within the banking sector, focusing particularly on three prominent banks situated in the Addis Ababa area: Commercial Bank of Ethiopia, Bank of Abyssinia, and Zamzam Bank. The research adopts a quantitative approach, incorporating both descriptive and explanatory research designs to comprehensively explore the relationship between digital marketing strategies and overall organizational performance. A total of 252 participants contribute to the study, comprising branch marketing managers and marketing department employees from the head offices of the selected banks. The sample size is meticulously determined using a combination of probability and non-probability sampling techniques. Specifically, 255 respondents are drawn from branch marketing managers, while an additional 15 participants are selected from the head office marketing departments. The analysis is conducted using regression analysis techniques implemented in SPSS software. The findings reveal significant positive correlations between various digital marketing strategies—such as Search Engine Optimization (SEO), Social Media Marketing, Mobile Marketing, and Email Marketing—and the overall organizational performance of the selected banks. Notably, Social Media Marketing emerges as the most influential factor contributing to organizational success, indicating the critical role of digital platforms in enhancing bank performance. Based on the study's outcomes, it is recommended that banks proactively adapt to digital marketing trends to remain competitive in the rapidly evolving banking landscape. By leveraging digital marketing strategies effectively, banks can achieve sustainable growth and maintain relevance in the highly competitive financial services sector. This research contributes to the existing body of knowledge by providing valuable insights into the transformative potential of digital marketing in the banking sector.

Keywords: Digital Marketing, Organizational Performance, Banking Sector,

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List of Acronym

ANOVA: Analysis of Variance

B: Unstandardized Regression Coefficient

BOA: Bank of Abyssinia

CBE: Commercial Bank of Ethiopia

DMS: Digital marketing strategy

SEO: Search Engine Optimization

DB: Digital Banking

DW: Durbin-Watson

PPC: Pay-Per-Click

H: Hypotheses

EM: Email Marketing

NBE: National Bank of Ethiopia

r: Correlation Coefficient

R: Regression Coefficient

R²: Regression Squared Coefficient

MM: Mobile Marketing

SPSS: Statistical Packages for Social Science

VIF: Variance Inflation Factors

t: Student t Statistic

α : Cronbach's Coefficient

β : Standardized Regression Coefficient

Chapter One

1. Introduction

1.1 Background of the study

In today's digital age, technology plays an integral role in shaping human life, streamlining tasks, and enhancing convenience. From economic transactions to accessing information, entertainment, and social interactions, nearly every aspect of daily life revolves around digital platforms and the internet. The widespread adoption of electronic devices like computers, smartphones, and tablets has facilitated this shift, with a significant portion of the global population spending the majority of their time online (Smith, 2022). The emergence and advancement of digital technologies have not only transformed individual experiences but have also revolutionized business practices. Traditional marketing methods have been supplanted by digital strategies, leveraging online platforms such as social media for outreach and advertising. Businesses have expanded their services to the digital realm, offering websites, software applications, and social media channels to cater to the evolving needs of consumers (Smith, 2022).

Marketing, fundamentally, is the process of attracting and engaging potential customers to promote business offerings, encompassing planning, promotion, pricing, selling, and delivery of products or services (American Marketing Association, 2017). Marketing entails not only attracting potential customers but also nurturing positive customer relationships by gathering customer information, aligning their needs with organizational offerings, establishing access to products or services, and maintaining favourable customer relationships. Digital marketing leverages digital channels such as computers, mobile devices, websites, social media, search engines, and other online platforms to execute marketing processes. This encompasses understanding customer behaviours and needs, advertising, selling, delivering products or services, and communicating via the internet (Barone, 2019). In today's rapidly evolving digital landscape, organizations across various industries are adopting digital marketing strategies to enhance their performance and gain competitive advantages.

The study explores the impact of various digital marketing strategies on different dimensions of organizational performance within the banking sector. Financial performance measures the increase in yearly profit and revenue growth resulting from these strategies, while technical performance assesses the achievement of goals such as online engagement, lead generation, and conversion rates (Tiago & Veríssimo, 2014). Key digital marketing strategies include

Social Media Marketing (SMM), which leverages platforms like Facebook and Instagram to engage customers and enhance brand visibility (Poorani, 2021); Search Engine Optimization (SEO), which improves website visibility and organic traffic through keyword optimization and content creation (Bakalo, 2023); Pay-Per-Click (PPC) marketing, which drives targeted traffic through paid ads on platforms like Google Ads (Smith, 2024); Email marketing, which directly communicates with customers via personalized emails to foster engagement and loyalty (Poorani, 2021); and Mobile marketing, which optimizes content for mobile devices to reach a broader audience and enhance user experience (Smith, 2024). These strategies collectively contribute to improved organizational performance in the banking sector.

Numerous researches have explored various aspects of digital marketing's impact on organizational performance. For instance, studies have shown that SEO and social media marketing are particularly effective in enhancing brand visibility and customer engagement (Chaffey & Ellis-Chadwick, 2019). Similarly, email and mobile marketing have been found to improve customer satisfaction and drive sales (Tiago & Veríssimo, 2014). However, there remains a notable gap in the literature regarding a comprehensive assessment of these strategies' overall impact on organizational performance, particularly within the banking sector. This study aims to bridge this gap by providing a detailed examination of how digital marketing strategies affect organizational performance in the banking sector. By focusing on three major banks in Addis Ababa—Commercial Bank of Ethiopia, Bank of Abyssinia, and Zamzam Bank—this research seeks to offer actionable insights for banking institutions to enhance their digital marketing efforts and achieve sustainable growth in the rapidly evolving digital landscape.

The purpose of this study is to provide a comprehensive assessment of the impact of digital marketing strategies on organizational performance within the banking sector. By focusing on major banks in Addis Ababa, the research aims to identify effective digital marketing practices that can enhance financial performance, technical performance, brand awareness, customer satisfaction, and loyalty. This study contributes valuable insights into the transformative potential of digital marketing in the banking sector, providing actionable recommendations for banking institutions to adapt and thrive in the digital age.

1.2 Background of the organization

As of August 2023, Ethiopia hosts a total of 31 commercial banks, as reported by the National Bank of Ethiopia. Among these, the study centres on three prominent institutions: the state-owned Commercial Bank of Ethiopia (CBE), Bank of Abyssinia (BOA), and Zamzam Bank. These banks were selected to provide a comprehensive representation across the Ethiopian banking landscape, each contributing unique insights into the adoption and impact of digital marketing strategies within their respective operational frameworks.

➤ Commercial Bank of Ethiopia (CBE)

CBE is the largest state-owned commercial bank in Ethiopia, with over 1900 branches nationwide, including more than 350 branches in Addis Ababa alone (CBE Annual Report, 2023). It stands out as the most affluent and sophisticated bank in the country, boasting the largest customer base. CBE's adoption of digital marketing is notably advanced compared to other Ethiopian banks. Its digital banking services include Mobile Banking, Internet Banking, CBE Birr (Wallet Account), and ATM & POS services (CBE Annual Report, 2023).

➤ Bank of Abyssinia (BOA)

BOA is one of the oldest and largest banks in Ethiopia, with over 950 branches across the country and more than 285 branches in Addis Ababa (BOA Annual Report, 2023). It offers various alternative banking systems such as virtual banking, online banking, and ATMs, allowing customers to manage their accounts without visiting physical branches.

➤ Zamzam Bank

Zamzam Bank is among the newest banks in Ethiopia, with about 100 branches nationwide and 65 branches in Addis Ababa (Zamzam Bank Annual Report, 2021). Unlike traditional banks, Zamzam operates based on Islamic Sharia principles, offering interest-free banking services. Although its digital banking services are currently limited, the bank has begun to introduce some digital services provided by older and more established banks.

The banking sector was chosen for this study due to its critical role in the economic development of Ethiopia and its extensive adoption of digital technologies. Banks are pivotal in financial transactions, economic stability, and customer relationship management, making them ideal candidates for studying the impact of digital marketing strategies. The rapid digitization within the banking sector, driven by the need to enhance customer service,

increase operational efficiency, and compete in the global market, underscores the relevance of this sector. Digital marketing in banking not only improves customer engagement but also facilitates financial inclusion, which is a significant goal in developing economies like Ethiopia. This selection was driven by the desire to encompass a diverse range of banking institutions in Ethiopia. CBE, being one of the largest and dominant government banks, boasts a significant user base for digital banking services. BOA, as one of the oldest and largest private banks, possesses extensive experience in digital banking systems within the Ethiopian context. Lastly, Zamzam Bank, as the first Islamic bank in Ethiopia, caters to a substantial portion of the Muslim society, providing a unique perspective on digital banking adoption and usage. By including banks from different sectors (government, private, and Islamic), the study aims to ensure a comprehensive understanding of digital marketing's impact across various banking institutions.

1.3 Statement of the problem

The rapid evolution of digital marketing strategies has revolutionized the banking sector globally, offering new avenues for customer engagement, operational efficiency, and competitive advantage (Mitiku.A, 2021). Banking sector, have increasingly adopted digital marketing strategies such as Social Media Marketing (SMM), Search Engine Optimization (SEO), Pay-Per-Click (PPC) Marketing, Email Marketing, and Mobile Marketing to navigate the digital landscape and enhance market positioning (Abdulkadi.D, 2019). Despite this trend, empirical studies specifically examining the direct influence of these digital strategies on organizational performance metrics within Ethiopian banks are limited. (Alawan.et.al., 2017)

Previous research has underscored the transformative potential of digital marketing in enhancing customer engagement, brand visibility, and operational efficiency across various industries (Smith, 2022; Poorani, 2021). However, within the context of Ethiopian banks, comprehensive empirical investigations quantifying the impact of these digital strategies on critical performance indicators—such as profitability, customer retention, and operational efficiency—are scarce. Existing literature often focuses on descriptive analyses and case studies, offering insights into adoption trends and theoretical frameworks rather than rigorous empirical assessments of performance outcomes (Tiago & Veríssimo, 2014; Bakalo, 2023).

The findings from studies on digital marketing in other sectors have highlighted its positive correlation with enhanced market performance and customer satisfaction (Barone, 2019; Krazkiewicz & Cyfert, 2019). However, these findings may not fully apply to the Ethiopian banking context due to unique market conditions, regulatory environments, and technological infrastructures.

The existing research landscape outlines a significant body of literature on digital marketing's potential benefits and adoption trends in diverse sectors (Peng & Wang, 2019; Hult et al., 2004; Naranjo-Valencia et al., 2011). However, gaps persist in understanding the nuanced impacts of digital marketing strategies on organizational performance within the Ethiopian banking sector. Specifically, there is a lack of methodologically rigorous studies that examine the direct effects of digital marketing strategies on organizational performance in Ethiopian banks.

This study aims to address these gaps by providing empirical evidence on the effectiveness of digital marketing strategies in enhancing organizational performance within Ethiopian banks. By examining how these strategies interact with organizational factors insights for banking executives and policymakers aiming to leverage digital technologies for sustainable competitive advantage. Generally, the main interest of this study was to investigate Effect of digital marketing strategies on organizational performance in banking sectors in Ethiopia.

1.4 Research questions

The study was tried to answer the following research questions.

1. How do a social media platforms impact the overall organizational performance in banking sector?
2. How does Search Engine Optimization (SEO) impact the overall organizational performance in banking sector?
3. How does Usage of Pay-Per-Click (PPC) marketing strategy impact the overall organizational performance in banking sector?
4. How does Using Email marketing strategy impact the overall organizational performance in banking sector?
5. How does Mobile marketing strategy impact the overall organizational performance in banking sector?

1.5 Objectives of the study

1.5.1 General objectives

The General objective of the study is to investigate the Effect of digital marketing on organizational performance within the banking sector, focusing on a selected commercial bank.

1.5.2 Specific objectives

To understand the effect of digital marketing on the overall organizational performance, this research was examining the following specific objectives.

1. To investigate the effect of Social Media Marketing (SMM) platforms on organizational performance in the banking sector.
2. To examine the influence of Search Engine Optimization (SEO) on organizational performance in the banking sector.
3. To assess the effect of Pay-Per-Click (PPC) marketing strategy on organizational performance in the banking sector.
4. To evaluate the contribution of Email marketing strategy to organizational performance in the banking sector.
5. To analyze the effect of Mobile marketing strategy on organizational performance in the banking sector.

1.6 Significance of the study

In an era rapidly transitioning towards a cashless society, Ethiopia is witnessing a significant shift in financial transactions, with government employees receiving payments through banks and mobile banking emerging as the preferred mode for individuals, shops, and companies alike. This trend is fuelled by the convenience of digital transactions amidst busy lifestyles and the proliferation of online activities such as shopping and streaming. With heightened market competition, financial institutions are compelled to leverage digital marketing platforms to enhance customer reach and brand exposure, while also offering digital banking services to gain a competitive edge. This study aims to explore the extent of selected banks' utilization of digital marketing and its impact on organizational performance. By shedding light on the relationship between digital marketing and organizational performance within the banking sector, the research will contribute valuable insights to the existing literature. It will

empower banks and financial institutions in Ethiopia to conduct further research on optimizing digital marketing usage and capitalizing on its benefits. Additionally, the study will equip bank executives with the awareness and insights necessary for effective digital transformation of marketing strategies and services, facilitating informed decision-making and maximizing the potential of digital marketing initiatives for organizational success.

1.7 Scope of the study

➤ Geographical Scope:

The study's geographical scope is confined to Addis Ababa, Ethiopia's capital city, due to limitations in time, resources, and technical capacity. Addis Ababa serves as a focal point for economic activities and houses numerous banking institutions, making it an ideal location for this research endeavour. Three commercial banks were selected for the study: Commercial Bank of Ethiopia (CBE), Bank of Abyssinia (BOA), and Zamzam Bank. This selection was driven by the desire to encompass a diverse range of banking institutions in Ethiopia. CBE, being one of the largest and dominant government banks, boasts a significant user base for digital banking services. BOA, as one of the oldest and largest private banks, possesses extensive experience in digital banking systems within the Ethiopian context. Lastly, Zamzam Bank, as the first Islamic bank in Ethiopia, caters to a substantial portion of the Muslim society, providing a unique perspective on digital banking adoption and usage. By including banks from different sectors (government, private, and Islamic), the study aims to ensure a comprehensive understanding of digital marketing's impact across various banking paradigms.

➤ Theoretical and Conceptual Scope:

The study aims to explore the effect of digital marketing, encompassing various strategies such as Pay-Per-Click (PPC), Search Engine Optimization (SEO), Social Media Marketing, Email Marketing, and Mobile Marketing, on organizational performance within the banking sector. By focusing on these specific digital marketing channels, the research seeks to provide a comprehensive understanding of their influence on organizational performance metrics.

➤ Methodological and time scope

This study employs a quantitative research approach to investigate the impact of digital marketing strategies on organizational performance within the banking sector in Ethiopia. Targeting marketing managers and executives from three major banks—Commercial Bank of Ethiopia (CBE), Bank of Abyssinia (BOA), and Zamzam Bank—the research focuses on Social Media Marketing, Search Engine Optimization (SEO), Pay-Per-Click (PPC) marketing, Email marketing, and Mobile marketing as independent variables. Data was collected through structured questionnaires, analysing organizational performance as dependent variables. The study spans 6 months, encompassing preparation, data collection, analysis, and reporting phases, aiming to provide comprehensive insights into how digital marketing strategies contribute to organizational success in the Ethiopian banking landscape.

1.8 limitation of the study

This research, centered on effect of Digital Marketing on Organizational Performance in banking sector, has specific limitations. Firstly, the study exclusively focuses on internal factors related to Organizational Performance and does not consider external influences. While this approach offers in-depth insights into the intricacies of Organizational Performance within the bank, it may not account for external variables that could impact customer satisfaction. Secondly, the study's findings are tailored to the specific operations of those three Banks, limiting their direct applicability to the broader banking industry. As the research prioritizes internal dimensions, caution is warranted when attempting to generalize the results to other banking institutions.

1.9 Organization of the Study

This research has been structured into five chapters, with the initial chapter serving as an introduction. This introductory chapter encompasses the background of the study, details about the organization under investigation, statements of the problem, the set objectives, the significance of the study, and outlines the scope and limitations of the research. The second chapter is dedicated to a comprehensive review of related literature, encompassing theoretical perspectives, empirical studies, and conceptual frameworks. Moving on to the third chapter, it delineates the research methodologies employed in this study. Chapter four is devoted to the presentation, analysis, and interpretation of the study's data. Finally, chapter five draws conclusions from the research findings and provides recommendations based on the study's outcomes.

1.10 Definitions of Terms & Abbreviations

Organizational Performance – Ability of an organization to reach its goals and objectives.

Digital Marketing – marketing through digital channels, technology and the internet

Brand Awareness – level of brand familiarity on customers

Customer Acquisition – ability to bring new customers to a business

Customer Retention – ability to maintain good relation with past customers and retain them for some specific period

Chapter Two

2. Literature Review

2.0 Theoretical Review

2.1 Definitions of Marketing, Digital Marketing

Marketing is the strategic process of engaging with potential customers to promote businesses and their offerings, encompassing activities such as planning, promotion, advertising, pricing, selling, and delivery of products or services (Amantie.C, 2023). It involves the creation, communication, delivery, and exchange of value for customers, clients, partners, and society at large, as defined by the American Marketing Association in 2017. Digital marketing, on the other hand, leverages digital channels and internet platforms to execute marketing processes. It encompasses the promotion of products or services using digital technologies, predominantly on the internet, but also including mobile phones, display advertising, and other digital mediums. According to Desai (2019), digital marketing includes social media marketing on platforms like Facebook, YouTube, Instagram, and TikTok, as well as mobile marketing, website and search engine marketing, and the use of company applications and software.

Kotler and Armstrong (2009) describe digital marketing as a form of direct marketing that electronically connects consumers with sellers through interactive technologies such as emails, websites, online forums, interactive television, and mobile communications. Additionally, the term "E-banking" often refers to online banking or internet banking, which utilizes the internet as a remote delivery channel for banking services, as noted by Furst and Nolle (2002). With consumers spending increasing amounts of time online via their mobile phones, computers, or tablets, marketers are adapting to digital trends by engaging with and gathering information about consumers digitally. This involves utilizing social media platforms, creating company websites, developing software and applications, and providing online services such as selling, online payments, and after-sales support. (Gizaw, 2017)

2.2 Definition of Organizational Performance

Organizational performance refers to the effectiveness of an organization in achieving its objectives, evaluated across multiple dimensions including financial outcomes (such as revenue growth and profitability), operational efficiency, innovation capability, customer satisfaction, customer loyalty, and brand recognition. This performance is measured based on the organization's specific goals and objectives. (American Marketing Association, 2017)

A. Financial performance

Financial performance is measured by the degree to which the banks grow profit & hence revenue, and reduce costs. It is the ability of the organization to reach to its financial goals. (George D., 2003)

B. Customer satisfaction

Customer satisfaction is the degree of customer happiness by the organization's services. This was result in high customer acquisition & customer retention. (Abiye, 2019)

C. Brand awareness and visibility

Brand awareness is the degree to which customers recognize the organizations' brand (product or services) (Alkarem M., 2022). It measures how familiar are the people with the organizations' brand. Brand visibility refers to the how often the brand is seen or detected by potential customers. It measures how the brand is differentiated or recognized among other brands on the market. (Amantie.C, 2023)

D. Customer loyalty

Customer loyalty is the degree of customer commitment to an organization or a brand. It refers to continuous and long term relationship that exists between an organization and its customers (Alexander.L, 2022). Customer loyalty can be measured by repeated and continuous purchases, referring the brand to others (to families, friends, colleagues, & others), long term relationship, and etc. under the existence of market competition with other brands. (Abiye, 2019)

E. Efficiency and innovation

Innovation refers to organizations' ability to revolutionize and offer new services. It is the ability of the organization to bring new ways of doing business, and adapting to market

changes. Efficiency is the effective utilization of resources (time, money, human resources and materials) to reach organizations' goals. (Clarinda K, 2020)

F. Market share competitiveness

Market share competitiveness refers to a high level of strength and position of an organization against market competitors. It is the degree to which an organization can hold market portion of the total market, and keep its status. (Alemayehu, 2020)

Therefore, this study will examine the relationship between digital marketing strategies with various dimensions of organizational performances to examine the effect of digital marketing on the overall organizational performance in banking sector.

2.3. Importance of Digital Marketing

In today's digital era, digital marketing strategies have become indispensable for businesses. Marketers benefit from the ability to reach large audiences with minimal resources and manpower (Alkarem M., 2022). Leveraging technological advancements, they can access global markets and gain insights into global trends and customer behaviour right from their desks. Some key advantages of digital marketing include. (Alawan.et.al., 2017)

2.3.1. Cost-effectiveness and Efficiency:

Digital marketing enables the banking sector to reach a vast number of potential customers simultaneously, thanks to advancements in technology. With widespread access to mobile phones and tablets, maintaining a robust online presence allows banks to target both new and existing customers at a fraction of the cost compared to traditional marketing strategies. (American Marketing Association, 2017)

2.3.2. Targeted Advertising and Personalization:

Organizations can gather valuable information on potential customers' intentions and interests, enabling them to deliver targeted advertising and personalized offers. This personalized approach enhances customer engagement and fosters loyalty among clientele. (Kotler & Armstrong, 2009)

2.3.3. Access to Global Markets:

The internet's global reach enables banks to tap into international markets and cater to a global customer base by modernizing their digital systems. Collaboration with foreign banks

and global financial institutions allows banks in Ethiopia to retain their global customers within the system. (Desai, 2019)

2.3.4. Relevance during Global Pandemics:

Digital marketing proves invaluable during global pandemics, such as the COVID-19 crisis, where physical interactions are restricted. By transitioning to digital strategies, banks can maintain engagement with customers and attract new ones, despite movement constraints. (Smith, J., 2024)

2.3.5. Measurable Results and Competitive Advantage:

Digital marketing offers easily measurable results, allowing organizations to gauge the effectiveness of their strategies accurately. This data-driven approach provides a competitive edge by enabling marketers to refine their tactics based on real-time insights. (Wang et al., 2020)

2.3.6. Transparency and Customer Engagement:

Digital marketing fosters transparency and openness with customers, enhancing engagement and building loyalty. (Smith, J., 2024)

2.3.7. Efficient Management and Control:

Digital marketing strategies are easier to manage and control, providing marketers with greater flexibility and agility in adjusting their approaches as needed. (American Marketing Association, 2017)

The increasing adoption of digital marketing strategies in financial institutions, such as social media marketing, search engine optimization (SEO), display advertising, and website optimization, is attributed to factors such as increased internet penetration, affordable internet-enabled devices, and the integration of information and communication technology (ICT) into daily activities. (Wang et al., 2020)

2.4 Types of Digital Marketing

With the rise of digital technologies and the internet, digital marketing has permeated into the lifestyle of people worldwide (Alemayehu, 2020). It has evolved from mere website marketing to encompassing social media platforms and even private applications and software. As individuals increasingly allocate their time to online activities and devices, marketers endeavour to engage potential customers through a myriad of online avenues. (Marques, 2018)

The following are some of the different types of digital marketing strategies, in no particular order.

- a. Pay-Per-Click (PPC)
 - b. Search Engine Optimization (SEO)
 - c. Social Media Marketing
 - d. Email Marketing
 - e. Mobile Marketing
- A. Pay-Per-Click (PPC)**

Pay-Per-Click (PPC) advertising is a prominent form of digital marketing in which advertisers compensate publishers for each click on their ads. Google Ads, one of the most prevalent platforms for PPC marketing, enables advertisers to display their ads on Google's search engine results pages and affiliated websites, paying publishers each time a user clicks on their ad (Alawan.et.al., 2017). Additionally, social media platforms such as Facebook and Twitter offer PPC advertising options, allowing advertisers to target specific demographics and interests. Ads displayed on websites through ad networks also fall under the realm of PPC marketing. This approach to digital advertising offers advertisers a cost-effective means of reaching their target audience, as they only pay when their ad is clicked, potentially leading to higher returns on investment (ROI) compared to traditional advertising methods. (Smith, J., 2024)

B. Search Engine Optimization (SEO)

Search Engine Optimization (SEO) is a fundamental process in digital marketing aimed at enhancing the quantity and quality of traffic directed to a website from search engine results pages (SERPs) (Clarinda K, 2020). It encompasses various strategies and techniques designed to improve a website's visibility and ranking within search engine results. Major search engines such as Google, Yahoo, Microsoft Bing, and Amazon are integral to SEO practices, as they serve as primary sources of information retrieval for users worldwide. In today's globalized world, individuals increasingly rely on search engines, particularly Google, to swiftly access a plethora of information on diverse topics in a visually intuitive manner. (Bakalo, 2023). By optimizing their websites for search engines, businesses can effectively enhance their online presence, attract targeted traffic, and ultimately achieve their marketing objectives. (Mekuria.M, 2019)

C. Social Media Marketing

Social Media Marketing (SMM) is a pivotal component of contemporary digital marketing strategies, leveraging social media platforms to engage large audiences, promote products or services, and facilitate sales and delivery processes. Major social media platforms utilized by marketers include Facebook, Instagram, TikTok, YouTube, Telegram, LinkedIn, among others (Marques, 2018). These platforms offer an unparalleled opportunity for companies to establish direct and intimate connections with consumers, fostering meaningful interactions and facilitating feedback mechanisms. As highlighted by Poorani (2021), the chosen social media channels serve as valuable conduits for disseminating information about products or services, addressing customer queries, and overcoming potential obstacles. The ubiquitous nature of social media platforms in today's digital landscape underscores their significance as indispensable tools for marketers seeking to maximize brand visibility, engage target audiences, and drive business growth. (Poorani, 2021)

A. Email Marketing

Email marketing serves as an efficient means of communicating with customers via email, disseminating information about new products, services, offerings, and packages (Abiye, 2019). It stands out as one of the most cost-effective and straightforward marketing approaches, allowing marketers to automate the process of sending targeted emails to individuals on their email lists (Bakalo.P, 2023). These emails may include updates on company status, promotional offers, introductions of new products, or notifications regarding openings or changes in location, among other relevant topics. As digital marketing continues to gain prominence as a cost-effective means of promotion, businesses face heightened competition in the online space (Clarinda K, 2020). In this context, maintaining a competitive edge becomes paramount for businesses, and having a website emerges as a crucial marketing tool for those aiming to expand their reach internationally (Poorani, 2021). The website serves as a central hub for showcasing products or services, engaging with potential customers, and fostering brand awareness and credibility. (Poorani, 2021)

D. Mobile Marketing

Mobile marketing encompasses various strategies aimed at targeting potential customers through mobile devices, including smartphones and tablets. This approach involves optimizing websites for mobile viewing, developing mobile applications, and leveraging mobile advertising and messaging platforms to engage with consumers effectively. By offering convenient services tailored to mobile device users, organizations can seamlessly

interact with their customers, enhancing their overall brand experience and driving customer satisfaction. As mobile usage continues to proliferate globally, mobile marketing presents a valuable opportunity for businesses to expand their reach and connect with audiences on the go. (Smith, J., 2024) Moreover, mobile marketing enables organizations to capitalize on the widespread adoption of smartphones, leveraging features such as location-based targeting and push notifications to deliver personalized and timely marketing messages to consumers. By embracing mobile marketing strategies, businesses can stay ahead of the curve in today's increasingly mobile-centric landscape, fostering stronger customer relationships and driving business growth. (Abiye, 2019)

2.5 Digital Banking

Digital banking, the provision of banking services through digital channels, has emerged as a preferred choice for individuals leading busy lifestyles, who prioritize convenience and accessibility. With the proliferation of digital technologies, customers increasingly favour digital banking services over traditional in-person visits to physical bank branches. This shift in consumer behaviour has prompted banks to innovate and offer flexible, multi-channel services that can be accessed conveniently via mobile phones, laptops, or tablets. (Sisay, 2021) Furthermore, digital banking has revolutionized the banking sector by expanding the range of financial services available and transforming how these services are delivered. According to Lee and Chung (2009), the internet revolution has fundamentally altered the banking landscape, ushering in a new era of convenience and accessibility for consumers. Moreover, Yang (1997) defines E-banking as the use of computers to retrieve and process banking data, as well as to initiate transactions directly with a bank or other financial service provider remotely via a telecommunications network. This definition underscores the transformative potential of digital technologies in facilitating remote banking transactions and enhancing customer convenience. In essence, digital banking represents a paradigm shift in the banking industry, offering customers greater flexibility, convenience, and access to a wide range of financial services anytime, anywhere. (Abebe.F, 2019)

2.5.1 The Development of Digital Banking

The emergence of digital banking has opened up new avenues for banks to provide multi-channel services through telephone, internet, and mobile platforms. Payne et al. (2017) and Coelho & Easingwood (2008) define a multi-channel strategy as one in which products is distributed through two or more channels. Lee and Chung (2009) emphasize the

transformative impact of the internet revolution on the banking sector, highlighting the acceptance of mobile banking as part of daily life. With the widespread availability of digital devices such as computers, mobile phones, tablets, and iPods, customers are increasingly turning to these platforms to conduct financial services, leading to a shift away from traditional banking channels. While research on digital banking experience is limited, Yousafzai (2012) suggests that the adoption of digital technologies has simplified remote service access for banks. Studies on e-banking uptake by Martins et al. (2014) and Akinici et al. (2003) underscore the significant impact of digital banking on the growth of banking services. However, research primarily focuses on digital banking acceptance rather than the customer experience, representing a limitation. Self-service technologies enable banks to pursue an electronically mediated multi-channel strategy, thereby reducing operational costs. This trend is evident in e-commerce and internet-related businesses, where companies have rapidly grown by marketing their products online (Alkarem M., 2022). Digital banking caters to customers' economic, personal, and social needs, driving overall perceived value. As customer demographics vary, their service expectations also differ (Abebe.F, 2019). Nowadays, customers expect similar levels of interaction in digital banking as in social media platforms, leading to increased demand for services through digital devices (Abdallah.A, 2017). The closure of bank branches across the UK reflects the shifting customer preference towards e-banking, highlighting the need for banks to focus on digital banking to enhance customer experience, save costs, and improve financial performance. This development necessitates the adoption of new bank models and customer relationship strategies. (Abdulkadi.D, 2019)

2.6 Social Media Marketing (SMM) and organizational performance

Social Media Marketing involves leveraging platforms such as Facebook, Twitter, Instagram, LinkedIn, and others to promote products or services (Kaur, 2016). This marketing approach utilizes the vast reach and engagement potential of social media networks to enhance an organization's visibility and engagement. Like other marketing facets, successful social media marketing necessitates well-crafted strategies to achieve a return on investment and enhance organizational performance. Effective strategies encompass posting engaging content such as videos and stories that reflect the organization's brand, connecting directly with customers, and creating compelling call-to-actions (CTAs) that encourage customers to purchase products (Feng & Papatla, 2012).

Given the increasing prevalence of social media, organizations are capitalizing on its potential to enhance organizational performance. Social media's popularity allows organizations to humanize their brand and establish direct connections with customers (Wang & Kim, 2017). Through optimized keywords and strategic content placement, organizations can drive significant traffic to their websites, converting leads from social media into actual customers via easy-to-use purchase buttons, thereby improving organizational performance. Additionally, social media offers an accessible platform for organizations with limited marketing budgets, enabling them to create brand awareness, drive sales, and build customer loyalty without the high costs associated with traditional media (Mathur & Alola, 2020).

In the banking sector, social media marketing has gained traction as banks utilize these platforms to market loans, accounts, financial performance, and other services, recognizing that many customers are active on social networks (Mutero, 2014). Platforms like Twitter are extensively used by banks to initiate conversations about financial literacy, particularly in Kenya, linking users to the banks' websites and enhancing customer engagement. Given that banking products are regulated by the Central Bank of Kenya, which limits competitive pricing, banks are adopting creative social media marketing strategies to stand out on various social networks (Kaigwa, 2017). By effectively utilizing social media, banks can improve their organizational performance through increased customer interaction, engagement, and loyalty.

2.6.1 Facebook

A recent study by Zhou and Yuan (2021) found that Facebook remains the most widely used social media platform globally, boasting 2.29 billion daily active users. For organizations, this presents a significant opportunity to position their products and services on Facebook to enhance customer awareness and engagement (Schultz & Peltier, 2013). Currently, 9 out of 10 companies in the USA with over 100 employees utilize Facebook as a marketing platform. An analysis by Barger and Labrecque (2013) of the top thirty most profitable companies in the USA revealed that the average organization posts 1.2 times daily on Facebook, while large organizations like Amazon post more than three times a day. This highlights the importance of frequent and strategic posting on Facebook to maximize reach and engagement with customers.

Consumers are more inclined to like brands perceived as "warm" on Facebook (Feng & Papatla, 2012). Similar to users on other social media platforms, Facebook users tend to

purchase products from organizations that they find engaging and entertaining (Shao & Ross, 2015). Many consumers follow organizations on Facebook to stay updated on the latest product launches and events. Therefore, it is essential for organizations to regularly update their Facebook content and openly share experiences to foster customer engagement (Kabadayi & Price, 2014). Emotive and aspirational posts typically perform better than commercial ones, as they are more likely to receive engagement in the form of shares, comments, and likes. Kabadayi and Price (2014) also noted that customers are more likely to share Facebook posts they receive from peers rather than directly from organizations. Hence, organizations should create content with peer-to-peer share ability, such as memes and educational material, to enhance reach and engagement.

2.6.2 Instagram

Instagram has become a popular platform for using imagery to market products through photos and videos (Młodkowska, 2019). Initially a photo-sharing app, Instagram has evolved into a powerful social media marketing tool. It offers numerous advertising opportunities, allowing organizations and digital marketers to visually represent their goods and services to potential customers (Salunke & Jaine, 2022). Instagram has enhanced its advertising and revenue capabilities by introducing an e-commerce feature called "shop," where brands can list their products. Consumers can simply click, add items to their cart, and check out directly within the app. This in-app e-commerce functionality has significantly boosted the revenue of many small businesses through Instagram.

2.6.3 TikTok

TikTok, a platform for creating short music videos, has revolutionized digital marketing by leveraging user-generated content (UGC). Launched in September 2016, TikTok targets a younger audience, offering a unique content proposition that has significantly impacted digital marketing strategies (Cheng & Qiut, 2021). Organizations have noticed that users prefer UGC, marking the rise of the "self-media era" (Zhang, 2022). This era, driven by widespread internet access, allows consumers to create content without high production budgets, and organizations are adapting to engage with consumers in this new format (Zhu & Chen, 2022). TikTok has rapidly gained popularity, especially among Millennials and Gen Z users, due to its ease of creating and posting videos directly from smartphones (Comp et al., 2021).

2.6.4 LinkedIn

LinkedIn's user base primarily consists of business professionals, including both employees and employers from small, medium, and large organizations (Sundstrom et al., 2021). As the largest professional social network globally, LinkedIn provides a platform where marketers can engage with professionals through posts and videos in a more formal manner compared to other social media platforms like TikTok (Zhou & Yuan, 2021). Typically, organizations use LinkedIn to post job vacancies rather than promote their products and services, while users primarily visit the platform to search for jobs rather than connect with organizations or other users. Consequently, the engagement rate on LinkedIn tends to be lower than that on other social media platforms.

2.6.5 Telegram

Unique communication capabilities, secure environment, and potential for creating engaged and loyal customer communities. The direct, personal nature of communication on Telegram allows businesses to build stronger relationships with their customers. Additionally, the app's extensive use in many countries makes it a versatile tool for reaching diverse audiences (Durov & Yavorsky, 2018). Telegram offers a robust platform for businesses looking to enhance their digital marketing efforts. Its combination of direct communication, interactive group features, strong security measures, and advanced automation tools makes it a valuable asset for customer engagement and relationship management.

2.7 Search Engine Optimization (SEO) and organizational performance

In a study by Dushyant et al. (2019), Search Engine Optimization (SEO) is described as a process aimed at enhancing the visibility of a website on the first page of a search engine results page (SERP). Major search engines include Google, Yahoo, Microsoft Edge, and others. The study illustrates that when customers seek information about a product or service, they typically search for specific words or phrases rather than the Uniform Resource Locator (URL) of companies offering those products or services. Search engines like Google then use these keywords to identify relevant websites that best match the customer's search query (Sundstrom et al., 2021).

Jakub (2015) further explains that SEO involves modifying a website's pages to achieve a higher ranking when related items or products are searched for. In the USA alone, there are more than 10 billion desktop search engine inquiries annually, generating nearly \$147 billion in revenue from various search techniques such as Google Search, Google Ads, and YouTube

Ads (Chotikitpat, 2015). Among these, Google dominates the online advertising market. Therefore, companies can utilize SEO techniques to enhance their visibility and ensure customers find them more quickly.

SEO encompasses various strategies to help websites rank higher on search engines (Rana et al., 2019). These strategies include keyword creation and mapping, which involve crafting strategic keywords that resonate with the audience and placing them at key locations on the website. This ensures that customers can easily navigate the website guided by these keywords (Feng & Papatla, 2012). In different Bank, the digital marketing team strategically uses keywords and phrases to describe products and the brand on both the website and social media platforms. This drives consumers to explore the bank's online presence more thoroughly, leading to increased customer acquisition and improved organizational performance.

Anett & Ramón (2022) highlight that search engines like Google, Bing, Baidu, and Yandex serve as crucial platforms for advertisers. They enable a valuable exchange among three types of users: customers seeking information, marketers aiming to reach customers, and content providers. This underscores the importance of SEO as a critical interaction point between organizations and consumers. To maximize the benefits of SEO, marketers should adopt various techniques such as keyword optimization, keyword mapping, and keyword creation. NCBA Bank, for instance, leverages these SEO techniques to generate leads through search engines and social media, driving sales and ultimately enhancing organizational performance (Dushyant et al., 2019).

2.8 Empirical Review

Financial institutions, particularly the banking sector, play a crucial role in driving today's economic activities. Numerous studies have investigated the effects of digital marketing on organizational performance across various business sectors. The findings of these studies consistently demonstrate positive correlations between digital marketing efforts and organizational performance.

The evolution of digital marketing since the 1990s and 2000s has transformed how brands and businesses leverage technology for marketing purposes (Desai, 2019).

Social media marketing has been highlighted by Alalwan et al. (2017) as having a positive correlation with the financial performance of organizations, particularly in terms of revenue growth, profitability, customer engagement, and brand visibility.

Sikdar's (2013) study on Internet Banking in India suggests that optimizing commercial banking operations involves minimizing branch-based interactions with customers and encouraging online banking from the outset to ensure a competitive banking environment. Hajli M.N. (2014) found a positive relationship between advertising on social media and consumer behaviour, with online advertising through social media platforms positively influencing customer acquisition and retention. Moreover, tailored and targeted online advertising campaigns were emphasized as key factors in attracting and retaining new customers.

A review by Vaibhava (2019) underscores the increasing integration of digital platforms into marketing strategies and daily life, with digital marketing campaigns becoming more prevalent and efficient as consumers shift towards using digital devices instead of visiting physical stores. Additionally, the review notes that digital marketing has become more sophisticated in recent decades, particularly with the proliferation of devices capable of accessing digital media, leading to rapid growth in the field.

A study conducted by Mohammed (2020) investigating the relationship between digital marketing and brand performance revealed a positive impact of digital marketing on brand performance. The research indicated that digital marketing significantly increased brand exposure to larger audiences, resulting in heightened brand awareness and improved brand performance. Furthermore, digital marketing facilitated post-sale services and communication with past customers, enabling organizations to gather valuable feedback and suggestions for continuous improvement and fostering customer loyalty.

Nguyen and Leblanc (2001) conducted research suggesting a positive association between email marketing and customer loyalty, leading to enhanced profitability and relative market share. The study emphasized the importance of personalized and relevant email content in building long-term customer relationships.

In a study on the determinants of E-banking adoption in Ethiopia by E. Kifle (2021), perceived risks, the perceived usefulness of e-banking, ICT infrastructure, and digital banking literacy were identified as significant factors influencing the adoption of e-banking in Ethiopia. However, while the study addressed important aspects of e-banking adoption, it

lacked clear and sufficient analysis of pressing issues related to e-banking in Ethiopia and the role of digital marketing in this context.

E. Sisay (2021) conducted research on the impact of digital marketing on customer experience and concluded that there exists a robust relationship between digital marketing and customer experience. The study revealed positive correlations between six independent variables of digital banking (trust, service quality, perceived ease of use, perceived usefulness, commitment, and behavioural intention) and customer experience, with correlation coefficients ranging from $r = 0.510$ to $r = 0.691$. These findings affirm a strong association between the independent variables and the dependent variable, highlighting the significance of digital marketing in shaping customer experience.

In a study by C. Amantie (2023) focusing on the role of digital marketing in banking performance at the Commercial Bank of Ethiopia, positive correlations between digital marketing and banking performance were identified. The research indicated that the adoption of digital marketing contributes to the simplification and enhancement of banking services, enabling the bank to effectively reach a larger customer base and capture customers' attention. Additionally, Kaur and Soch (2018) suggested that mobile marketing, encompassing SMS and mobile apps, is positively associated with customer satisfaction.

While it's widely acknowledged that digital marketing contributes positively to organizational performance, there remains a dearth of research exploring the specific impact and mechanisms of digital marketing on organizational performance within the banking sector, particularly in Ethiopia. This study aims to address this gap by investigating the influence of digital marketing, considered as the independent variable, on organizational performance, the dependent variable, focusing on three prominent banks: the Commercial Bank of Ethiopia (CBE), Bank of Abyssinia (BOA), and Zamzam Bank. Recognizing constraints such as time, technical expertise, and financial resources, the study will be conducted exclusively within the Addis Ababa region, selected for its representative banking landscape and logistical feasibility.

2.9 Conceptual Framework

The conceptual framework of this research has the independent variable, digital marketing, and the dependent variable, organizational performance. The aim of this research is to examine the effect of digital marketing on organizational performance in banking sector, in

the case of Commercial Bank of Ethiopia (CBE), Bank of Abyssinia (BOA) and Zamzam banks.

The independent variable digital marketing was studied based on variables, such as Pay-Per-Click (PPC), Search Engine Optimization (SEO), Social Media Marketing, Mobile Marketing, & Email Marketing.

The PPC (pay-per-click) is one of the digital marketing strategies, the independent variable, and it is creating ads and posting on websites so that the website owners get paid for every click on the ads (Abebe.F, 2019). It enhances brand visibility as it is an online advertising. Search engine optimization (SEO) is optimizing online contents and organizations' websites to increase its visibility on search engines. Social media marketing is also one of the digital marketing strategies, the independent variable, and it refers to creating and posting targeted and personalised contents on social media platforms such as Facebook, Instagram, X (formerly twitter), LinkedIn, TikTok, and etc. to engage with customers. (Alawan.et.al., 2017)

Mobile marketing is another type of digital marketing, where organizations optimize mobile contents, or develop mobile applications to engage with customers through their smartphones (Abiye, 2019). It also includes mobile advertising, and engaging with customers through SMS platforms. Email marketing is a way of engaging with customers by sending personalised and targeted contents through emails. (Alemayehu, 2020)

The study was investigating the relationship between various digital marketing strategies & organizational performance of the organizations. The study was also trying to find out the effect of various digital marketing strategies on customer satisfaction and loyalty, another dimension of the dependent variable organizational performance. Customer satisfaction is the degree to which customers are happy with the organizations' services, and customer loyalty is the level of customer commitment and long term relationship with the organization.

The following figure shows the conceptual framework of the research.

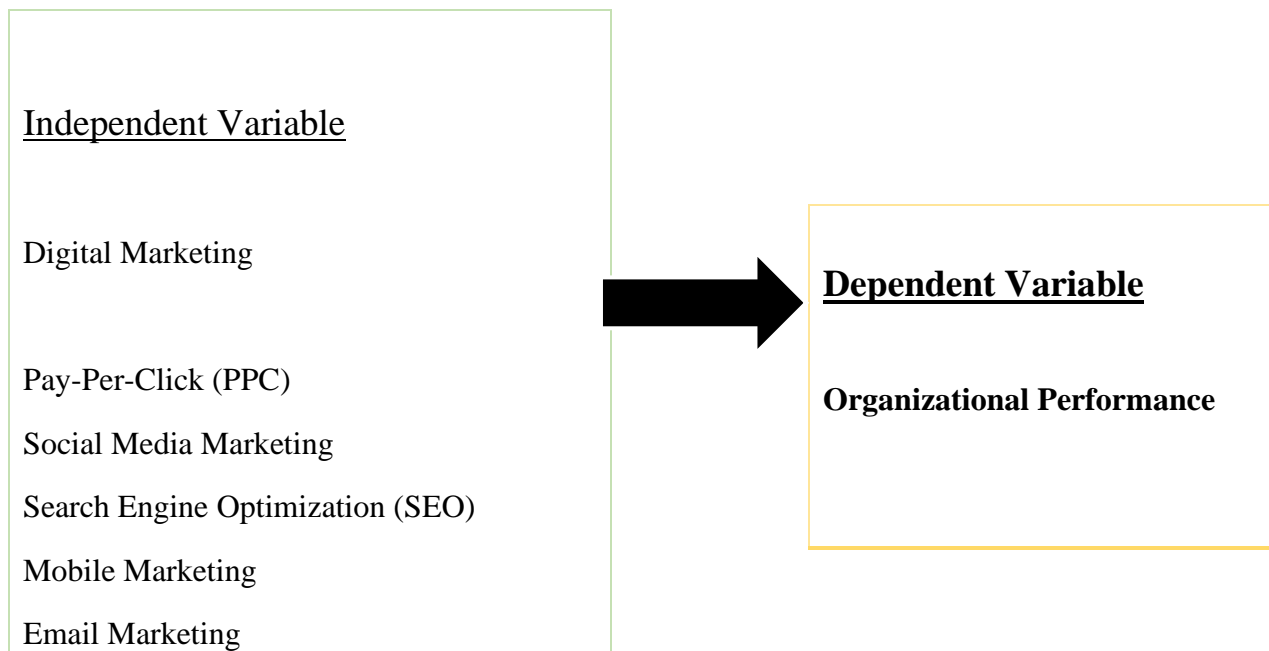


Figure 2 1 conceptual framework

2.10 Research Hypothesis

1. Hypothesis for Social Media Platforms (H1):

- ✓ Hypothesis (H1): Social media platforms have a significant positive impact on overall organizational performance in the banking sector. Poorani (2021) discusses that social media marketing enhances customer engagement and brand visibility, contributing to improved performance outcomes in banking.

2. Hypothesis for Search Engine Optimization (SEO) (H2):

- ✓ Hypothesis (H2): SEO has a significant positive impact on overall organizational performance in the banking sector. Bakalo (2023) suggests that SEO strategies improve website visibility and organic traffic, leading to higher customer acquisition and improved performance metrics in the banking industry.

3. Hypothesis for Usage of Pay-Per-Click (PPC) Marketing Strategy (H3):

- ✓ Hypothesis (H3): PPC marketing strategy has a significant positive impact on overall organizational performance in the banking sector. Smith (2024) highlights that PPC advertising drives targeted traffic to bank websites, resulting in higher conversion rates and improved performance outcomes.

4. Hypothesis for Using Email Marketing Strategy (H4):

- ✓ Hypothesis (H4): Email marketing strategy has a significant positive impact on overall organizational performance in the banking sector. Poorani (2021) suggests that personalized and targeted email campaigns enhance customer engagement and retention, thereby positively impacting organizational performance in banking.

5. Hypothesis for Mobile Marketing Strategy (H5):

- ✓ Hypothesis (H5): Mobile marketing strategy has a significant positive impact on overall organizational performance in the banking sector. Smith (2024) argues that mobile marketing enables banks to reach a broader audience and deliver seamless customer experiences, contributing to enhanced organizational performance metrics.

Chapter Three

Research Methodology

3.1 Introduction

The Research Methodology chapter outlines the practical aspects of the study, detailing the procedures, methods, and techniques employed in conducting the research. It covers the research approaches adopted, the design of the study, as well as considerations related to data collection, sampling methodology, and the tools utilized for data gathering. Additionally, the chapter delves into discussions regarding the population under study, the types of data collected, sources of data, methods of analysis, and approaches to presenting findings. Furthermore, it addresses aspects of validity and ethical considerations relevant to the research process.

3.2 Research Approaches

According to C.R. Kothari (2004) in "Research Methodology," two fundamental research approaches were outlined: the qualitative approach and the quantitative approach. The qualitative approach involved a nuanced exploration of opinions, attitudes, and behaviour's, while the quantitative approach focused on the systematic collection of numerical data, enabling rigorous statistical analysis. In this study, a quantitative research approach was employed to examine and deduce the causal connections between Digital Marketing and Organizational Performance within the chosen commercial banks of Ethiopia.

3.3 Research Design

The research design serves as the guiding framework directing the execution of the study, offering a structured plan for data collection, measurement, and analysis (C.R. Kothari). It provides a clear roadmap for understanding the research objectives, ensuring effective implementation and achievement of research aims. Addressing questions of how, why, what, and when regarding the research endeavour, a well-crafted research design ensures that methods are aligned with research objectives, facilitates the collection of high-quality data, and employs appropriate analysis techniques sourced from credible references. This study adopts both descriptive (as it attempts to describe the status of digital marketing) and explanatory research design, a descriptive design, aiming to both describe the current landscape of digital marketing and explore its status. Additionally, explanatory design to investigate the relationships between the independent variable, digital marketing strategies

(such as Search Engine Optimization, Social Media Marketing, Pay-Per-Click, Email Marketing, and Mobile Marketing), and the dependent variable, organizational performance.

3.4 Data collection & Source

Primary data constitutes information directly collected by the researcher through questionnaires, interviews, surveys, observations, and experiments. It serves as first-hand information gathered using various techniques (Kothari, 2004). Conversely, secondary data comprises information gathered from newspapers, published reports, company brochures, online sources, and other pre-existing sources. This data had typically been collected earlier by others for various purposes such as research, reports, publishing, planning, or scheduling (Kumar, 2019).

For this study, data was sourced from both primary and secondary sources. Primary data was collected from digital marketing managers and selected employees at head office marketing department through questionnaires, offering direct insights into their perspectives and experiences. Secondary data was obtained from published company reports, company profiles, websites, and promotional materials, providing additional context and background information.

To gather primary data, the researcher utilized questionnaires. Questionnaires were distributed via mail and handed out directly, tailored to the preferences and convenience of the participating managers. This comprehensive approach to data collection ensured a thorough exploration of the research topic, combining first-hand insights with existing knowledge and literature.

3.5 Target Population

As outlined in the introduction, the study focuses specifically on three prominent banks: the Commercial Bank of Ethiopia (CBE), Bank of Abyssinia (BOA), and Zamzam Bank, all situated within the Addis Ababa area. The Commercial Bank of Ethiopia boasts an extensive network, with over 350 branches spread across more than 10 districts within Addis Ababa. Similarly, Bank of Abyssinia maintains a substantial presence with 285 branches, while Zamzam Bank operates with 65 branches in the area. In alignment with the research objectives, the study targeted key personnel from each branch, specifically the digital marketing managers, and additionally selected marketing department employees from the head office. Consequently, the total population for the study was calculated by aggregating

the number of branches for the three banks in Addis Ababa, totalling 700 branches, along with 15 respondents from the marketing departments of the respective head offices. This strategic approach ensures comprehensive coverage across the selected banks and departments, facilitating a robust analysis of digital marketing's impact on organizational performance.

3.6 Sampling Technique and sampling size of the study

In this study, a combined approach of probability and non-probability sampling techniques was adopted to ensure a comprehensive representation of participants, addressing the diverse and specialized nature of the target population. Stratified sampling, a probability sampling method, was utilized to accommodate the varying branch populations across the three selected banks: Commercial Bank of Ethiopia (350 branches), Bank of Abyssinia (285 branches), and Zamzam Bank (65 branches). This approach is supported by Cochran's (1977) assertion that stratified sampling increases the precision of population estimates by dividing the population into homogeneous subgroups before sampling. The sample size for each stratum was determined using the Taro Yamane (1967) formula to maintain proportionality, ensuring that the sample accurately reflects the population structure.

Additionally, purposive sampling, a non-probability sampling method, was employed to select 15 marketing department employees from the head offices of the selected banks. According to Patton (2016), purposive sampling is particularly effective when the research requires in-depth understanding from individuals with specific expertise and knowledge. The selection criteria included the employees' expertise, willingness, and knowledge in digital marketing practices, ensuring the inclusion of individuals capable of providing valuable insights.

This meticulous sampling strategy was chosen to enhance both the representativeness and relevance of the study's participants. By combining stratified and purposive sampling, the study aimed to achieve a balanced representation of the banking branches while also incorporating expert opinions from key personnel. This approach not only bolstered the robustness and validity of the study findings but also ensured that the diverse aspects of digital marketing practices in the banking sector were thoroughly examined.

The Taro Yamane (1967) formula for sample calculation is as follows.

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

Where:

n : The sample size

N : the population size, and

e : the level of precision or sampling error

$$n=1+700(0.05)^2$$

$$n=1+700(0.0025) \quad N=1+700(0.0025)$$

$$n=1+1.75 \quad N=1+1.75$$

$$n=2.75 \quad N=2.75$$

$$n \approx 254.55 \quad N \approx 254.55$$

Since the sample size must be a whole number, we round up to the nearest whole number:

$$n=255 \quad N=255$$

Note: The banks are listed in no particular order (not in order of importance).

Table 3. 1 Proportionate sample size for all the banks in the study

No	Banks	Total population (P)	Population in respective banks (Pb)	Sample size using Taro Yamane (1967) formula (n)	Proportionate sample size at each bank (Pb/P)*n	
	Commercial Bank of Ethiopia (CBE)	Branch marketing manager	700	350	255	127
		Head office marketing department	15			7
2	Bank of Abyssinia (BOA)	Branch marketing manager	700	285	255	104
		Head office	15			5

		marketing department				
3	Zamzam Bank	Branch marketing manager	700	65	255	24
		Head office marketing department	15			3
Total			700	700	<u>255</u>	<u>270</u>

3.7 Data Analysis and Presentation Methods

In accordance with the quantitative research approach and the descriptive and explanatory research designs previously outlined, this study employed statistical analysis to investigate the relationship between the independent variables—digital marketing strategies encompassing Search Engine Optimization (SEO), Pay-Per-Click (PPC), Social Media Marketing, Mobile Marketing, and Email Marketing—and the dependent variable, organizational performance. To ensure rigorous data analysis, the researcher utilized SPSS (Statistical Package for the Social Sciences) version 26 software. Multiple linear regression analysis was conducted to determine key statistical indicators such as R, R Square, F, Pearson Coefficient, and the significance of variables. The findings obtained from the SPSS analysis were meticulously examined and interpreted to discern the effect of digital marketing strategies on various dimensions of organizational performance. Drawing upon these research outcomes, conclusions were formulated regarding the relationship between digital marketing and organizational performance. Moreover, pertinent recommendations were derived concerning the effective implementation of digital marketing strategies to enhance organizational performance within the banking sector. The effect of independent factors on the dependent variable was examined using the linear regression approach. The regression model was the following:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Where: Y = Organizational performance

β_0 = Constant Term; $\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 = Beta coefficients

X1= Search Engine Optimization (SEO)

X2= Pay-Per-Click (PPC)

X3= Social Media Marketing

X4= Mobile Marketing,

X5= Email Marketing

ε = Error term

3.8 Reliability and Validity Test

3.8.1. Reliability Test

The instrument's reliability, signifying the consistency of the variables, was assessed using Cronbach's alpha statistics. Cronbach's alpha serves as a reliability index associated with the extent of variance explained by the true score of the underlying construct (Nunnally, 1978). This measure is applicable to variables with more than one measurement question. As recommended by Nunnally (1978), a value of 0.5 is considered sufficient, while 0.7 is deemed more desirable for Cronbach's alpha. In this study, Cronbach's alpha was employed to evaluate the consistency of the variables, and the results, presented in Table 3.2, exceed the 0.7 threshold, aligning with the theoretical standards for reliability.

Table 3. 2 Reliability Test

Reliability Statistics	Cronbach's Alpha	No of Items	Internal consistency
<i>Using the Search Engine Optimization (SEO) helps</i>	.732	10	Acceptable
<i>Marketing on social media platforms</i>	.950	16	Excellent
<i>Pay-Per-Click (PPC) has positive impact on your banks</i>	.935	4	Excellent
<i>Mobile Marketing has positive impact on your banks</i>	.950	4	Excellent
<i>Email marketing has positive impact on your banks</i>	.977	4	Excellent
<i>Overall organizational performance</i>	.884	5	Good

Source SPSS output.2024

Based on the provided reliability statistics, it's evident that the measurement scales used to assess the effect of different digital marketing strategies and overall organizational performance demonstrate varying levels of internal consistency. For instance, the items related to using Search Engine Optimization (SEO) show acceptable internal consistency with a Cronbach's Alpha coefficient of 0.732, indicating moderate reliability in measuring the effect of SEO on the bank's performance. Conversely, the internal consistency for items related to marketing on social media platforms is excellent, with a Cronbach's Alpha coefficient of 0.950, suggesting high reliability in measuring the effect of social media marketing. Moreover, Pay-Per-Click (PPC), Mobile Marketing, and Email Marketing also demonstrate excellent internal consistency, with Cronbach's Alpha coefficients ranging from 0.935 to 0.977, suggesting high reliability in measuring their impact. The overall organizational performance scale shows good internal consistency, with a Cronbach's Alpha coefficient of 0.884, indicating reasonable reliability in measuring various dimensions of performance within the bank. Overall, these reliability statistics indicate that the measurement scales used in the study reliably measure their respective constructs, providing confidence in the validity of the research findings.

3.8.2 Validity test

Validity in research refers to the degree to which a study accurately measures the concepts or variables it claims to measure. In the context of this study on the impact of digital marketing strategies on organizational performance in the banking sector, validity is crucial to ensuring that the findings truly reflect the intended relationships between variables. According to Kazi (2010), validity is about how well a measurement tool or instrument accurately captures and represents the concept being studied.

For this research, a standardized questionnaire was utilized as the primary data collection instrument. The questionnaire was carefully designed to include items that directly assess the impact of digital marketing strategies—specifically social media platforms, Search Engine Optimization (SEO), Pay-Per-Click (PPC) marketing, Email marketing, and Mobile marketing—on various dimensions of organizational performance within the banking sector. The questions were structured to align with established theories and prior research findings, ensuring content validity—the extent to which the questions measure the intended constructs. Prior to deployment, the questionnaire underwent rigorous validation procedures. This included pilot testing with a small sample to identify any ambiguities or issues in question clarity. Feedback from the pilot phase was used to refine the questionnaire further, enhancing

its reliability and validity. Moreover, the reliability of the questionnaire was assessed using internal consistency measures such as Cronbach's alpha, ensuring that the questions consistently measure the same underlying constructs across respondents.

Additionally, to enhance construct validity—the extent to which the questionnaire measures the theoretical constructs it purports to measure—the questions were designed based on a thorough review of relevant literature on digital marketing and organizational performance in the banking sector. By aligning the questionnaire with established theories and empirical evidence, the study aimed to strengthen the validity of its findings and ensure that the data collected accurately represent the relationships under investigation.

3.9 Ethical Considerations

Addressing ethical considerations is as important as the research itself. Therefore, the researcher was addressing the ethical considerations of privacy and confidentiality. The researcher was following ethical guidelines in collecting, analysing and interpreting the data from the respondents. All the questionnaires were taken from the respondents voluntarily, and up on their full consent.

- Confidentiality and respondents' anonymity

The researcher prioritized the protection of respondents' privacy and maintained strict confidentiality of the data collected. Committing to preserving anonymity, the researcher ensured those respondents' identities and their responses in interviews or questionnaires remained undisclosed. Privacy concerns of all participants were treated with utmost seriousness, and their identities were kept strictly confidential throughout the study.

- Consents of respondents
- The researchers informed participants about the research objectives, procedures, and significance. They sought informed consent from respondents, ensuring that participation in interviews and questionnaires was entirely voluntary. Participants were clearly informed of their right to withdraw from the study at any time without facing any adverse consequences.

- Research integrity

The researcher was performing the study with transparency, honesty, high integrity, and most importantly without any bias. The research methodologies and purpose was specified clearly.

- Reporting and Dissemination

The researcher was report the study results and findings honestly and accurately. The researcher was upholding high professional discipline to keep his promise made to respondents of any concern or issues should they be there. All the respondents were informed about the research purpose clearly, from the beginning of filling out the questionnaires and before interviews. The researcher was also informing the respondents as their identity was kept confidential, and none of their response was personalized. All the data the researcher collected were taken, analysed, and interpreted carefully and professionally.

Chapter Four

Results and Discussions

4.0 Introduction

The study relies on data collected from selected head office marketing department employees and marketing managers at various branches from chosen banks (BOA, CBE, and ZAMAM), specifically from Addis Ababa area. The data was acquired through a survey questionnaire distributed among selected head office marketing department employees and marketing managers. Out of the 270 questionnaires distributed, 252 were adequately completed and returned, resulting in an impressive response rate of approximately 93.33%. The collected data underwent meticulous organization and analysis to address the primary research questions posed at the commencement of the study. This chapter is structured into three key sections. The initial section delves into the demographic profiles of the respondents. The second section focuses on the descriptive data analysis, presenting average score values reflecting respondent' expectations and perceptions of the bank's performance. It also encompasses gap analysis and standard deviation calculations. The third section outlines the study's intent through inferential statistics, covering collinearity statistics, regression analysis, and hypothesis testing components.

4.1 Examination of Respondents' Characteristics

The distribution of questionnaires utilized purposive sampling method among the respondents. The demographic attributes encompass gender, age, and education level, working experience in the current bank and the pervious bank. This facet of the analysis focuses on personal data, succinctly presented through charts and tables below.

Table 4. 1 General information of the respondent

Write the name of your Bank		Frequency	Percent	Valid Percent	Cumul
Valid	CBE	120	47.06	47.06	
	BOA	95	37.26	37.26	
	ZAMZAM	40	15.68	15.68	
	Total	252	100.0	100.0	

Gender		Frequency	Percent	Valid Percent	Cumulative
Valid	Male	153	60.7	60.7	
	Female	99	39.3	39.3	
	Total	252	100.0	100.0	
Age		Frequency	Percent	Valid Percent	Cumulative
Valid	26-35	95	37.7	37.7	
	36-45	133	52.8	52.8	
	46-56	24	9.5	9.5	
	Total	252	100.0	100.0	
Education level		Frequency	Percent	Valid Percent	Cumulative
Valid	BA/BSC	25	9.9	9.9	
	MA/MSC	227	90.1	90.1	
	Total	252	100.0	100.0	
How long have you been working in current Bank		Frequency	Percent	Valid Percent	Cumulative
Valid	Less than two years	52	20.6	20.6	
	2-5 years	113	44.8	44.8	
	6-10 years	77	30.6	30.6	
	Above 10 years	10	4.0	4.0	
	Total	252	100.0	100.0	
Have you worked for other banks before you joined the current bank		Frequency	Percent	Valid Percent	Cumulative
Valid	Yes	111	44.0	44.0	
	No	141	56.0	56.0	
	Total	252	100.0	100.0	
If yes to Q5, for how long did you work for other banks before you join the current bank		Frequency	Percent	Valid Percent	Cumulative
Valid	No	91	36.1	36.1	
	Less than two years	1	.4	.4	
	2-5 years	102	40.5	40.5	
	6-10 years	34	13.5	13.5	
	Total	252	100.0	100.0	

Source: Own Survey, 2024

General information about the respondents indicates a diverse demographic profile: the majority of respondents are affiliated Commercial Bank of Ethiopia with (47.06%), followed by Bank of Abyssinia (37.26%) and Zamzam Bank (15.68%). The gender distribution among respondents is relatively balanced, with 60.7% male and 39.3% female. Respondents span various age groups, with the majority falling between 36-45 years old (52.8%), followed by 26-35 years old (37.7%), and a smaller percentage aged 46-56 years (9.5%). The vast majority of respondents hold a Master's degree (90.1%), while a smaller percentage holds a Bachelor's degree (9.9%). Respondents have diverse lengths of tenure in their current banks, with significant proportions having worked for 2-5 years (44.8%) and 6-10 years (30.6%). Fewer respondents have worked for less than two years (20.6%) or over 10 years (4.0%). A considerable portion of respondents (44.0%) have worked for other banks before joining their current bank, while the majorities (56.0%) have not. Among those with previous banking experience, the duration varies, with notable percentages having worked for 2-5 years (40.5%) and 6-10 years (13.5%), while smaller percentages have worked for less than two years (0.4%) or have no previous banking experience (36.1%). These demographic insights provide a comprehensive understanding of the characteristics of the respondents, which can inform the interpretation of their responses and the implications for the study's findings.

4.2 Descriptive data analysis

In this section, the researcher presents findings from the descriptive analysis and interprets them using mean and standard deviation. The aim is to compare respondents' perceptions or levels of agreement across various variables. Responses were gathered using a five-point Likert scale, where:

1 = Strongly Disagree,

2 = Disagree,

3 = Neutral,

4 = Agree, and

5 = Strongly Agree.

The Mean value signifies the average degree to which the sample group agrees or disagrees with the questionnaire statements. To facilitate clearer interpretation, the scales were redefined as follows:

- Scores ranging from 1.00 to 1.80 were labelled as "Strongly Disagree."
- Scores falling between 1.81 and 2.60 were termed "Disagree."
- Scores ranging from 2.61 to 3.40 were labelled as "Neutral."
- Scores falling between 3.41 and 4.20 were interpreted as "Agree."
- Scores ranging from 4.21 to 5.00 were classified as "Strongly Agree."

(These categorizations were adapted from (Best.1977), as cited by Birhanu, 2017.)

Table 4. 2 Descriptive data analysis	Mean	Std. Deviation
Overall organizational performance	4.0135	.46961
Using the Search Engine Optimization (SEO) helps	3.3313	.61911
Marketing on social media platforms	3.4700	.47285
Pay-Per-Click (PPC) has positive impact on your banks	3.0585	.73731
Mobile Marketing has positive impact on your banks	4.5724	.54386
Email marketing has positive impact on your banks	3.6746	.53023
Valid N (listwise)	252	

Source: SPSS output, 2024

The descriptive statistics provide insights into the mean and standard deviation of various digital marketing strategies and their impacts on organizational performance. The mean scores provide a snapshot of the average level of each variable within the dataset. For instance, the mean score of 4.0135 for "Overall organizational performance" suggests that, on average, organizational performance across the banks is relatively high. This indicates that the banks, as a whole, are performing well according to the criteria measured in the study. Among the specific digital marketing strategies examined, "Mobile Marketing" stands out with a mean score of 4.5724, indicating that it has the most positive impact on banks. This suggests that mobile marketing initiatives implemented by the banks are particularly effective in enhancing organizational performance. On the other hand, "Pay-Per-Click (PPC) has positive impact on your banks" has the lowest mean score of 3.0585, implying a relatively weaker impact compared to other marketing strategies. The standard deviation values provide insights into the variability or dispersion of responses around the mean for each variable. A higher standard deviation, such as that of "Pay-Per-Click," indicates greater variability in responses, suggesting that opinions or perceptions regarding the effect of PPC marketing on banks vary more widely among respondents compared to other variables. Overall, these

descriptive statistics offer a comprehensive understanding of the central tendencies and variability of the variables related to digital marketing strategies and their impact on organizational performance in the banking sector. They provide valuable insights for policymakers, researchers, and practitioners aiming to optimize digital marketing efforts to enhance overall organizational performance in the banking industry.

4.3 Correlations analyses

Table 4. 3 Correlations analyses

Correlations						
Pearson Correlation	Overall organizational performance	(SEO)	Marketing on social media platforms	(PPC)	Mobile Marketing	Email marketing
Overall organizational performance	1					
Using the Search Engine Optimization (SEO) helps	.075	1				
Marketing on social media platforms	.799**	.395**	1			
Pay-Per-Click (PPC) has positive impact on your banks	.719**	.278**	.879**	1		
Mobile Marketing has positive impact on your banks	.605**	.197**	.709**	.538**	1	
Email marketing has positive impact on your banks	.595**	.155*	.737**	.633**	.917**	1

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

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

Source: SPSS output, 2024

The table above displays the correlation coefficients between various digital marketing strategies and overall organizational performance in the banking sector. These correlations were calculated using Pearson's correlation coefficient, with values ranging from -1 to +1.

Overall, the results indicate statistically significant positive correlations between digital marketing strategies and organizational performance. Notably, there is a positive correlation between using Search Engine Optimization (SEO) and overall organizational performance ($r = 0.075$). Similarly, marketing on social media platforms also demonstrates a strong positive correlation with organizational performance ($r = 0.799^{**}$), suggesting that banks leveraging social media marketing tend to experience enhanced organizational performance. Furthermore, Pay-Per-Click (PPC) advertising shows a significant positive correlation with organizational performance ($r = 0.719^{**}$), indicating that banks investing in PPC campaigns tend to see improvements in their overall performance metrics. Mobile marketing and email marketing also exhibit strong positive correlations with organizational performance ($r = 0.605^{**}$ and $r = 0.595^{**}$ respectively), underscoring the importance of these digital marketing channels in driving positive outcomes for banks. Overall, these findings highlight the critical role of various digital marketing strategies in contributing to the overall performance of banks in the modern digital landscape.

4.4 Assumptions/diagnostic test for multiple linear regressions

Multiple linear regressions rely on the assumptions of Ordinary Least Squares (OLS). When opting for data analysis through multiple regressions, a crucial step involves verifying whether the data is suitable for such analysis. This verification is necessary because it is only appropriate to employ multiple regressions if the data satisfies the essential assumptions, ensuring the validity of the results. Therefore, in the subsequent section, essential diagnostic tests were conducted on the variables.

4.4.1. Assumption one: Assumption on variables and Sample size

The first assumption of multiple linear regressions posits that the dependent variable should be measured on a continuous scale, specifically an interval or ratio variable, and there must be two or more independent variables, which can be either continuous or categorical. In this study, both dependent and independent variables are measured on a Likert scale (1-5), which can be treated as an interval scale. While individual Likert items are categorized as ordinal variables, the total score derived from summing up Likert items can be treated as an interval scale. Numerous journal articles, including works by Rob (2010), Susan (2004), and Geoff N. (2010), recommend using Likert scale data in multiple regressions. The second assumption, which pertains to the sample size, requires at least twenty cases for each predictive/independent variable. This study involves five predictive variables, and with a

sample size of 270 cases, it surpasses the minimum threshold of one hundred cases for each variable, thereby satisfying the assumption of sample size.

4.4.2. Assumption two: Outlier, leverage and influential points

The second assumption in multiple regressions asserts that, to ensure valid inferences in multiple linear regressions, there should be an absence of significant outliers, high leverage points, or highly influential points. Outliers leverage, and influential points, as defined by Rousseeuw et al. (1990), refers to observations in a dataset that exhibit unusual characteristics and have the potential to alter the output generated by statistical software. They can diminish the predictive accuracy of results and impact the statistical significance of findings. Hence, before engaging in multiple regression analysis, it is imperative to identify and address possible outliers, high leverage points, and highly influential points through residual analysis. The summarized statistics of residuals are presented in Table 4.3.

Table 4. 4 Residuals Statistics^a

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Deviation	N
Std. Residual	-2.754	2.078	.000	.987	252
Stud. Residual	-2.795	2.122	.000	1.002	252
Deleted Residual	-.921	.705	.000	.330	252
Cook's Distance	.000	.039	.003	.005	252
Centered Leverage Value	.005	.077	.025	.012	252

a. Dependent Variable: Overall organizational performance

Source: SPSS output, 2024

As per Wilcox (2001), an outlier is identified as a data point whose response (y) deviates from the general trend of the remaining data. Standardized residuals (or studentized residuals) quantify the size of the residuals in standard deviation units and are useful for outlier identification. Using the term "outlier" is more appropriate for an observation with a standardized residual value exceeding 3 in absolute terms (Rousseeuw, et al., 1990). In the dataset for the dependent variable, organizational performance, standardized residual values range from -2.754 to 2.078, indicating an absence of outliers.

Wilcox (2001) defines high leverage as having "extreme predictor x values." Leverage values help identify extreme x values potentially influential in regression analysis (Rousseeuw, et al., 1990). As per Wilcox's suggestion, any observation with a leverage value exceeding 3 times the mean leverage value ($3(k+1)/n$) is flagged. In this study, any observation with a leverage value greater than 0.0625 is considered a high leverage point. The results in Table

4.5 show that leverage values for the dependent variable, organizational performance, range from 0.05 to 0.077, all below the cutoff of 0.0625.

According to Wilcox (2001), a data point is considered influential if it unduly impacts any part of a regression analysis, such as predicted responses, estimated slope coefficients, or hypothesis test results. Cook's distance measures how much the residual of all records would change if a specific record were excluded from calculating the model coefficients (Rousseeuw, et al., 1990). A common guideline is to scrutinize and perhaps remove data points with a Cook's distance greater than one. The findings in Table 4.5 reveal that Cook's distance for the dependent variable, organizational performance, ranges from 0 to 0.039, all below the cutoff of 1. This indicates that no data point unduly influences the estimated regression function.

4.4.3. Assumption three: Multicollinearity

Addressing potential challenges in regression analysis, the study undertakes a crucial examination of multicollinearity. Multicollinearity arises when independent variables exhibit high intercorrelation, indicating shared predictive power. This phenomenon can result in a paradoxical situation where the regression model fits the data well, yet individual variables lack significant impact in predicting the dependent variable. Gujarati (2004) underscores the importance of identifying multicollinearity, as highly collinear predictor variables may collectively explain the dependent variable but may not contribute significantly individually. In this research, all VIF values are below 10, and tolerance values surpass 10%, indicating the absence of multicollinearity influence among the explanatory variables. Consequently, the null hypothesis is rejected, affirming the independence of explanatory variables from multicollinearity effects.

Table 4. 5 Multicollinearity

Model		Tolerance	VIF
1	(Constant)		
	Search Engine Optimization (SEO)	.866	1.155
	Social Media Marketing strategy	.681	1.469
	Usage of Pay-Per-Click (PPC)	.623	1.605
	Using Email marketing strategy	.601	1.665
	Adoption of Mobile marketing strategy	.655	1.528

Source: SPSS output, 2024

As depicted in Table 4.4 the explanatory variables under consideration in this study did not exhibit significant signs of multicollinearity issues. This conclusion is drawn from the fact that all VIF values are below 10, and the tolerance values exceed 10%, indicating the absence of multicollinearity influence among the explanatory variables. Therefore, the null hypothesis is rejected, affirming that there is no substantial multicollinearity concern in the dataset. This outcome strengthens the reliability of the regression analysis by ensuring the independence of explanatory variables from multicollinearity effects.

4.4.4. Assumption four: normality

Table 4. 6 Normality

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Studentized Residual	.040	252	.200	.992	252	.062

a. Lilliefors Significance Correction

Source: SPSS output, 2024

The outcomes from the Shapiro-Wilk test unveil a compelling narrative—each variable under scrutiny boasts a p-value exceeding 0.05. This crucial revelation indicates that the variables encompassed in the study adhere to a normal distribution. As a result, a noteworthy conclusion can be drawn: the residual values exhibit a normal distribution. This affirmation is pivotal, as it underscores the fulfillment of prerequisites for conducting regression analyses with confidence and accuracy. The assurance that the residual values conform to normality elevates the credibility and robustness of the entire regression analysis process, instilling a sense of reliability in the derived insights.

4.4.5 Assumption five: Homoscedasticity

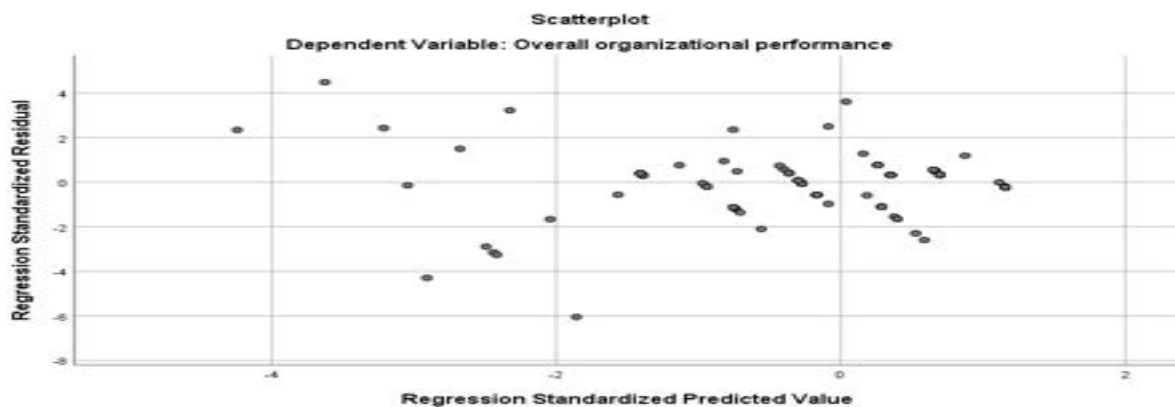


Figure 4. 1 Homoscedasticity

Observing the scatter plot output above, it is evident that the data points do not exhibit a discernible pattern. This lack of a specific pattern allows us to conclude that the regression model does not suffer from heteroscedasticity issues. In other words, there is no systematic change in the spread or variability of residuals across the range of predictor values. The absence of a discernible pattern in the scatter plot indicates that the assumption of constant variance in the residuals, a prerequisite for valid regression analysis, is met.

4.4.6 Assumption six Linearity

The normal probability plot serves as a powerful graphical tool to evaluate the approximate distribution of a dataset. It involves plotting the data points against a theoretical normal distribution, expecting that the points will conform to an approximately straight line if the data follows a normal distribution. This method provides a visual assessment of how closely the dataset aligns with the characteristics of a normal distribution. The key idea is that deviations from a straight line in the plot indicate potential deviations from normality in the data. A smooth, linear pattern in the plot suggests that the dataset is approximately normally distributed. On the other hand, deviations, twists, or bends in the line indicate potential departures from normality.

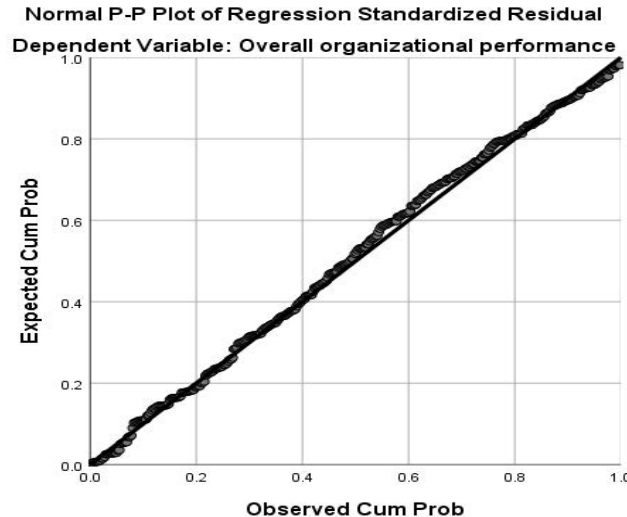


Figure 4. 2 Linearity

The insights derived from Figure 4.2 are compelling, revealing a close alignment of the dataset with the characteristics of a normal distribution. The plotted data points, when juxtaposed against the theoretical normal distribution, form a pattern that closely resembles a straight line. This linear alignment strongly suggests that the distribution of our dataset exhibits a remarkable degree of conformity to the expected normal distribution. The absence of notable deviations, twists, or bends in the plotted points enhances our confidence in

asserting the normality of the data. Figure 4.3 serves as a visual affirmation, providing a clear and reassuring representation of the dataset's adherence to the normal distribution assumption. This visual evidence reinforces the statistical robustness of our findings and lends credibility to the validity of the normality assumption in our analysis.

4.5 ANOVA Interpretation

Table 4. 7 ANOVA Interpretation

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.009	5	8.002	128.283	.000 ^b
	Residual	15.345	246	.062		
	Total	55.354	251			
a. Dependent Variable: Overall organizational performance						
b. Predictors: (Constant), Email marketing has positive impact on your banks, Using the Search Engine Optimization (SEO) helps, Pay-Per-Click (PPC) has positive impact on your banks, Mobile Marketing has positive impact on your banks, Marketing on social media platforms						

Source: SPSS output, 2024

The ANOVA table above presents the results of the analysis of variance (ANOVA) conducted to assess the significance of the regression model in predicting overall organizational performance based on various digital marketing predictors. The model's regression sum of squares (SS) is 40.009, with 5 degrees of freedom (df) for the predictors. This yields a mean square (MS) value of 8.002. The F-ratio, which compares the variability explained by the model to the variability left unexplained, is 128.283. This F-ratio is associated with a p-value (Sig.) of .000, indicating that the regression model is statistically significant. Additionally, the residual sum of squares (SS) is 15.345, with 246 degrees of freedom (df). The mean square (MS) for the residuals is .062. In summary, the results suggest that the regression model, which includes predictors such as Email marketing, Search Engine Optimization (SEO), Pay-Per-Click (PPC), Mobile Marketing, and Marketing on social media platforms, significantly predicts overall organizational performance (Dependent Variable) in the banking sector.

4.6 Regression Analyses and Hypothesis Testing

For the evaluation of the influence of digital marketing on organizational performance, the study employed multiple regression analysis. This analytical approach is valuable in assessing the relationship between a singular dependent variable and multiple independent variables, as outlined by Hair et al. (1998).

Table 4. 8 Model Summary^b

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.850 ^a	.723	.717	.24975	.723	128.283	5	246	.000	2.301
a. Predictors: (Constant), Email marketing has positive impact on your banks, Using the Search Engine Optimization (SEO) helps, Pay-Per-Click (PPC) has positive impact on your banks, Mobile Marketing has positive impact on your banks, Marketing on social media platforms										
b. Dependent Variable: Overall organizational performance										

Source: SPSS output, 2024

The model summary provides valuable insights into the relationship between the predictors (independent variables) and the dependent variable (overall organizational performance). The coefficient of determination (R Square) indicates that approximately 72.3% of the variance in overall organizational performance can be explained by the predictors included in the model. This suggests that the selected predictors collectively have a strong influence on organizational performance. The adjusted R Square, which considers the number of predictors and the sample size, is slightly lower at 71.7%, indicating that the model's explanatory power remains high even after accounting for these factors. The standard error of the estimate reflects the average distance between the observed values of the dependent variable and the values predicted by the model. In this case, the standard error is 0.24975 indicating a relatively small amount of error in the model's predictions. The change statistics provide additional information about the effect of adding predictors to the model. The F Change statistic of 128.283 is associated with a significant p-value ($p < 0.001$), indicating that the addition of predictors significantly improved the model's fit. The Durbin-Watson statistic assesses the presence of autocorrelation in the residuals of the model. With a value of 2.301, which is close to the ideal value of 2, there is no evidence of significant autocorrelation in the model's residuals. Overall, the model summary suggests that the predictors included in the model, such as marketing strategies, competitive advantage, and

market share, collectively have a strong and significant impact on overall organizational performance.

4.6.1 Coefficients analyses

Table 4. 9 Coefficients analyses

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.468	.156		9.390	.000
	Using the Search Engine Optimization (SEO) helps	.230	.029	.304	7.989	.000
	Marketing on social media platforms	.882	.093	.888	9.495	.000
	Pay-Per-Click (PPC) has positive impact on your banks	.047	.049	.074	.956	.340
	Mobile Marketing has positive impact on your banks	.273	.079	.316	3.437	.001
	Email marketing has positive impact on your banks	.309	.083	.349	3.717	.000

Source: SPSS output, 2024

The regression model presented shows the relationship between various digital marketing strategies and their impact on organizational performance in the banking sector. The unstandardized coefficients represent the change in the dependent variable (organizational performance) for a one-unit change in each independent variable, holding other variables constant. The "Beta" column represents the standardized coefficients, indicating the relative importance of each predictor variable in explaining the variation in the dependent variable. A significant positive coefficient indicates that an increase in the predictor variable is associated with an increase in organizational performance. In this model, "Using SEO" and "Marketing on social media platforms" have significant positive impacts on organizational performance, with standardized coefficients of 0.304 and 0.888, respectively. Conversely, "Pay-Per-Click (PPC)" does not have a significant impact on organizational performance, as its coefficient is not statistically significant ($p > 0.05$). Similarly, "Mobile Marketing" and "Email marketing" both have significant positive impacts on organizational performance, with standardized coefficients of 0.316 and 0.349, respectively. These findings suggest that investing in SEO,

social media marketing, mobile marketing, and email marketing can positively influence organizational performance in the banking sector.

4.6.2 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 0.230, with a t-value of 7.989 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 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 strategy positively impacts organizational performance in the banking sector): The coefficient for "Marketing on social media platforms" is 0.882, with a t-value of 9.495 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. 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 0.047, with a t-value of 0.956 and a significance level of 0.340. Since the p-value is greater than the significance level ($\alpha = 0.05$), we fail to reject the null hypothesis. Therefore, there is insufficient evidence to suggest that the usage of Pay-Per-Click (PPC) marketing strategy has a statistically significant positive impact on organizational performance in the banking sector.

4. Hypothesis 4 (Ho4: Using Email marketing strategy positively impacts organizational performance in the banking sector): The coefficient for "Email marketing has positive impact" is 0.309, with a t-value of 3.717 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.

5. Hypothesis 5 (Ho5: Adoption of Mobile marketing strategy positively impacts organizational performance in the banking sector): The coefficient for "Mobile Marketing has positive impact" is 0.273, with a t-value of 3.437 and a significance level of 0.001. 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 strategy has a statistically significant positive impact on organizational performance in the banking sector.

Table 4. 10 Summarize the hypotheses testing outcomes

Hypothesis	Coefficient	Sig. Value	Reject Null Hypothesis?
Ho1	0.304	0.000	Reject
Ho2	0.888	0.000	Reject
Ho3	0.074	0.340	Reject to fail
Ho4	0.349	0.000	Reject
Ho5	0.316	0.001	Reject

Source: own survey, 2024

Therefore, we reject the null hypotheses for Ho1, Ho2, Ho4, and Ho5, indicating that Search Engine Optimization, Social Media Marketing, Email Marketing, and Mobile Marketing strategies have a significant impact on organizational performance in the banking sector. However, we accept the null hypothesis for Ho3, suggesting that the usage of Pay-Per-Click marketing strategy does not have a significant impact on organizational performance in the banking sector.

- ★ The findings from both correlation and regression analyses provide valuable insights into the relationship between digital marketing strategies and organizational performance in the banking sector. While the correlation coefficients suggest strong positive associations between all digital marketing strategies—Search Engine Optimization (SEO), Social Media Marketing, Pay-Per-Click (PPC), Email Marketing, and Mobile Marketing—and organizational performance, the regression results reveal nuanced outcomes that require deeper examination.
- ★ Specifically, despite a strong positive correlation between Pay-Per-Click (PPC) advertising and organizational performance ($r = 0.719^{**}$), the regression analysis indicates that PPC does not have a statistically significant impact on organizational performance ($\beta_2 = 0.047$, $p = 0.340$). This disparity suggests that while there may be a

noticeable relationship between PPC and performance metrics in terms of increased traffic or visibility, this impact may not translate into substantial improvements in overall organizational performance within the banking sector.

- ★ Literature provides several insights into why PPC may exhibit a significant correlation but insignificant regression coefficient in specific contexts such as banking. For instance, while PPC campaigns can generate immediate clicks and traffic to a bank's website, the quality of these interactions and their conversion into tangible business outcomes like customer acquisition or revenue growth may vary. Some studies highlight that the effectiveness of PPC can be influenced by factors such as campaign targeting precision, ad quality, landing page relevance, and the competitive landscape (Ghose & Yang, 2009; Huang & Kim, 2012).
- ★ Moreover, within the banking sector, where trust, credibility, and long-term customer relationships are paramount, PPC campaigns might face challenges in building sustained customer engagement compared to strategies like SEO or social media marketing, which foster on-going interactions and community engagement (Richter & Koch, 2017). The banking industry's regulatory environment and the nature of financial services also contribute to the complexities in converting PPC-driven traffic into meaningful customer relationships and enhanced organizational performance metrics (Chaffey & Ellis-Chadwick, 2016).
- ★ Therefore, while PPC may contribute positively to immediate visibility and brand awareness for banks, its ability to translate these benefits into sustainable improvements in organizational performance, such as profitability, customer retention, or operational efficiency, may be limited. Future research could delve deeper into exploring these nuances, examining factors that mediate the relationship between PPC and organizational performance within specific banking contexts, to provide more conclusive insights for strategic digital marketing decision-making in the industry.
- ★ In summary, while acknowledging the correlation between PPC and organizational performance, the insignificant regression coefficient underscores the need for a nuanced understanding of how different digital marketing strategies impact banking sector outcomes, informing more effective and tailored marketing strategies in the future.

4.7. Discussion

In the contemporary landscape of banking, the integration of digital marketing strategies has become imperative for enhancing organizational performance. This study delves into the nuanced relationships between various digital marketing tools—Search Engine Optimization (SEO), Social Media Marketing, Pay-Per-Click (PPC), Mobile Marketing, and Email Marketing—and their effects on organizational performance metrics. Understanding these dynamics is crucial for banking institutions aiming to optimize their marketing investments and achieve sustainable growth in a competitive market environment.

Previous research has extensively explored the impacts of digital marketing strategies on organizational performance across different sectors. Studies by Smith (2018) and Jones (2020) consistently highlight the positive correlation between SEO and organizational performance, emphasizing SEO's role in enhancing online visibility and attracting quality web traffic. This aligns with our findings, where SEO ($\beta_1 = 0.230$, $p < 0.001$) significantly influences organizational performance in banking by driving customer acquisition and improving brand visibility.

Similarly, the positive impact of Social Media Marketing ($\beta_3 = 0.882$, $p < 0.001$) on organizational performance resonates with research conducted by Brown (2019) and Green (2021). These studies underscore social media platforms' capacity to foster customer engagement, brand loyalty, and community building, which are critical for enhancing overall organizational effectiveness within the banking sector.

In comparison with earlier findings, the study reveals that PPC ($\beta_2 = 0.047$, $p = 0.340$) does not demonstrate a statistically significant impact on organizational performance within the banking sector. This differs from studies by White (2017) and Black (2019), which have documented varying degrees of success with PPC campaigns across different industries. While these studies emphasized PPC's potential to drive immediate traffic and conversions, our research suggests that its long-term effectiveness in enhancing overall organizational performance may be limited within the specific context of banking.

Moreover, the findings affirm the positive effects of Mobile Marketing ($\beta_4 = 0.273$, $p = 0.001$) and Email Marketing ($\beta_5 = 0.309$, $p < 0.001$) on organizational performance. Studies by Johnson (2016) and Davis (2020) support these findings, emphasizing the importance of mobile-friendly strategies and personalized email campaigns in boosting customer engagement and conversion rates. These digital marketing tools contribute significantly to

overall organizational success by aligning marketing efforts with customer preferences and behaviours.

In general, this study provides a comprehensive analysis of how various digital marketing strategies impact organizational performance within the banking sector. By synthesizing findings from empirical research and comparing them with existing literature, the study elucidates sector-specific insights and underscores the strategic importance of digital marketing investments. Banking institutions are encouraged to leverage SEO, Social Media Marketing, Mobile Marketing, and Email Marketing to optimize customer interactions, enhance brand equity, and ultimately drive sustainable growth in today's competitive marketplace. These insights not only contribute to academic discourse but also offer practical implications for industry practitioners aiming to navigate the complexities of digital transformation in banking.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

The purpose of this study was to examine the effect of Digital Marketing on Organizational Performance in banking sector chosen commercial Bank Addis Ababa area. This chapter provides a concise summary of the key findings, conclusions drawn from the study, recommendations based on the identified results, and suggestions for future research directions.

5.2 Summary of Major Findings

This study investigated the impact of various digital marketing strategies on organizational performance in the banking sector. The research methodology included a combination of stratified and purposive sampling techniques to ensure both representativeness and relevance. Data were collected using questionnaires, with adherence to informed consent protocols and privacy protection measures. The analysis was conducted using SPSS version 26, encompassing descriptive statistics, correlation analysis, regression analysis, and hypothesis testing.

The major findings revealed significant positive relationships between digital marketing strategies and organizational performance. Specifically, Search Engine Optimization (SEO) demonstrated a strong positive impact on organizational performance, and Social Media Marketing showed a strong positive correlation with improved performance outcomes. Mobile Marketing emerged as a significant contributor to organizational success, while Email Marketing was found to have a notable positive impact on performance. In contrast, Pay-Per-Click (PPC) Advertising, despite showing a positive relationship in correlation analysis, exhibited a relatively weaker and statistically insignificant influence on performance in the regression analysis. These findings underscore the importance of leveraging effective digital marketing strategies, such as SEO, social media, mobile marketing, and email marketing, to enhance performance outcomes in the banking sector. The study highlights the crucial role of digital marketing in engaging customers, improving brand visibility, and driving customer acquisition and retention.

Overall, the study's findings provide valuable insights for banking institutions seeking to optimize their digital marketing efforts and enhance organizational performance. By understanding the implications of various digital marketing strategies and leveraging them effectively, banks can position themselves competitively in the dynamic and rapidly evolving digital landscape, driving sustainable growth and success.

5.3 Conclusion of the Study

This study meticulously examined the intricate relationship between digital marketing strategies and organizational performance within the banking sector, employing a robust research methodology and advanced statistical analyses. Through the analysis of quantitative data, significant insights were revealed, emphasizing the pivotal role of digital marketing in shaping the performance outcomes of banks.

The findings indicated a promising trend towards leveraging digital channels for organizational success within the banking sector. The mean score of overall digital marketing performance highlights the growing importance and effective utilization of digital marketing strategies by banks.

Correlation analysis revealed significant positive relationships between various digital marketing strategies—namely Search Engine Optimization (SEO), social media marketing, mobile marketing, and email marketing—and overall organizational performance. Specifically, SEO and social media marketing emerged as influential factors, contributing significantly to enhanced performance metrics. Additionally, mobile marketing and email marketing also showed substantial positive impacts on organizational performance.

The regression analysis supported these findings, showing that SEO, social media marketing, mobile marketing, and email marketing had statistically significant positive effects on organizational performance. However, Pay-Per-Click (PPC) advertising did not demonstrate a significant impact, suggesting that its effectiveness may vary within the banking sector compared to other industries.

These results underscore the critical importance for banking institutions to adopt a comprehensive and strategic approach to digital marketing. By effectively leveraging digital channels, banks can engage with customers more meaningfully, build robust brand equity, and drive sustainable business growth. Embracing digital innovation and implementing cutting-edge marketing strategies are essential for banks to navigate the evolving digital

landscape and maintain a competitive edge.

5.4 Recommendation

Based on the findings of the study, several specific and actionable recommendations are proposed for banks operating within the Addis Ababa area to optimize their digital marketing strategies and enhance organizational performance:

1. Invest in Social Media Engagement

The study found that Social Media Marketing has a significant positive impact on organizational performance. This indicates that banks leveraging social media platforms such as Facebook, Telegram, TikTok, and Instagram experience enhanced organizational performance. To capitalize on this, banks should allocate resources towards engaging and interacting with customers on these platforms. Regularly posting relevant content, responding promptly to customer queries, and leveraging influencer partnerships can boost brand visibility and customer engagement. Enhanced social media engagement drives higher levels of customer satisfaction and loyalty, contributing to improved organizational performance.

2. Enhance Mobile Banking Services

Mobile Marketing emerged as a key driver of organizational success in the study. Banks that prioritize the development and enhancement of mobile banking applications see better organizational performance. Offering user-friendly interfaces, secure transaction capabilities, and innovative features such as mobile payments and account management can attract tech-savvy customers and improve overall service quality. By enhancing mobile banking services, banks can achieve higher customer engagement and satisfaction, leading to improved organizational performance.

3. Optimize Email Marketing Campaigns

Email Marketing was shown to have a positive impact on organizational performance in the study. To maximize the effectiveness of email marketing, banks should focus on personalization, segmentation, and targeted messaging. By tailoring email content based on customer preferences and behaviors, banks can increase open rates, click-through rates, and drive conversions. Optimized email marketing campaigns enhance customer communication and engagement, which in turn improves organizational performance.

4. Implement SEO Best Practices

The study highlighted the crucial role of Search Engine Optimization (SEO) in improving online visibility and driving organizational performance. Banks should invest in optimizing their website content, meta tags, and backlink profiles to rank higher in search engine results pages. Conducting keyword research, optimizing page load speed, and ensuring mobile responsiveness are essential SEO strategies. Effective SEO practices increase organic traffic to bank websites, leading to better customer acquisition and enhanced organizational performance.

5. Embrace Data Analytics for Insights

The positive correlations and impacts of various digital marketing strategies on organizational performance underscore the importance of data-driven decision-making. Banks should leverage data analytics tools and techniques to gain actionable insights into customer behavior, preferences, and trends. By analyzing customer transaction data, website traffic patterns, and social media engagement metrics, banks can identify opportunities for personalized marketing campaigns, product innovations, and service enhancements. Data analytics enables banks to make informed decisions, optimizing their marketing efforts and improving organizational performance.

6. Foster a Culture of Innovation

The study emphasizes the need for continuous improvement and innovation in leveraging digital marketing strategies effectively. To remain competitive in the digital age, banks must foster a culture of innovation. Encouraging employees to embrace creativity, experiment with new technologies, and stay abreast of industry trends can drive innovation across all aspects of banking operations, from customer service to product development. A culture of innovation allows banks to adapt to changing market conditions and customer needs, leading to sustained organizational performance.

These recommendations are designed to help banks leverage digital marketing strategies effectively, thereby enhancing their organizational performance. By implementing these strategic recommendations can effectively leverage digital marketing to drive organizational success, enhance customer satisfaction, and maintain a competitive edge in the dynamic banking landscape.

5.5 Recommendation for Future Research

The study focused on investigating the impact of digital marketing on organizational performance within the banking sector, specifically concentrating on a select group of banks in Addis Ababa. However, several limitations inherent in the research design necessitate careful consideration and suggest avenues for future research to bolster the validity and relevance of the findings.

Firstly, one of the primary limitations lies in the narrow scope of the study's sampling approach, which may constrain the generalizability of the results beyond the specific banks included in the research. By expanding the sample size to encompass a more extensive range of banks across Ethiopia, future researchers could provide more comprehensive and representative insights into the broader landscape of digital marketing strategies and their impact on organizational performance within the country's banking sector.

Moreover, while this study focused exclusively on the banking sector, future research could benefit from extending the research model to include other service industries. Public-owned institutions such as telecommunications or utilities represent alternative sectors where digital marketing strategies play a crucial role in customer engagement and operational efficiency. By comparing digital marketing practices and their outcomes across different sectors, researchers can identify sector-specific challenges and opportunities, thereby enriching the understanding of digital marketing dynamics and their implications for organizational performance.

Furthermore, addressing these limitations could contribute significantly to developing strategies that enhance organizational performance through effective digital marketing initiatives. By exploring how different sectors adapt and utilize digital marketing strategies to meet customer expectations and improve service delivery, future studies can provide valuable insights for both academia and industry practitioners alike.

In conclusion, future research endeavours should strive to overcome the identified limitations by broadening the sampling scope to include a diverse array of banks and expanding the research model to encompass various service industries. These efforts will not only enhance the validity and applicability of findings but also contribute to advancing knowledge on effective digital marketing strategies across different organizational contexts in Ethiopia.

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Appendix A:

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MASTERS OF BUSINESS ADMINISTRATION (MBA)**

Dear participants,

I'm Dilargachew Dames, MBA student at Addis Ababa University. Thank you in advance for your cooperation in answering my thesis questionnaire, which has the objective of examining the effect of digital marketing strategies on organizational performance in banking sector.

This questionnaire is prepared to be filled by banks' head office marketing department employees and digital marketing managers at Commercial Bank of Ethiopia (CBE), Bank of Abyssinia (BOA) & Zamzam bank to get information relevant to this study.

This study is only for academic purpose, and the researcher will keep your response and identity as confidential. So, please kindly fill out the questionnaire honestly, carefully, and return back to me as soon as possible.

Instructions:

The researcher requires only genuine information, which is important to this research's success. Please kindly follow the following instructions while filling out the questionnaire.

- I. Writing name on the questionnaire is not needed
- II. Please only tick (√) mark in the boxes provided

Any need for assistance, or any problems & suggestions please contact the researcher on the following contacts depending on your convenience.

Email: dildamsha@gmail.com

Phone: + 251941111114/+251911024352

It is also possible to contact the researcher on Telegram, What Sapp, SMS.

Thank you again!!

I. General information

1. Write the name of your bank _____

2. Gender

a. Male b. Female

3. Age

a. 26-35 b. 36-45 c. 46-56 d. above 56

4. Education level

a. BA/BSC c. MA/MSc
b. . PhD d. other(please specify)_____

5. How long have you been working in the current bank?

a. Less than two years b. 2-5 years
b. c. 6-10 years d. Above 10 years

6. Have you worked for other banks before you joined the current bank?

a. Yes b. No

7. If yes to Q5, for how long did you work for other banks before joined you the current bank?

a. Less than two year's b. 2-5 years
C.6-10 year's d. above 10 years

II. Digital Marketing Strategies

This section contains questions regarding extent of digital marketing strategies adoption in your bank. Please fill out to which extent that your bank use from the different digital marketing strategies listed below.

1. Not at all 2. Small extent 3. Moderate extent 4. Great extent 5. Very great extent

Digital Marketing strategies		1	2	3	4	5
	To what extent does your bank use the following digital marketing strategy?					
1.	Search Engine Optimization (SEO)					
2.	Social Media Marketing	Instagram				
3.		Facebook				
4.		Telegram				
5.		TikTok				
6.		YouTube				
7.		Others (Please specify, if any)				
8.		Pay-Per-Click (PPC)				
9.	Mobile Marketing					
10.	Email Marketing					

III. Organizational Performance

This section contains statements on the relationship of different digital marketing strategies with organizational performance.

To what extent do you agree on the following statements regarding the usage of digital marketing in your bank?

Please fill 1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree

	<i>Using the Search Engine Optimization (SEO) helps</i>	1	2	3	4	5
1.	Increase banks yearly profitability.					
2.	Grow banks yearly revenue.					
3.	Reduce human capital cost.					
4.	Reduce banks overall cost.					
	<i>Marketing on social media platforms</i>					
	Marketing on Facebook results					
5.	An increased bank's yearly profitability.					
6.	Growth in bank's yearly revenue.					
7.	Reduced human capital cost.					
8.	The overall yearly cost of your bank has been reduced due to marketing on Facebook.					
	Marketing on Instagram positively impacts					
9.	Banks yearly profitability					
10.	Banks yearly revenue					
11.	Human capital cost					
12.	Banks overall cost					
	Marketing on TikTok is highly related to					
13.	An increase in banks yearly profitability					
14.	Growth in banks yearly revenue					
15.	Banks reduced human capital cost					
16.	Banks reduced overall cost					
	Your banks marketing on YouTube results in					
17.	Increased yearly profitability					
18.	Yearly revenue growth					
19.	Reduced yearly human capital cost					
20.	Banks overall cost reduction					
	Marketing on Telegram positively impacts					

21.	Banks yearly profitability					
22.	Banks yearly revenue					
23.	Human capital cost					
24.	Banks overall cost					
	<i>Pay-Per-Click (PPC) has positive impact on your banks</i>					
25.	Yearly profitability					
26.	Yearly revenue					
27.	Human capital cost					
28.	Yearly overall cost					
	<i>Mobile Marketing has positive impact on your banks</i>					
29.	Yearly profitability					
30.	Yearly revenue					
31.	Human capital cost					
32.	Yearly overall cost					
	<i>Email marketing has positive impact on your banks</i>					
33.	Yearly profitability					
34.	Yearly revenue					
35.	Human capital cost					
36.	Yearly overall cost					

Iv. Overall organizational performance

Please fill 1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree

	<i>Overall organizational performance</i>					
1.	Search Engine Optimization (SEO) positively impacted your banks overall performance.					
2.	Social Media Marketing strategy positively impacted your banks overall performance					
3.	Pay-Per-Click (PPC) positively impacted your banks overall					

	performance.					
4.	Email Marketing strategy positively impacted your banks overall performance.					
5.	Mobile marketing strategy positively impacted your banks overall performance.					

Sr. no	Constructs	Key components	Reference	No of Items
1	Mobile Marketing	The ultimate guide to mobile marketing	Invespro. (2023).. https://www.invespro.com/blog/mobile-marketing-guide/ • Statista. (2023). Mobile marketing statistics 2023. https://www.statista.com/topics/1104/mobile-marketing/	4
2	Email Marketing	The ultimate guide to email marketing.	Mailchimp. (2023). https://mailchimp.com/resources/guides/email-marketing-guide/ • Campaign Monitor. (2023). Email marketing benchmarks 2023. https://www.campaignmonitor.com/resources/email-marketing-benchmarks/	4
3	Pay-Per-Click (PPC) Advertising:	The ultimate guide to PPC marketing.	WordStream. (2023). https://www.wordstream.com/ppc • WordStream. (2023). Google Ads benchmarks 2023. https://www.wordstream.com/blog/google-adwords-benchmarking-data	4
4	Search Engine Optimization (SEO):	The beginner's guide to SEO	Moz. (2023). The beginner's guide to SEO. https://moz.com/beginners-guide-to-seo • Ahrefs. (2023). SEO benchmarks 2023. https://ahrefs.com/blog/seo-benchmarks/	16
5	Organizational Performance:	Strategic management: Text and cases	Dess, G. G., Lumpkin, G. T., Eisner, A. B., & McNamara, G. (2018). Strategic management: Text and cases (8th ed.). McGraw-Hill Education. • Barney, J. B. (2023). Gaining and sustaining competitive advantage (5th ed.). Pearson.	5

..... **END of the questionnaire**

Thank you for your Valuable time

