



FACTORS AFFECTING THE ADOPTION OF DIGITAL MARKETING
PRACTICES IN ABAY BANK S.C ADDIS ABABA ETHIOPIA

BY: SELAMAWIT HAILU

THESIS SUBMITTED TO SCHOOL OF GRADUATE STUDIES OF ADDIS
ABABA UNIVERSITY IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN
MARKETING MANAGEMENT.

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Statement of Certification

This is to certify that Selamawit Hailu Bekele has carried out her research work on the topic entitled “Factors Affecting the Adoption of Digital Marketing Practices in Abay Bank S.C Addis Ababa Ethiopia” is her original work and is suitable for submission for the award of Master’s Degree in Marketing Management.

Name of Advisor: Saleamlak Molla(PhD) Signature _____ Date _____

Declaration

I, Selamawit Hailu Bekele, the undersigned person declare that the research paper, “Factors Affecting the Adoption of Digital Marketing Practices in Abay Bank S.C Addis Ababa Ethiopia”, is my genuine and original work, completed under the supervision of Saleamlak (PhD). Any assistance I received in conducting research and preparing the thesis has been appreciated. Furthermore, I ensure that all information sources and publications used are cited in the thesis.

Declared by Selamawit Hailu Bekele

Signature: _____

Date: _____

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ACRONYMS and ABBREVIATIONS

ANOVA-----Analysis of Variance

DM-----Digital Marketing

E-banking -----Electronic banking

et. al-----and others

IT-----Information technology

S.C-----Share Company

SPSS-----Statistical Package for Social Sciences

ABSTRACT

In a knowledge society, firms must establish competitive advantages through effective use of electronic marketing in order to flourish in markets. The aim of this study was to look into the elements that influence the adoption of digital marketing practices in Abay Bank SC Addis Ababa Ethiopia. The primary data were collected using questionnaire from 293 Abay Bank staffs that are found in Addis Ababa, Ethiopia. To select the sample respondents the researcher used a systematic sampling technique. The data was analyzed through descriptive and inferential method of analysis using the Statistic Package for Social Science (SPSS). The findings of the study indicated that the regression result shows that relative advantage, employee technological skill, top management support, IT infrastructure and customer awareness have positive and statistically significant effect in determining adoption of digital marketing practices. The researcher conclude the organization should incorporate technological innovations, skilled manpower, a well-organized IT infrastructure and top management supports into its strategy to better serve customers through digital marketing.

Keywords: Abay Bank, Adoption, Addis Ababa, Digital Marketing and Factors.

CHAPTER ONE

1. Introduction

1.1 Background of the study

Digital marketing is a term that entails marketing information in digital format that would be seen through computers, smartphones, or any other digital devices with the purpose of making the brand image known, delivering the brand message, and sales development via product promotion during the advertising phase (Erkollar & Oberer (2010); Ghachem (2011).

Digital marketing stands in contrast to traditional marketing in the sense that is based on a system of channels and techniques that allows an enterprise to see how the campaigns are performing not only in real-time but with pinpoint accuracy. Digital marketers tend to monitor things such as how long and how often something is being viewed, sales conversion rates, most most-watched and least-watched content among others (Yasin et al., 2019).

Digital marketing acts as a communication medium through which direct participation with customers is possible while the relationship is being developed over time. Banking is all about delivering service. The goods, and the activities of banks which are often competing with each other, are of uniform features. Similarly, the effectiveness of the campaign is solely dependent on the quality of services and outreach offered by the bank which should be superior to that of others and make customers loyal to that particular bank. With digitization marketing business operations can be accessed from everywhere, customers can be secured in a greater number, the tasks of business can be carried out easily the profit of banks can be increased and banks can be superior by implementation of digitization (Chaffey& Ellis-Chadwick, 2019).

The banking sector has a radical change in marketing strategies because of the penetrating effect of digitalization in that sector of business. The unification of digital technology usage, changing customer behaviors, and paramount customer centricity have compelled banks to market digital technologies as an integral piece of their overall marketing mix (Grewal & Levy, 2020).

Digital marketing in the banking industry is mostly about increasing awareness to customers, attracting new ones, and enhancing brand trust among the necessities. For this purpose strategies like networking through social media, search engine optimization (SEO), content marketing, email

marketing, mobile application software, and data analytics using personalized customer experience (Frost & Strauss, 2020).

There is the ever-evolving change in the international banking system due to the emergence of an advanced technology category. Digital marketing has turned into a key approach that private banking utilize in a bid to improve on the way customers are managed, market share for Banks as well as efficiency (Smith (2018); Kapoor et al., (2020)). Digital marketing in the context of banking has become a phenomenon observed worldwide characterized by the emergence of a wide variety of online tactics. Lenders across the globe routinely and more diligently highlight the significance of digital tactics for gaining and retaining consumers (Smith, 2018).

According to Kapoor et al. (2020), progressive banks in different parts of the world use digital interface for innovative customers' engagement and the creation of sufficient online platform.

Africa's banking landscape presents a unique blend of challenges and opportunities for digital marketing. Mkwizu et al. (2019) contribute valuable insights by highlighting the specific dynamics that African banks face in adopting and implementing effective digital marketing strategies. The African experience underscores the necessity for contextualized approaches that align with the diverse socio-economic landscapes across African nations.

When it comes to our country Ethiopia, the banking sector along with other sectors of the country has been through significant transformation following the digital transformation period. The paper under review by Gebre et al. (2021) provides a more specific view of the challenges and possibilities that shape the digitization of banking services in Ethiopia. Thus, the study focuses on revealing the factors that have impelled private banks in Ethiopia to undertake digitalization in consideration of the technological advancement and economic development of the country.

1.2 Background of study area

Abay Bank, established on July 14th, 2010, and commencing full-fledged banking operations on November 3, 2010, has met all regulatory requirements set by the National Bank of Ethiopia. With a paid-up capital of Birr 5.171 Billion as of December 31, 2023, and a shareholder base of 4,479, the bank is well-positioned to serve a wide array of economic sectors through its extensive branch network.

The bank's mission is to be a dependable financial partner, catering to the diverse needs and aspirations of businesses across Ethiopia. It aims to bridge the gap between financial services and those in need, offering comprehensive banking solutions supported by modern technology. With over 528 branches nationwide and a customer base exceeding 3,073,758 account holders by the end of 2023, Abay Bank has demonstrated significant growth and reach.

In line with its commitment to innovation, Abay Bank leverages various technologies to deliver efficient and reliable services to its customers. Recognizing the fast-paced evolution of technology and innovation, the bank continually embraces new advancements to remain competitive and appealing in the market. Among its strategies, digital marketing plays a pivotal role in promoting its products and enhancing brand visibility among potential customers.

1.3 Statement of the problem

The evolution of digital technology has transformed the landscape of marketing strategies within the banking sector, with an increasing emphasis on digital marketing practices. Despite the growing adoption of digital marketing initiatives, several critical challenges persist, necessitating a focused investigation into the factors influencing the efficacy of these strategies within banks.

The primary problem revolves around understanding the multifaceted influences that affect the effectiveness of digital marketing practices in banks. Banks are tasked with integrating and adapting to rapidly evolving digital technologies within their marketing strategies.

Despite the rapid advancements in digital marketing globally, the Ethiopian private banking sector faces a critical challenge in strategically adopting and implementing these technologies Gebre (2021). The problem lies in a lack of comprehensive understanding regarding the specific internal, external, and customer-centric factors that influence the successful integration of digital marketing strategies within private banks in Ethiopia Naod (2022).

Various empirical studies examined the factors affecting digital marketing across the world. Caroline (2015), Bosire (2021), and also in Ethiopia Yoseph (2017), Meron (2018), Tesfahun (2019), Dagem(2020), Girum (2021), Sebrin (2021), and Naod (2022) analyzed the factors affecting adoption of digital marketing in different organizations. Bosire (2021) studied the elements that influence the adoption of digital marketing in Kenyan color cosmetic enterprises. He

discovered that technological inventiveness, organizational dimension, and environmental dimension all had a high positive association with digital marketing adoption.

However, he did not clearly show what technological, environmental, and organizational factors are included in the regression analysis.

In Ethiopia, Yoseph (2017) conducted a study on the factors influencing customers' adoption of Internet banking at Commercial Bank of Ethiopia. His findings revealed that perceived utility, ease of use, prior internet knowledge, intention to use, and convenience were all statistically significant predictors of online banking uptake. However, he overlooked the most essential aspects affecting digital marketing, such as top management backing and the availability of IT infrastructure.

Another study by Meron (2018) on assessment of factors affecting the adoption of electronic banking in Abyssinia Bank found that the major factors on the adoption of electronic banking in Bank Of Abyssinia were security risk, lack of trust, high rate of illiteracy, lack of legal and regulatory framework, lack of ICT infrastructure, absence of computation between local and foreign banks, frequent power interruption & security issues. However, she focused only on the challenges that hinder the adoption of electronic banking; she did nothing about the factors that positively influence the adoption of electronic banking.

Moreover, a study by Tesfahun (2019) on factors affecting the adoption of electronic marketing in Ethiopian supermarkets showed that competitive pressure, adoption cost, and IT infrastructure are the most influencing factors of e-marketing adoption. But he did not include any environmental factor that strongly influences e-marketing adoption like awareness given to customers. In addition, Dagm (2020) has tried to identify factors affecting digital marketing practice in Addis Ababa, Ethiopia he tried to collect data from users of digital marketing in Addis Ababa and stated that all the independent variables assumed by him; perceived usefulness, perceived ease of use, legislation and regulation and infrastructure have a positive effect on digital marketing practice. However, he did not include any environmental factors like customer awareness and also organizational factors like management support which are the most important factors for the adoption of digital marketing.

Girum (2021) also conducted research on the factors influencing the adoption of e-commerce evidence from select hotels in Addis Ababa. His findings revealed that top management and IT

capabilities had a positive and significant relationship with e-commerce adoption, while organizational competency had a negative significance among organizational factors. Technological factors such as perceived relative advantage/benefit and perceived compatibility had a significant impact on e-commerce adoption in the study population. However, he did not consider aspects such as awareness, knowledge, and abilities for adoption.

On the other hand, in a study conducted by Sebrin (2021) on factors affecting digital marketing practice in the case of Info-mind Solutions plc, she collected data from the customers of Info-mind Solutions plc and tried to analyze the data using a descriptive method of analysis and the finding shows that brand awareness, search engine optimization, paid search engine marketing, and email marketing have positive and significant relationship with digital marketing. However, she missed important factors like IT infrastructure and knowledge and skill for practice of digital marketing.

Thus, the researcher in this study would like to test the uncovered areas of interrelationship by taking information from employees and by incorporating variables such as IT infrastructure, employee technological skill, top management support, preserved use, and customer awareness which were not included in some of the above studies and the study was focused on the perspectives of employee role in the adoption of digital marketing practice on Abay Bank s.c Addis Ababa, Ethiopian. Hence the researcher believes that this research would contribute to fill the existing research gap. By clarifying the complexities of these challenges, the study hopes to offer practical recommendations that can guide strategic decisions and improve the sector's capacity to use digital tools successfully.

1.4 Research Questions

- To what extent does Perceived Use (Relative advantage) impact the adoption of digital marketing practices in Abay Bank S.C., Addis Ababa, Ethiopia?
- To what extent does employee technological skill affect the adoption of digital marketing practice in Abay Bank S.C., Addis Ababa, Ethiopia?
- To what extent does the top management support influence the adoption of digital marketing practices in Abay Bank S.C, Addis Ababa Ethiopia?
- To what extent does the IT infrastructure affect the adoption of digital marketing practices in Abay Bank S.C, Addis Ababa Ethiopia?

- To what extent does the Awareness of customers affect the adoption of digital marketing practices in Abay Bank S.C, Addis Ababa Ethiopia?

1.5 Research Objectives

1.5.1 General Objective of the Study

- The main objective of this study is to investigate factors affecting the adoption of digital marketing practices in Abay Bank S.C Addis Ababa, Ethiopia.

1.5.2 Specific Objective of the Study

- To identify to what extent Perceived Use (Relative advantage) affects the adoption of digital marketing practice in Abay Bank S.C., Addis Ababa, Ethiopia.
- To investigate the extent in which Employee technological skill affects the adoption of digital marketing practice in Abay Bank S.C. Addis Ababa, Ethiopia.
- To identify to what extent top management supports affect the adoption of digital marketing practice in Abay Bank S.C. Addis Ababa, Ethiopia.
- To identify to what extent IT infrastructure affects the adoption of digital marketing practice in Abay Bank S.C. Addis Ababa, Ethiopia.
- To identify to what extent Awareness of customers affects the adoption of digital marketing practice in Abay Bank S.C. Addis Ababa, Ethiopia.

1.6 Significance of Study

The research finding of this study will provide valuable insight of the digital marketing practices of Abay Bank SC which is situated in Addis Ababa, Ethiopia. Hence, based on the evaluation of the current digital marketing landscape and the factors that affect its efficacy, the research seeks to offer recommendations that can help the bank make appropriate tactical plans for achieving improvements in the area of digital marketing in the future. In addition, the results of this study will be used to design targeted training, interventions and educational resources for enhancing competence of the key industry players in digital marketing strategies. With the right knowledge and skills among the human resource in the bank, such programs can assist in assuring that the bank's digital marketing efforts are up to date with current technology.

Also, this study will contribute knowledge to the current literature by identifying the factors affecting of adoption digital marketing practices on the bank. This knowledge will be useful for academics and practitioners who want to expand the current state of knowledge regarding adoption of digital marketing practice in bank and other organizations.

In conclusion, this study will be useful for researchers and stakeholders who need resources on the factors that affect the adoption of digital marketing practice in Abay Bank SC. In doing so, it seeks to help bridge the existing gap in research and add to the knowledge of digital marketing within the context of the bank so as to provide the framework for future developments in this essential area.

1.7 Scope and Limitation of the Study

1.7.1 Scope

The study was geographically limited to only Addis Ababa area. Due to this major reason considering all bank sectors in Ethiopia under this study is difficult and unmanageable. Therefore, it is limited to the employees of Abay Bank, who is found in one of the major customer destinations: Addis Ababa.

This study is conceptually limited to study is limited to the study hypothesis, digital marketing is a vast area and there are a number of factors that can affect adoption of digital marketing practice but this study will be limited to only the factors that are stated by the researcher. The factors that are listed by the researcher are the technological factor consisting of Perceived benefits (Relative advantage), the organizational factor consisting of employee technological skill, top management support, and it infrastructure, and the environmental factors consisting of awareness of customers from the perspectives of employees. The dependent variable is the adoption of digital marketing practices, while the independent variables are technological, organizational, and environmental factors. Furthermore, the scope of this study was limited to Tornatzky and Fleischer's (1990) technological, organizational, and environmental model. As a result, alternative theories and models, such as the Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA), etc., were not considered when conducting this inquiry.

This study used a quantitative research method with a descriptive and correlation research design. It used primary data acquired by using the questionnaires produced by the researcher to meet the research objectives and secondary data by reviewing associated materials, with a sample size of 329 chosen using a systematic sampling procedure.

1.7.2 Limitations

The limitation of this study was to focus only on the factors affecting the adoption of digital marketing practices. The study was limited to the Technology-Organization-Environment (TOE) model by Tornatzky and Fleischer (1990), excluding other theories and models such as the Technology Acceptance Model (TAM) and the Theory of Reasoned Action (TRA).

The geographic scope was confined to Addis Ababa, and the conceptual scope was limited to the factors identified by the researcher. Furthermore, the lack of current, recent articles and publications in the field of digital marketing was a barrier because they required credit card payment. The study's findings may not be generalizable to all banks in Ethiopia or other sectors. In spite of these limitations, the student researcher was taken all possible measures to achieve the best possible result.

1.8 Organization of the Study

This research is divided into five major segments. The first chapter is an introduction, which provides the study's background, problem statement, and purpose, research questions, hypotheses, significance, scope, and limitations. The second chapter focuses on a review of related literature on theoretical background and empirical framework supported with literature and their findings from different writings, at the end the conceptual framework was graphically presented. The third chapter addresses methods, in which the researcher briefly discusses the research approach, study design, sampling, sampling frame, sampling technique, sample size, sampling procedure, data collection methodology, instrument, and data analysis methods. Finally, the final chapter concentrates on answering the primary questions and concludes with recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical review

The world of marketing has experienced a notable transformation, with the advent of digitalization. Now marketing and promotion are no longer limited to traditional sources. The term 'digital marketing' comprises various marketing processes, utilizing various digital channels to build a brand image and promote a product or service in the best possible way.

The various channels that are mostly utilized by digital marketing include websites, social media platforms, email marketing, mobile marketing, WebTv, video marketing, SEO, pay per pay-per-click campaigns Webtech (2018). Thus, the term "digital marketing" evolved with time from a specific term that described the marketing of goods and services through digital channels to an umbrella term that describes the process of utilizing digital technologies to acquire and retain clients and thereby increase sales (Financial Times, lexicon.ft.com). There is a continuing trend of youth, adults, and teenagers using digital and social media more and more excessively (Giedd & Chief (2012), the influence of digitization on banking offerings, consumer satisfaction, and marketing strategies, with a focus on digital channel integration and the transition to channel banking experiences.

2.1.1 Concept and Definition

Digital marketing is a form of marketing that uses the internet and digital technologies to connect with customers. It involves creating and distributing content, such as text, images, videos, or audio, through different online channels, such as websites, social media, search engines, email, or mobile apps. Digital marketing aims to reach and engage potential customers at various stages of their buying journey, from awareness to conversion. Digital marketing also relies on data and analytics to measure and optimize the performance of online campaigns.

The main objective of digital marketing is attracting customers and allowing them to interact with the brand through digital media. Digital marketing includes direct marketing, which treats customers as individuals and defines them not only by their individual characteristics but also by how they behave and interact (Afrina; Sadia & kaniz, 2015).

The quick emergence of new interactive media such as online services and the World Wide Web has caught most customer marketers off guard (Michael & Robert, 1998).

2.1.2 Importance of digital marketing

Digital marketing tools enable clients to stay up to date on firm information (Gangeshwer, 2013). These days, many customers may use the internet from any location at any time, and businesses are continuously updating information about their products and services. Customers understand how to navigate the company's website, research products, make online purchases, and provide feedback. Consumers receive thorough information about the items or services (Gangeshwer (2013).

Digital marketing has turned out to be a crucial part of the approach of many companies. At present, still for tiny business proprietor at hand have an extremely inexpensive and competent method of using digital marketing to market their products or services in society Gangeshwer (2013). It has no restrictions. The company can utilize any devices such as tablets, smartphones, TVs, laptops, media, social media, email, and lot others to support the company and its products and services. Digital marketing may achieve something more if it considers consumer desires as a peak priority Gangeshwer (2013).

2.1.3 Evolution of Digital Marketing

The growth of the Digital Marketing sector within the Marketing ecosystem is a continuous process that requires a commitment to meeting or exceeding consumer expectations by providing purposeful experiences that promote healthy behaviors on customers' behalf, resulting in value creation for them and businesses (Basimakopoulou et al. 2022). The COVID-19 pandemic demonstrated to marketers that in order to stay competitive, they must use mobile technologies and social media as key enablers of gaining brand equity, awareness, image, sales promotion, enhanced trust, loyalty intention, and post-purchase satisfaction (Dwivedi et al., 2021; Mason et al., 2021; Li et al., 2021; Wibowo et al., 2021).

The biometric study provides a comprehensive picture of specific research field and enables researchers to focus on unique areas to add new results and knowledge to the literature. (Ghorbani

et al.(2021). Three dominant themes of study have been developed including a strategic framework, mobile marketing and app development, and demographic analysis with web analytics. A country, USA, UK, and India contributed the most to this development. (Faruk M. et al (2021). In the last half-decade, digital marketing has evolved as a buzzword. Revolution has been created by electronic commerce in business by transforming the physical aspect of delivery to the virtual aspect of marketing and selling Faruk et al (2021). Digital marketing has become an integral part of any marketing and sales strategy. (Bhojaraja and Muniraju (2018).

Digital marketing has a diverse set of tools, and not all of them are appropriate for all industries and businesses. The integration of old and new online technologies, as well as the development of a digital marketing plan adapted to the company's individual needs and characteristics, is the foundation of success (Zambrano et al., 2022).

2.1.4 Factors affecting the adoption of digital marketing practice

2.1.4.1 Perceived use/ relative advantage

Based on the literature, there are apparent perceived benefits derived from the implementation and adoption of digital marketing. Hsu et al. (2018) extended the international internet marketing literature by identifying antecedents of perceived benefits in participants' global stance, EC competency, organizational marketing context, and owned IT competence. Specifically, the empirical evidence supported six out of eight proposed relationships. Furthermore about social media marketing, Källbäck (2019) discussed the differences between social media marketing and traditional advertising. Yet, it remains relevant to target older consumers, the study finds that focusing on high-quality advertising rather than marketing channels can help avoid consumer annoyance.

In Lovisa's (2018) investigation into the implementation of digital marketing and relationship marketing within Sweden, findings revealed a notable preference for digital marketing in fostering both awareness and purchase intentions. Notably, social media marketing emerged as the primary tool for cultivating relationships with customers, rather than being solely focused on direct sales. The study underscored a prevalent challenge faced by companies regarding resource allocation,

including limitations in personnel, time, and financial investment, particularly in the domain of social media marketing.

The implementation of the systems in e-commerce enables efficient flow of information since it employs the use of machines and not personnel which are prompt, accurate and efficient (Pantano, 2016). The diffusion of documents done by computer systems as a form of storage is even more efficient than any other form of storage. IT of Information Systems leads the process of exchanging information between the company and the customers to the next level of efficiency, speed, and accuracy. In the past, there was relying on the post services and telephone or fax which was very ineffective and unreliable in conveying the intended messages. However, with the help of the information systems, the way and the extent to which the companies communicate with the customers have improved and increased (Mandal, 2019).

When organizations use online platforms, they benefit a lot since they can make their brands better and improve their corporate image. The internet has made it possible for satisfied clients to share good stories with other people without any difficulty at all. This way, firms do not need to spend as much money as they used to when they wanted to improve their brands or images (Hong, 2016). According to Hsu et al. (2018), businesses must utilize an extensive social media user base if they are to stay relevant in today's competitive market.

2.1.4.2 Employees' Technological Skill

Many earlier researches examined the influence of employee technological literacy and digital marketing systems implementation. For example, Johnson et al. (2018) revealed that firms with employees having technical computer knowledge and expertise are most likely to integrate and optimize digital marketing tools and applications. In the same vein, Smith and Brown (2020) noted that for digital marketing to be effective, knowledge in certain functional areas including social media, data analysis or content development among others is crucial. More specifically, the technological literacy of workers is linked to the effectiveness of the company's results in digital marketing. A study conducted by Chen and Wang (2019) affirmed the fact that business organizations that employ more of the technologically qualified people obtain higher returns in internet marketing initiatives hence more brand awareness, better customer reach, and consequently, higher revenues .

Wang et al. (2021) found a significant relationship between the technological competence of the employees and the innovation of the organization and the importance of skilled employees on digital marketing progress. As this paper has shown, employee technological skills offer organizations many opportunities, but they also entail issues that need to be considered. For instance, Lee & Kim (2020) highlighted some challenges that include; difficulties in matching the skills of its employees, employees' resistance to change as well as lack of adequate training as factors that negatively influence the optimal usage of employee technological skills in digital marketing endeavors. Nevertheless, the study by Gupta and Patel (2018) affirm that having dedicated programs for enhancing the employees' knowledge and skills within an organization enables organizations to close these gaps through enabling employees to use information technology for digital marketing.

2.1.4.3 Top management support

The backing of top management is essential for organizations to embrace digital marketing practices effectively. It implies that the organizations require the support of top management to adopt digital marketing practices successfully. In their systematic literature review study Calderon & Ribeiro (2024) stated that the digitalization process is initiated by the top management strategic vision which revolutionizes a variety of areas, including consumer analysis, green innovation, and even the financial services industry with reference to block chain. Similarly, Bruce et al.'s (2023) study on SMEs in Ghana found evidence that although attitudes regarding digital marketing do not determine the intention to adopt it, perceived behavioral control and subjective norms, which are partly influenced by the top management, dictate individuals' preparedness to engage in digital marketing. It is also clear that there is an important enablement role played by top management in facilitating digital transformation and the adoption of innovative marketing techniques.

Wrede and colleagues (2018) also note that top management plays a critical for firms in digital transformation. It is in this context their engagement can be defined in three major steps. First of all, top managers must understand the consequences of digitalization for their organization – which means understanding trends in the sector and market, new technologies, and customers' behavior in the digital space. Secondly, they are required to coordinate the formulation of the framework,

which presupposes that they must offer necessary resources, structures and policies for digitalization.

This involves decisions such as budget setting, creating teams to encourage interdependency and defining general and specific goals corresponding with digital marketing efforts. Finally, embedding change agents as top managers entails the top managers to be actively involved in advancing digital transformation. They communicate goals, motivate the workers, and lead the process of change within the organization. As it relates to the workforce, their dedication assists in aligning organizational activities with the digital strategies of the firm. In conclusion, it can be stated that the support from the top management team is crucial to digital transformation. Through the investigation of top managers' engagement, this study offers important implications for practitioners and organizations to guide their employees in the current wave of the digital world.

2.1.4.4 IT Infrastructure

Lack of adequate IT resources becomes a major challenge to the adoption of technology as most of them still use traditional business models. As a result, they are not able to benefit from changes and developments, which have simplified and brought revolution in the business, including the use of the Internet for buying and selling products across the globe irrespective of continent.

The connection of different areas within a country or across borders is significantly influenced by telecommunication infrastructures (Molla & Licker, 2003). For promoting e-commerce, this would be dependent on how good logistical infrastructures are in a given country. Besides, its growth would require developing credible and safe payment systems used to prevent fraudulent activities and any other illegal behaviors (Boerhanoeddin, 2000).

The rapid development of e-commerce infrastructure depends on numerous factors that include government policies, political support, and economic and geographical conditions of a given country. E-commerce encompasses different transactions including Transactions between consumers, it is a sector in which different people sell and buy goods from each other, Transactions between businesses and consumers, it involves a situation where businesses purchase goods from individuals and Transactions between consumers and businesses, here individuals sell goods to

businesses. Also, Electronic Commerce-Business to Business is common, where firms engage in the exchange of products and/or services (Habibi et al., 2015).

Adediran (2005) research underscores the missed opportunity for certain societies and individuals to embrace technology for online marketing and sales due to inadequate infrastructure. Infrastructure deficiencies hinder businesses across various sectors, as seen in the book publishing industry where crucial stakeholders lack internet connectivity, including booksellers, libraries, and educational institutions.

The absence of essential facilities such as proper roads, electricity in schools and businesses, computers, internet access points, and reliable mobile network coverage exacerbates the challenge. Contrary to common assumptions, poverty isn't the primary barrier; instead, infrastructure limitations like inadequate transportation, fiber cable networks, power supply, and access to financial services hinder e-marketing development, especially in developing countries (Adisa, 2012). These issues stem from deficiencies in ICT cable connections, weak network signals, lack of ISP network boosters, and inconsistent power supply in many regions.

2.1.4.5 Customers Awareness

The customer awareness is also recognized as significant while talking about the implementation of the digital marketing systems and it has been covered in numerous research works. Smith, Taylor, and Lewis (2019) maintain that the optimization of digital marketing campaigns is probable in circumstances where consumers demonstrate cognition about the digital channels together with e-commerce. Similarly, Jones and Lee (2020) found that that firms which are aware of the or consumer demand on the online platform to market themselves and acquire customers then there is likelihood that the advanced digital marketing will be used as required by the consumers. On the overall, the organization behavior plays a middleman role in how and when an organization adopts digital marketing due to awareness.

Chen et al. (2018) established that organizations which possess high levels of customer knowledge tend to pay particular heed to digital marketing strategies since the latter is tuned in to this newer, more networked customer. Also, Wang and Zhang (2021) using the collected data reveal that while firms catering to the awareness of the customers within the marketing communications environment are more likely to shift towards new advanced digital communication technologies,

in order to enhance customer satisfaction and engagement. However, in ensuring that businesses can efficiently tap onto this new found awareness among customers, they are faced with several challenges while implementing digital marketing. They all regard information overload and unpredictability of consumer preferences as the some of the problems that organizations encounter in their effort to foster digital marketing acknowledging customer awareness, as stated by Patel and Gupta (2019).

2.1.5 Theoretical models

2.1.5.1 Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) was introduced by Davis in 1986 with a further discussion in Davis et al. (1989). The model is a supplement to the Theory of Reasoned Action (TRA) and aims at explaining the acceptance of information systems by the users. Hence, while the TRA is general, TAM is somewhat constructionist, devised specifically to explain computer usage behavior. However, TAM has changed over the years by including findings from over a decade of Information System (IS) studies, making it acceptable for estimating computer adoption, according to Davis (1993).

As stated by Davis in 1993, the Technology Acceptance Model (TAM) displays an association between perceived utility, perceived simplicity of use, perceived system structure, attitude toward usage, and behavioral usage. In summary, TAM offers a thought-provoking approach that shows how various design solutions influence the amount of acceptance. As a result, the TAM is invaluable in real-world settings, particularly in terms of predicting and evaluating user adoption of information technology (Davis, 1993).

2.1.5.2 Theory of Planned Behavior (TPB)

Theory of planned behavior (TPB) was derived from the Theory of reasoned action (TRA) which provides explanation and prediction for numerous behaviors performed by humans. TPB has been shown to predict and explain human behavior across different situations and it extends from the theory of reasoned action (Liao et al., 2007). The theory of reasoned action states that behavioral intention influences real behavior, which is impacted by a subjective standard and mindset toward

executing the behavior (Liao et al., 2007). Ajzen (1991) defines behavioral intention as a person's willingness to do a specific behavior.

However, the theory of reasoned action has some limitations in describing and forecasting behaviors in which individuals do not have complete intentional control over their behavior. Theory of planned behavior was thus developed to bridge the inadequacies identified in the notion of reasoned action. The concept of planned behavior extends reasoned action by include perceived behavioral control as a third variable of behavioral intention (Ajzen, 1991). According to Ajzen (1991), TPB contains three independent predictors of intention: attitude toward executing the activity, subjective norm, and perceived behavioral control. Attitude is an individual's positive or negative appraisal of the behavior (Fishbein and Ajzen, 1975). Subjective norm involves the social pressures that one thinks he experiences in relation to performing or not performing the behavior (Ajzen, 1991). It involves the normative beliefs about what other people think about their performing the behavior or not.

Perceived behavioral control involves one's perceived ability to perform the behavior or not (Ajzen, 1991). It involves past knowledge and the perceived barriers in the way of performing the behavior. This construct takes into consideration the situations where individuals have no full control over their performing the behavior or not. Ajzen (2002), cited in Liao et al. (2007), claims that the sense of behavioral control is directly tied to beliefs in control elements that could assist or impede activity. Control factors involve both internal and external constraints. Internal constraints involve self-efficacy expectations while external constraints involve environmental structural aspects (Ajzen, 1991)

2.1.5.3 Diffusion Theory

Diffusion of Innovation (DOI) Theory is one of the oldest social science theory developed by E.M. Rogers in 1983. Primarily a communication study theory, it attempts to describe how an idea or product spreads through a certain population or social system over time. The final output of diffusion is that the members of the social system will adopt a new idea, behavior, or product. Adoption requires individuals to change their past behavior—buying or using a new product or adopting a new behavior. However, it is important to note that adoption depends on the perception

that the idea, behavior or product is an innovation or new. This perception allows the individuals to diffuse the innovation.

Diffusion of Innovation theory has been widely applied by scholars in explaining the drivers and hindrances to the adoption of technology. However, research has shown that there are some gaps in the theory when other variables are considered such as organizational and environmental factors (Cheung & Lee, 2012).

The theory also does not take into account the dynamics of inter-organizational relationships (IOR) between business partners (Arash & Jeffrey, 2010).

2.1.5.4 Technology – organization – environment (TOE) framework

The TOE framework was suggested by Tornatzky and Fleisher for investigating the likelihood of success in adopting technology innovations. This framework has been widely applied across many studies due to the depth of analysis and completeness when it comes to organizations' innovation adoption (Salwani et al 2009; Chang et al 2007, Zhu & Kraemer, 2006). Thus, as Tornatzky and Fleischer state, one of the factors that influence technology adoption within an organization is factors associated with technological context, organizational context, and environment. Therefore, the researcher used TOE framework to identify possible key factors, categorize the factor in that are in the organization and outside the organization based on practical gap and summarize factors that effect on adopting digital marketing practice of Abay bank Addis Ababa Ethiopia.

2.1.5.4.1 Technological factors

The technological factor encompasses the adopter's assessment of E-banking attributes. Common attributes considered in technology adoption research, following Roger's diffusion of innovation theory (Rogers, 2003), include relative advantages (perceived benefits). The organizational factor pertains to the organization's attributes that affect its capacity to adopt and utilize digital marketing practices.

2.1.5.4.2 Organizational factors

The organizational factor involves the fundamental properties that describe a given company and its potential to utilize digital marketing strategies. Those factors, which are commonly referred to in various literatures include; a community's IT users, an organization structure, operational processes, size of the company, technological skills for staff members, technology resources available and financial resources available for the project, choice and implementation of IT as well as management buy-in or support (Harrison, 2012).

2.1.5.4.3 Environmental factors

The environmental factor refers to the external conditions in which an organization operates and their potential to support the development of digital marketing services. While various factors are identified in literature for each context, only those deemed relevant for the adoption of digital marketing are included in the framework.

2.2 Empirical review

Digital marketing is the use of digital media to promote products and services, develop brand preference, and communicate with customers in a mutually beneficial way. According to Chaffey et al. (2019), digital marketing has a similar meaning to "electronic marketing" and is currently being utilized more widely by specialist marketing agencies.

In a research conducted by Dagm (2020) on the digital marketing practices in digital marketing practices in Addis Ababa, Ethiopia, the following predicting variables have been identified: Perceived simplicity of use, perceived usefulness, legislation, and regulation were all found to have a substantial beneficial impact on the success of digital marketing strategies in Ethiopia.

According to Tesfahun (2019) study on the factors affecting the adoption of digital marketing in the Addis Ababa selected supermarket summed up its conclusion into a few points such as the IT infrastructure is one of the great factors that have a positive connection with the adoption of digital marketing in the supermarket; second, it showed the positive correlation between the owners or managers' IT knowledge of the supermarket and with the adoption of the digital marketing solution. However, there was a direct negative impact of adoption cost on the adoption of digital

marketing which was followed by the second most influencing factor. On the other hand, competitive pressure was having a very high positive correlation with the adoption of digital marketing and resulted as the most influencing factor. Finally, the results on the influence on digital marketing adoption also indicate a positive relation with governmental support.

In a study done by Naod (2022) to assess the effect of digital marketing on CANAL+ Ethiopia, the following research questions were raised to establish whether digital marketing is influenced by brand awareness strategies implemented by the organization, SEO techniques practices by the organization and the online public relation method employed by the organization. In conclusion, it is asserted that there existed a positive correlation between SEO and customer brand awareness head-on on making vital digital marketing practices in CANAL+ Ethiopia more effective.

As per the study conducted by Girum (2021), the factors influencing the implementation of Digital commerce in selected hotels in Addis Ababa, Ethiopia, multiple regression analysis had been used and from the analysis, correlations with regards to e-commerce adoption had been informative. By way of cross-tabulations, it was realized that the top manager's involvement as well as sound IT enablers impacted this adoption. Further, organizational competency has been determined to be inversely related to behavioral outcomes. Technological factors were also influencing factors; perceived benefits of technological factors influence the adoption of e-commerce and the perceived compatibility also increases its adoption. Nevertheless, the level of e-commerce perceived difficulty appears to offer no significant impact. Besides, the remaining hypotheses that relate to the state's market, industry, and government's readiness for e-commerce are also positively correlated to the uptake. These findings therefore imply that the determination of the factors driving the adoption of e-commerce within the studied demographic is not a simple one but rather involves the interaction of both internal and external factors.

Based on a study conducted by Iddris (2012) in Ghana, various industries faced barriers to the adoption of e-marketing. The research focused on quantitative analysis and identified IT infrastructure and adoption costs as key variables. The findings revealed that the lack of adequate telecommunications infrastructure, as well as limited competencies and high costs associated with e-marketing, were significant obstacles to its adoption. The study emphasized the importance of

having a robust IT infrastructure in place to facilitate the seamless adoption of e-marketing practices across different industries.

Wilson, Daniel, and Davies (2008) conducted a questionnaire-based survey to investigate the factors impacting the adoption of e-marketing. Their study focused on retail enterprises and employed a quantitative approach. The survey was distributed to 678 retail enterprises, and the results revealed that factors such as top management support, management understanding, and the presence of IT skills were fundamental drivers affecting e-marketing adoption in the retail sector. The researchers recommended that both top management and government should provide incentives to facilitate the adoption and usage of innovative practices. Furthermore, they emphasized the importance of owners or managers being computer-perceptive and actively participating in computerization to ensure the successful implementation of e-marketing strategies.

Abou-Shouk, et al. (2013) conducted a study focusing on the factors influencing e-marketing adoption among adopters and non-adopters in Egypt. The findings of their research indicated that several common barriers hindered e-marketing adoption, including limited resources, funding issues, a lack of governmental or top management support, and insufficient readiness of public infrastructure. The researchers emphasized the importance of governmental support as a prerequisite for successful e-marketing adoption. Additionally, their study aimed to explore the relationship between e-marketing adoption and business strategy, with IT infrastructure being a variable of interest. The results revealed that the main obstacle to e-marketing adoption at the organizational level, particularly in the retail industry, was the lack of telecommunication infrastructure.

Meron (2018) did a study which aimed to assess the factors influencing the adoption of e-banking in Abyssinia Bank. The research utilized the Technology-Organization-Environment (TOE) framework and employed a mixed research approach, combining quantitative and qualitative methods. The study revealed that banks faced limitations in terms of technical and managerial skills required for e-banking adoption. This limitation influenced the choice of technology within banks. However, banks recognized the benefits of technological innovation, including perceived ease of use and usefulness, which contributed to driving the adoption of e-banking systems. These benefits also held the potential for improving the public image of banks.

Eshete (2021) investigated the effects of digital banking on customer experience and discovered that there was a favorable relationship between the two. According to the survey, digital banking has a large and beneficial impact on the customer experience. The findings of the regression analysis and hypothesis testing confirmed this conclusion, demonstrating that digital banking has a major impact on customer experience.

2.3 Conceptual Framework of Study

Researchers have combined several theoretical approaches (Alalwan et al., 2016; Patsiotis et al., 2012) to conceptualize digital marketing, which involves customer behavior, service quality, digital technology, and marketing.

These theories contribute differently to building digital marketing frameworks. As shown in Figure 2.1, digital marketing with four dimensions Perceived use (Relative advantage), Employee technological skill, top management support, It infrastructure, and Awareness of customers.

This research creates a conceptual framework based on a thorough examination of several theories and models. The framework is intended to assist in achieving the predicted outcome and purpose of this research. This framework is based on the TOE model of (Tornatzky and Fleischer 1990).

Conceptual framework

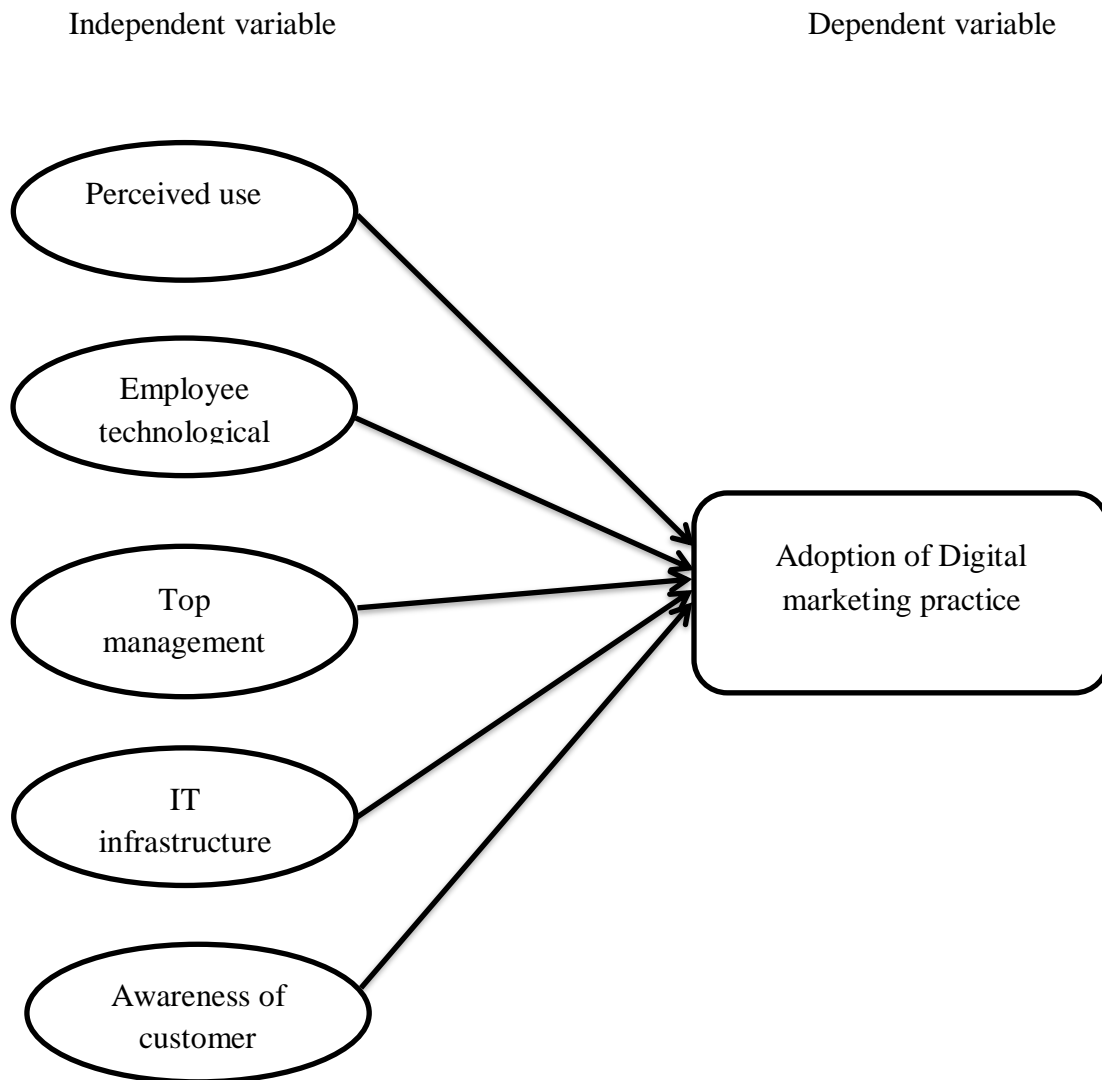


Figure 2.1 Conceptual framework

Source: Adopted and Modified from Technology- Organization-Environment Model. (TOE) developed by Torantzky and Fleischer (1990).

This research proposed to test five hypotheses that indicated the relationship between the predictors and response variables. The research hypotheses are

- HP1: Perceived use (Relative advantage) has a positive and significant effect on adoption of digital marketing practices

- HP2: Employee technological skills have a positive and significant effect on adoption of digital marketing practices.
- HP3: Top management support has a positive and significant effect on adoption of digital marketing practices
- HP4: IT infrastructure has a positive and significant effect on digital marketing practices
- HP5: Awareness of customers has a positive and significant effect on digital marketing practices

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the study methods used to collect data for the five hypotheses given by the researcher. It covers topics such as research methodology, research design, data source, study population, sampling procedure, sample size determination, instrument validity and reliability, data processing methodologies, and ethical considerations.

3.2 Research Method

The researcher employed the quantitative method to collect objective and numerical data in order to practice statistical methods for establishing correlations between the variables used in the study.

3.3 Research approach

There are two main study approaches: inductive approach, which builds on individual phenomena to generalize, and deductive technique, which examines phenomena using generic theory. The deductive technique is employed when the researcher wants to test a well-known hypothesis while also expressing the relationships between ideas and variables.

The researcher employed the quantitative method to collect objective and numerical data in order to practice statistical methods for establishing correlations between the variables used in the study. As Ghauri and Grønhaug (2005) stated, the research method is chosen according to the type of study and convenience of administering it. Given that, the study adopted a quantitative and explanatory research design.

Since the aim of the study is to examine the factors affecting the adoption of digital marketing practice and the hypothesis has to be tested, a quantitative research method was used. Using a deductive approach, the researcher defined the connections between the concepts and variables. The researcher quantified the concepts and made generalizations based on the data.

3.4 Research design

According to Robson (2002), the three general aims of research are exploratory, descriptive, and explanatory. Explorative research is defined as the pursuit of new insights, looking around, asking questions, or bringing a phenomenon to fresh light. Explanative research seeks an explanation for a given circumstance or problem, usually in the form of causal linkages. Finally, descriptive research is a sort of research that is primarily concerned with explaining the nature or condition and the level of detail of the current situation.

The explanatory approach was used for this study because it seeks to address the associations between independent factors and adoption of digital marketing practices. The descriptive approach also included computing the variables' mean and standard deviation. Cross-sectional field survey data was gathered. Factors were measured simultaneously using a questionnaire prepared by the researcher structure.

3.5 Target population and sampling size

3.5.1. Target population

Understanding and defining the research population is significant in several ways. Failure to include those who are not accessible makes the sample unrepresentative. The outcomes of such research have impact for the findings, Sydor (2013). Therefore, the population frame was employees of Abay Bank S.C. in Addis Ababa. The researcher employed a non-probability sampling strategy to pick sample respondents depending on their digital marketing experiences and practices.

3.5.2 Sample size

A sample is a subset of a population that is intended to reflect the full population. A sample should reflect the features of the population or universe. According to Kumekpor (2002), a population sample is made up of a proportion of the units chosen for inquiry. Jankowicz (2002) emphasized that sampling is the deliberate selection of multiple persons who will supply data from which conclusions about these people can be derived.

This decision is crucial because a too-large sample wastes resources and a too small sample lowers the validity or representativeness of the results.

Determining the sample size is a critical step in any survey investigation. According to Israel (2009), there are four methods for determining sample size: conducting a census for a small population, using the sample size of similar studies, using public tables, or using formulas to compute sample size. As a result, this study used a formula to determine the sample size.

According to Abay Bank in Addis Ababa, Ethiopia, the total number of employees is 1853 (source Abay Bank S.C human resource January 2024). Since the population of this study was finite, this study uses Taro Yamane's (1969) technique for determining sample size, which was cited by Obasi and Ekwueme (2011). The sample size was computed as follows, where n is the sample size,

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

N is the population size, and

e is the level of precision which is constant at 0.05

n (sample size)

$$1 + 1853(0.05)^2 = 5.6325$$

$1853 / 5.6325 = 328.9$ so approximately the researcher took 329

3.5.3 Sampling Techniques

Abay Bank has a total of 1853 employees, including those at the head office, and it operates 155 branches. In each branch there are between 8 - 15 employees (source Abay Bank S.C human resource January 2024). To meet the required sample size determined by the researcher, a simple random systematic sampling technique was used. This involved listing the branches alphabetically and selecting every 5th branch to fulfill the calculated sample size. The entire employee in the selected branch is used as a sample. Questionnaires were then distributed to the selected branches until the required number of participants was reached, for those found in the chosen branch were asked to complete the questionnaire.

Table 3.1 sample branches chosen based on alphabetical order

No	Choose branches based on alphabetical order	Number of respondent
1.	Abay Sadiiq Kolfe Branch	8
2.	Africa union Branch	13
3.	Amest kilo Branch	8
4.	Asko addis sefer Branch	8
5.	Ayat Adebabay Branch	8
6.	Ayer Tena Branch	9
7.	Bethel Michael	12
8.	Bole Bulbula Branch	15
9.	Bomb tera Branch	8
10.	Cmc Branch	15
11.	Kolfe Branch	8
12.	Kuas Meda Branch	8
13.	Lem Hotel Branch	12
14.	Megenagna Adebabay Branch	12
15.	Mehal Piassa Branch	10
16.	Mekansia abo Branch	13
17.	Mesalemia Branch	12
18.	Nejashi Branch	8
19.	Saris Branch	8
20.	Ferensay biret deldey	9
21.	Genete Tsige	8
22.	Gofa Camp Branch	8
23.	Goro sumit Branch	15
24.	Haile Garement Branch	13
25.	Hunegnaw Mera Branch	10
26.	Kality Cheralia Branch	15
27.	Kazachis Branch	8
28.	Kidist Silasie Branch	15
29.	Shiro Meda Branch	8
30.	Tabot Maderia	10
31.	Urael Sub Branch	8
32.	Yerer Branch	8
	Total number	329

3.6 Type and Source of Data

Data for the study was gathered from both primary and secondary sources. The primary data was gathered by administering a questionnaire to chosen Abay Bank S.C workers. Secondary data was collected from the internet, theses, journals, books, and various articles in published publications. The secondary data was utilized to gain insight into the situation and as a basis for developing and analyzing primary data.

3.7 Method of Data Collection

3.7.1 Document review

Documentation cannot be overlooked because it gives the necessary background and context, making re-use a more valuable and systematic task. Secondary data was acquired from published and unpublished materials. These include a variety of reports and books.

3.7.2 Questionnaires

The questionnaire has two major sections. The first section contains demographic information about the employees, while the second section has a statement about the factors and asks the employees to rate how much they agree or disagree with the statement. The researcher chose the questionnaire survey because it was thought to be inexpensive and quick to run, and it also boosts the degree of reliability as well as the likelihood of collecting valid data.

3.8 Data Collection Procedure

Questionnaires were used to collect primary data; they were created with the situation in mind to minimize erroneous answers. The variables that influenced the dependent variable adoption of digital marketing practices were perceived utilization (relative advantage), employee technological skill, top management support, IT infrastructure, and customer awareness. The data-collecting procedure was done by personally giving the questionnaire to the selected population. For the statement in the second section of the questionnaire (see appendices), a five-point Likert scale was employed, with 1 indicating "strongly disagree," 2 indicating "disagree," 3 indicating "neutral," 4 indicating "agree," and 5 indicating "strongly agree." Reliability and validity tests were performed to determine the internal consistency of the data items and whether an instrument measures what it is designed to measure.

3.9 Validity and Reliability

3.9.1 Validity

Validity is the measurement of precision or power of the premises, inferences, or propositions. This decides the degree to which the study tests what it wants to measure or how to correct the research results, Trochim and Donnelly (2008).

The data collection instruments for the factors affecting digital marketing practice were checked in terms of Reliability and validity concepts and principles. The constructs that had higher factor loadings of their measuring items were verified. Construction validity was maintained by basing any question and variable factor indexing element on solid theoretical foundations that support the causal relationship and empirical test of the variables. The data quantification met the statistical validity in all aspects.

3.9.2 Reliability

Reliability measures efficiency, demonstrating how the same effects are repeated with the repeatability of the measurement (Trochim and Donnelly, 2008). Combination reliability is the sum of scale score variation that all underlying variables account for which tests the internal accuracy of the steps (Hair, Black, Babin, and Anderson, 2010). This was calculated by dividing the number of uniform squared loadings by the number of uniform squared loadings plus the sum of measurement errors. This coefficient fluctuates from 0 to 1, and a value of 0.6 or less commonly indicates unacceptable level of internal consistency (Sekaran, 2003). Hence Cronbach-alpha was utilized and it was found to be 0.916.

3.10 Data analysis

Data analysis is the process of collecting, cleaning, transforming, describing, modeling, and interpreting data using statistical techniques. It is a vital component of both scientific research and business, as data-driven decision-making has become more prevalent in recent years. Data analysis

methods help to extract valuable insights from datasets, which can inform operational decisions or future research directions (Stephen 2024).

This study's data was analyzed using descriptive statistical tools such as frequency, percentage, mean, and standard deviation, as well as inferential statistical techniques such as correlation and regression, using the statistical package for social science (SPSS).

Correlation analysis was used to evaluate the proposed hypothesis and determine whether there is a positive significant correlation between the independent and dependent variables. The regression analysis was used to determine the percentage by which the independent factors explained the dependent variable. A descriptive method of analysis was used to describe the demographic characteristics of the respondents and the firm; however, the limitation of this analytical procedure is that descriptive statistics do not show the relationship between the variables or the influence that each variable may have on the outcome. So the statistical method of Pearson Product Moments Correlation analysis was used to evaluate whether there was a link between the independent and dependent variables. Correlation studies were conducted to determine the extent to which.

Multiple regression analysis was conducted to examine the effect of independent variables Perceived use (Relative advantage), Employee technological skill, top management supports, IT infrastructure, and Awareness of customers) on the dependent variable (adoption of digital marketing practice). To make the study more effective at describing, understanding, and predicting the stated variables, the assumptions to be tested to run the model were formulated as follows:

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

Where: Y: E-marketing adoption (the DV)

X1: Perceived use (Relative advantage),

X2: Employee technological skill

X3: top management supports

X4: It infrastructure

X5: It infrastructure

X= are explanatory variables (IVs)

β_0 = the intercept term- constant which would be equal to the mean if all slope coefficients are 0.

β_1 , β_2 , β_3 , β_4 , and β_5 are the coefficients associated with each independent (on the First, Second, third, Fourth, and Fifth predictor) variable which measures the change in the mean value of Y, per unit change in their respective independent variables e= error term

3.11 Ethical Consideration

Prior to beginning data collection, each participant/sample unit provided consent. The researcher respected the respondents' rights by confirming that all acquired data would be used strictly for academic study purposes and kept anonymous. The respondents were informed about the objective and purpose of the research without being forced to participate. This study avoided plagiarism and acknowledged existing research. According to the Harvard reference system, all prior writers' information was included in both the text and the reference list.

CHAPTER FOUR

4. RESULT AND DISCUSSION

4.1 Introduction

This chapter underscores the key findings from a descriptive and econometric examination of the factors influencing the adoption of digital marketing strategies at Abay Bank S.C. in Addis Ababa. The findings were examined in accordance with the study's specific objectives. The sections are divided into three sub-sections that explain general information and study outcomes based on the objectives. The study looked at the elements that influence the adoption of digital marketing practices at Abay Bank. It was based on a sample of 293 respondents.

A total of 329 questionnaires were issued to respondents, of which 293 (89.06%) were collected, completed, and ready for analysis. After that, the data was entered into Excel and then translated into SPSS. The dataset was rechecked to ensure that the data was entered correctly. The minimum and maximum data values for each variable associated with each instance were examined to identify any irregular or odd data values.

4.2. Reliability test

Reliability represents the trustworthiness of the mean of all the items or variables, not the reliability of each item. All of the independent and indicator variables were multi-item questions. When compared to summated multi-item questions, a single-item question does not provide trustworthy conclusions. (Gliem,2003). Since the Cronbach's alpha coefficient is 0.916, the study's reliability test is excellent range as shown in Table 4.2 below.

Reliability Statistics

Table 4.2 Reliability Test of Variables Using Cronbach's Alpha

Cronbach's Alpha	Cronbach's Alpha based on Standardized Items	N of Items
0.916	0.913	24

Source: Own computation using SPSS, 2024

4.3 Demographic information of the respondents

This section includes the respondent's gender, age, education level, work experience, and current job position at Abay Bank. Table 4.3 shows that more than half of the respondents, 164 (56%), were male and 129 (44%) were female. The findings imply that the study includes both genders. According to Table 4.3, the majority of respondents were between the ages of 25 and 30 (123, 42.3%), followed by 31 to 35 (105, 35.8%), 36 to 40 (50, 17.1%), and 41 to 50 (14, 4.8%). This age bracket illustrates that the respondents were drawn from a variety of groups, allowing the researcher to obtain diverse replies across the sample units in a fair distribution.

In terms of education level, the results show that 183 (62.5%) of the respondents have a BSC/BA, 100 (34.1%) of the employees have a master's degree, 9 (3.1%) of the respondents have a master's degree or above, and 1 (0.3%) have a diploma. This data indicates that the majority of respondents hold a first degree.

Considering the work experience of the respondents, 213 (72.7%) of them had 1-5 years of work experience, followed by 43(14.7%) of them have 6-10 years and 37(12.6%) of them have 11-15 working years. According to this figure, most of the employees have work experience of 1-5 years. The current work position of the respondents presents that about 133(45.4%) of them are junior officers, 87(29.7%) of them are officers, 42(14.3%) of them are supervisors and the remaining and the least number of the employees 31(10.6%) are managers. Hence, the majority of the employees are junior officers.

Table 4.3 General Demographic Information of the Respondents

No.		Item	Frequency	Percent	Percent cumulative
1.	Sex	Male	164	56	56
		Female	129	44	100
		Total	293	100	
2.	Age	25-30	124	42.3	42.3
		31-35	105	35.8	78.2
		36-40	50	17.1	95.2
		41-50	14	4.8	100
		Total	293	100	
3.	Education	Diploma	1	0.3	0.3
		BSC/BA	183	62.5	62.8
		MSC/MA	100	34.1	96.9
		Above MSC/MA	9	3.1	100
		Total	293	100	
4.	Work Experience	1 to 5 years	213	72.7	72.7
		6 to 10 years	43	14.7	87.4
		11 to 15 years	37	12.6	100
		Total	293	100	
5.	Current position work	Junior Officer	133	45.4	45.4
		Officers	87	29.7	75.1
		Supervisor	42	14.3	89.4
		Manager	31	10.6	100
		Total	293	100	

Source: Own computation and survey, 2024

4.4 Descriptive Statistics (Descriptive Findings)

To summarize data on study responses, descriptive statistics such as mean and standard deviation were used. Because standard deviation values show the degree of response differences, the section includes average responses to each variable.

Moreover, the factors affecting adoption of digital marketing practices are discussed. The study sought to identify the factors that influence the adoption of digital marketing methods at Abay Bank. Adoption of digital marketing practice factors were viewed in term of relative advantage, employee technological skill, top management support, IT infrastructure, and awareness of customers as the independent variables and adoption of digital marketing practices as the dependent variable.

4.4.1 Descriptive Statistics for Technological Factors

To assess the effect of this variable, a Likert scale with 5 points was employed, with 1 indicating strongly disagree, 2 representing disagree, 3 representing neutral, 4 representing agree, and 5 representing strongly agree, and the mean score was calculated. The closer the mean score on each score to 5, the greater the agreement with the proposition stated. A score of 3 indicates uncertain or neutral, however scores much lower than 3 indicate dissatisfaction with the suggested statements.

Table 4.4 Technological Factors

A. Perceived Use(Relative advantage)	Mean	Std. Dev.
Using digital marketing reduces cost of business operations.	3.68	1.340
Digital marketing improves customer service	3.91	1.165
Digital marketing reduces human resource requirements.	3.99	1.098

Source: Own computation using SPSS of the survey, 2024

The finding of the study demonstrates that in achieving perceived use (relative advantage), digital marketing reduces human resource requirements as shown by (Mean=3.68, SD=1.340), digital marketing improves customer service as illustrated by (Mean=3.91, SD=1.165), and using digital marketing reduces the cost of business operations as shown by (Mean = 3.99, SD = 1.098). Thus, from this finding, one can conclude that using digital marketing reduces the cost of business operations, improves customer service and reduces human resource management. Therefore, technological factors affect adoption of digital marketing practice in Abay Bank. This finding is congruent with that of Viola Nyabate (2021), who investigated the factors affecting the adoption of digital marketing in color cosmetic enterprises in Kenya. By using multiple regression analysis in his study, his finding revealed that technological innovation influences adoption of digital marketing.

4.4.2 Descriptive Statistics for Organizational Factors

Respondents were asked to indicate their degree of agreement on the following statements about organizational characteristics that influence the adoption of digital marketing practices in Abay Bank: 1- indicates strongly disagree, 2-indicates disagree, 3-indicates moderate, 4-indicates agree, and 5 - indicates strongly agree.

Table 4.5 Technological Factors

B. Employee Technological Skill	Mean	Std.Dev.
Abay Bank s.c employees have enough knowledge to Adopt Digital Marketing.	3.72	0.869
Abay Bank s.c employees get enough training to Adopt Digital Marketing	3.57	0.979
A continuous training of Employees have a direct impact on developing employees' skill	3.70	1.075
Abay Bank s.c have enough professionals for Adoption of digital Marketing.	3.37	0.979
C. Top Management Supports		
The management of Abay Bank s.c is interested in the use of Digital Marketing	4.19	0.946
The management of Abay Bank s.c is supportive of the use of Adopt Digital Marketing.	4.09	1.097
Abay Bank s.c has a clear vision for Digital Marketing practice	3.98	1.099
Abay Bank's vision of Digital Marketing activities is widely communicated and understood throughout the organization	4.07	1.046
D. IT Infrastructure		
The ICT department of Abay Bank s.c well organized in Infrastructure to Adopt Digital Marketing	3.81	0.889
The company's internet connection is reliable for Adoption of Digital Marketing	3.74	0.968
Frequent power interruption seriously affect Adoption of Digital Marketing	3.81	1.027
Abay Bank s.c has a complete set of organizational facilities to Adopt Digital Marketing	3.92	1.166

Source: Own computation using SPSS of the survey, 2024

The finding on employee technological skill from perspectives of employees in Abay Bank s.c shows that, employees have enough knowledge to adopt digital marketing as illustrated by (Mean = 3.72, SD = 0.869), the organization's employees got enough training to adopt digital marketing as shown by (Mean = 3.57, SD = 0.979), the continuous training on Employees have a direct

impact on developing employees skill as indicated by (Mean = 3.70, SD = 1.075) and the organization has enough professionals for adaptation of digital marketing as presented by (Mean=3.37, SD=0.979). Therefore, from this finding one can tell that the employees who have enough knowledge and who got enough and continuous training have a good skill and help for adoption of digital marketing. Moreover, the organization having enough professionals can easily adopt digital marketing. The result is consistent with the findings of Dagim. et.al.,(2020) who conducted a study on factors affecting electronic marketing in Addis Ababa. They found that skilled man power was found to be significant determining factors in successful adoption of digital marketing. Moreover, Viola Nyabate (2021) who examined organizational dimension influence on the adoption of digital marketing his finding shows that organizational factors have a strong significant effect on adoption of digital marketing.

As per the table above (table 4.5) the top management supports in the organization, the management of the organization is interested in the use of digital marketing shown by (Mean = 4.19, SD = 0.946), the management of Abay Bank S.C is supportive of the use of adoption of digital marketing indicated by (Mean = 4.09, SD = 1.097), the organization has a clear vision on digital marketing practice illustrated by (Mean = 3.98, SD = 1.099) and the organization's vision of digital marketing activities is widely communicated and understood throughout the organization shown by (Mean=4.07, SD=1.046). From this result we can infer that the employees of Abay Bank S.C agree that the top management support for a successful adoption of digital marketing practices. This finding is supported by Dagim et al. (2020) that carried out a study that pursued to establish the effects of government support on adoption of digital marketing.

On IT infrastructure in the Abay Bank S.C employees say that, ICT department of Abay Bank S.C is organized in Infrastructure to adopt digital marketing shown by (Mean=3.81, SD=0.889), the company internet connection is reliable for adoption of digital marketing indicated by (Mean = 3.74, SD = 0.968), but a frequent power interruption seriously retards adoption of digital marketing illustrated by (Mean=3.81, SD=1.027) and Abay Bank s.c have a complete set of organizational facilities to adopt digital marketing given by (Mean = 3.92, SD = 1.166). In general, from this finding, we can say that reliable internet connection, organized ICT department, and a complete set of facilities in the organization encourage the adoption of digital marketing practices. But on the other hand most of the employees agree the presence frequent power interruption is the

main hindrance for Abay Bank S.C to adopt digital marketing practice. This finding is consistent with Dagim et al. (2020) conducted a study on the factors influencing adoption of electronic marketing in Addis Ababa. The finding indicated that adequate IT infrastructure, high use of internet by customers and suppliers significantly influence adoption of electronic marketing. Moreover, this finding is in line with the work of Tesfahun (2019) on factors affecting the adoption of electronic marketing on Ethiopian supermarkets in case of Addis Ababa, his finding revealed that majority of the respondents had a good telecommunication infrastructure to support an e-marketing implementation as well as various security technologies to protect their data and industrial standards to exchange information with trading partners' delivery network.

4.4.3 Descriptive Statistics for Environmental Factors

The respondents were asked to indicate their level of agreement on the following statements about environmental factors influence on the adoption of digital marketing practices in Abay Bank: 1- indicates strongly disagree, 2-indicates disagree, 3-indicates moderate, 4-indicates agree, and 5- indicates strongly agree.

Table 4.6 Technological Factors

E. Awareness of customer	Mean	Std. Dev.
Customers have enough information to involve in Digital Marketing	4.17	1.012
Customers have a technological gap for Adopt Digital Marketing	4.02	1.055
Customers have a lack of knowledge for Adopt Digital Marketing practice	4.15	1.024
Customers have a fear of trusting technology to Adopt Digital Marketing	4.10	1.047
Customers have sufficient technological access for Digital Marketing	4.08	1.062

Source: Own computation using SPSS of the survey, 2024

Based on the data the employees of Abay Bank S.C gives the following response about customer awareness on the adoption of digital marketing practice: customers have enough information to involve in digital marketing indicated by (Mean=4.17, SD=1.012), customers have a technological gap to adopt digital marketing shown by (Mean = 4.02, SD = 1.055), customers have lack of knowledge for adopting digital marketing practice illustrated by (Mean=4.15, SD=1.024); customers have fear of trusting technology to adopt digital marketing indicated by (Mean=4.10, SD=1.047) and customers have sufficient technological access for digital marketing presented by (Mean = 4.08, SD = 1.062). In general, from these findings, we can generalize that customers have enough information about digital market and have sufficient technology access but on the other hand customers have technological gap and fear to trust the technology of digital marketing. This finding is congruent with Sebrin's (2021) study on the factors influencing digital marketing practices in the context of info-mind solutions. The findings revealed that respondents agree on the activities of brand awareness creation for the successful implementation of digital marketing.

4.4.4 Descriptive Statistics for Adoption of Digital Marketing Practice

Adoption of Digital Marketing Practice was picked as the dependent variable, which was determined by posing many statements to respondents on the organization's adoption of digital marketing practice. To assess the effect of this variable, a 5-point Likert scale was employed, with 1 representing strongly disagree and 5 representing strongly agree, and the mean score was calculated. The closer the mean score on each score to 5, the greater the agreement with the proposition stated. A score of 3 indicates uncertain or neutral, however scores much lower than 3 indicate dissatisfaction with the suggested statements.

Table 4.7 Adoption of Digital Marketing Practice

Statements	Mean	Std.Dev.
Digital marketing Adoption feasible in Abay Bank, with the current situation	4.18	1.006
Digital marketing could help to achieve the organization's strategic plan	3.98	1.099
Digital marketing adoption is part of technological innovation	3.87	1.185
Government regulations allow digital settlement for practicing digital marketing.	3.96	1.117

Source: Own computation using SPSS of the survey, 2024

Based on the data collected from Abay Bank S.C employees it can interpreted as follow, digital marketing Adoption feasible in Abay Bank S.C with the current situation given by (Mean=4.18, SD= 1.006), digital marketing could help to achieve the organization's strategic plan indicated by (Mean=3.98, SD=1.099), digital marketing adoption is part of technological innovation shown by (Mean =3.87, SD= 1.185) and Government regulations allow digital settlement for practicing digital marketing indicated by (Mean=3.96, SD=1.117) are the most important components of adoption of digital marketing practice in the organization. These results indicate that most of the employees of Abay Bank agree to the questions listed on the above.

4.4.5 Summary of Descriptive Statistics for the Variables (Dependent and Independent)

Table 4.8 below presents descriptive statistics on relative advantage, employees' technological skill, top management support, IT infrastructure, and awareness of customers as independent variables and adoption of digital marketing practice as dependent variable. The finding in the table below shows that awareness of customers has the highest average score of 4.1, followed by top management support with an overall average score of 4.08. Employees' Technological skills had a relatively low overall mean of 3.59. Regarding the dependent variable, the summary statistics show that the average adoption of digital marketing is 3.99.

Table 4.8 Adoption of Digital Marketing Practice

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Relative Advantage	293	1.00	5.00	3.8589	1.01464
Employees Technological skill	293	1.50	4.75	3.5904	.58478
Top management support	293	1.00	5.00	4.0836	.77598
IT infrastructure	293	1.75	5.00	3.8208	.66329
Awareness of customer	293	1.00	5.00	4.1044	.82803
Adoption digital marketing	293	1.00	5.00	3.9966	.89231

Source: Own computation and survey, 2024

4.5. Inferential (Econometrics) Analysis

4.5.1 Correlation Analysis

Correlation begins with determining whether there is a substantial relationship between two variables. It expresses the degree and direction of the linear relationship between these variables. Pearson moment correlation was utilized in this study to analyze and assess the strength of an association between independent and dependent variables. This allowed the researcher to assess the strength and direction of the correlations between variables. Furthermore, the researcher employed it to determine whether there is a significant association between the independent and dependent variables. Correlation coefficient values range from +1 to -1. A correlation coefficient of about ± 1 indicates a perfect relationship between two variables.

According to Field (2005), a coefficient (r) of +1 implies a perfect positive association while -1 implies a perfect negative relationship. The strength of the association can be classified as weak ($r = \pm 0.1$ to ± 0.29), medium ($r = \pm 0.3$ to ± 0.49), or strong ($r = \pm 0.5$ to ± 1.0). When the correlation coefficient approaches zero, the relationship between the variables weakens (Cohen & West, 2003).

Table 4.9 Correlation matrix of dependent and independent variables

Adoption of DM	Adoption of DM practice	Relative adv.	Employee skill	Top management support	Infrastructure	Awareness
	Corr. 1	.868**	.266**	.768**	.636**	.777**
	cof.					
	Sig	.000	.000	.000	.000	.000
Relative adv.	Corr. .868**	1	.209**	.725**	.599**	.610**
	cof.					
	Sig	.000	.000	.000	.000	.000
Employee technological skill	Corr. .266**	.209**	1	.186**	.210**	.151**
	cof.					
	Sig	.000	.000	.001	.003	.010
Top management support	Corr. .768**	.725**	.186**	1	.492**	.688**
	cof.					
	Sig	.000	.001	.000	.000	.000
Infrastructure	Corr. .636**	.599**	.210**	.492**	1	.413**
	cof.					
	Sig	.000	.000	.000	.000	.000
Awareness of customers	Corr. .777**	.610**	.151**	.688**	.413**	1
	cof.					
	Sig	.000	.010	.000	.000	.000

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

Source: Own computation and survey on SPSS, 2024

Table 4.9: depicts a correlation analysis performed on all variables to define the correlation coefficients using a two-sided test for significance. The independent variables that contribute to adoption of digital marketing are relative advantage, employees' technological skills, top management support, IT infrastructure, and awareness of customers.

Table 4.9 shows a substantial positive association between relative advantage and adoption ($r=0.868$). This proves that the higher the relative advantage, the higher the adoption of digital marketing. Customer awareness was also shown to have a strong positive correlation with adoption ($r=0.777$) indicating that good customer awareness about digital marketing leads to high adoption of digital marketing practices. Moreover, top management support and IT infrastructure also have a strong positive correlation with digital marketing with a correlation coefficient of ($r=0.768$) and

($r=0.636$) respectively. This implies that a well-developed IT infrastructure and good top management support lead to a better adoption of digital marketing.

4.5.2 Multiple Linear Regression Analysis

Multiple linear regressions determine the coefficients of a linear equation comprising one or more independent variables that best predict the value of the dependent variable (Field, 2005). On the other hand, regression analysis was used to determine which characteristics contributed significantly to digital marketing adoption. Multiple linear regression analysis is an extension of bivariate regression analysis that allows for the simultaneous examination of the effects of two or more independent variables on a single dependent variable. This enabled the researcher to determine which independent variables had the greatest influence on the dependent variable. To determine the relationship between many independent factors and a single dependent variable, the study employed a regression model outline, and the researcher assessed the regression coefficients.

4.5.2.1 Diagnostic Tests

Diagnostic tests are typically performed to discover model misspecification and serve as a guide for model improvement. These tests include multicollinearity, autocorrelation, heteroskedasticity, and normality testing.

4.5.2.1.1 Multicollinearity Test

Multicollinearity occurs when one independent variable is a linear function of two or more independent variables (Field, 2005). It is examined in this study with the variance inflation factor (VIF), which measures the severity of multicollinearity in regression analysis. The VIF factor should not exceed 10, and it should be near to one. Before conducting regression analysis, the variation inflation factor (VIF) was evaluated to confirm that no dependency existed. Because the VIF, as shown in table 4.10 below, is less than 10, ranging from 1.060 to 2.628, the researcher can conclude that there was no significant interdependence among the independent variables. As a result, regression analysis is applicable for this specific investigation, as stated in table 4.10 below.

Table 4.10 Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Relative advantage	.381	2.628
Employees technological skill	.943	1.060
Top management support	.375	2.669
IT infrastructure	.627	1.596
Awareness of customers	.500	2.000

a. Dependent Variable: Digital Marketing

Source: Own computation and survey, 2024

4.5.2.1.2 Heteroscedasticity Test

Score variability for independent variables should be equal to all values for the dependent variable. The scatter plot should have a consistent rectangular form along its length. Before conducting multiple regression analysis, there should be homoscedasticity. This suggests that the residuals (the differences between the observed and predicted values of the dependent variable) are normally distributed with a constant variance (Field, 2005), implying that the homoscedasticity requirement was almost met.

Homogeneity of variances means that the error variances are the same for all levels of instrumental variable (IV), homogeneity of residuals. In a scatterplot of residuals, the residuals' variation in accordance to expected dependent variable scores should be consistent across all anticipated values. This is because the residuals are randomly distributed around the centerline. The test is shown in the following figure.

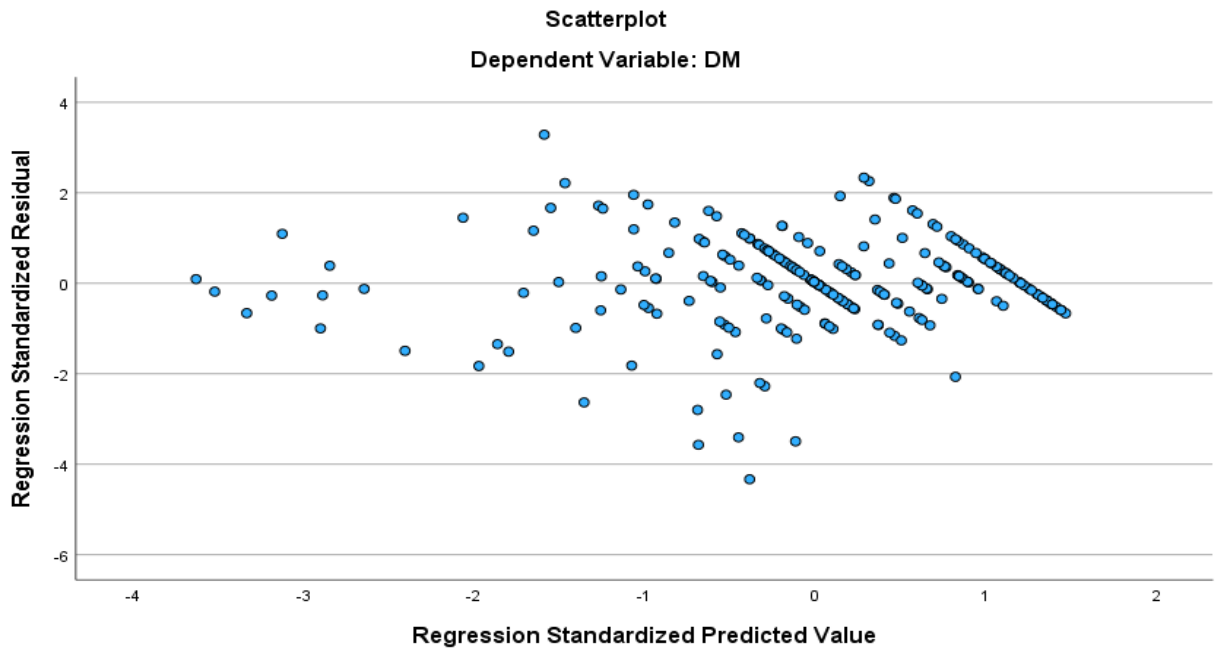


Figure 2 Heteroscedasticity Test

4.5.2.1.3 Autocorrelation Test

It is a test for correlation between residual variables or correlation between error terms. To put it briefly, this technique is crucial for determining whether or not the assumption of independent mistake is justified. A value of 2 in the test statistics indicates that the residuals are uncorrelated. The test statistics can range from 0 to 4. Adjacent residuals have a negative correlation when the value is more than 2, and a positive correlation when the value is less than 2. The number of data and predictors in the model determine the size of the Durbin-Watson statistics. Garson (2012) A Durbin Watson value of 1.5 to 2.5 is appropriate for independent observations. Acceptable values are those that are closer to 2. Field (2009). As a result, the Durbin-Watson result has a score of 1.605, which means that it either meets the testing assumption requirement or is an acceptable result. This means that there is no serious autocorrelation problem in the model.

Table 4.11 Test of Autocorrelation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.934 ^a	.873	.871	.32071	1.605

- a. Predictors: (Constant), Relative advantage, employee skill, top management, IT infrastructure, awareness of customer
- b. Dependent Variable: adoption of digital marketing

Source: Own computation and survey, 2024

4.5.2.1.4 Normality Test

Prior to performing the regression analysis, it is advisable to assess the data's normality because multiple regressions necessitate that the independent variables be distributed normally. To find out if the model's variance is constant and the error term is zero, conduct the normality test. For multiple regressions, the residuals should be normally distributed. Multiple regressions assume that the variables have a normal distribution. This indicates that the residuals of the regression, or the error terms between observed and predicted values, should have a normal distribution.. This assumption can be confirmed using histograms. Normality can also be checked by using normal probability plots to determine decisions. The result of the test as shown in figure 4.3 below indicates that the error terms are normally distributed.

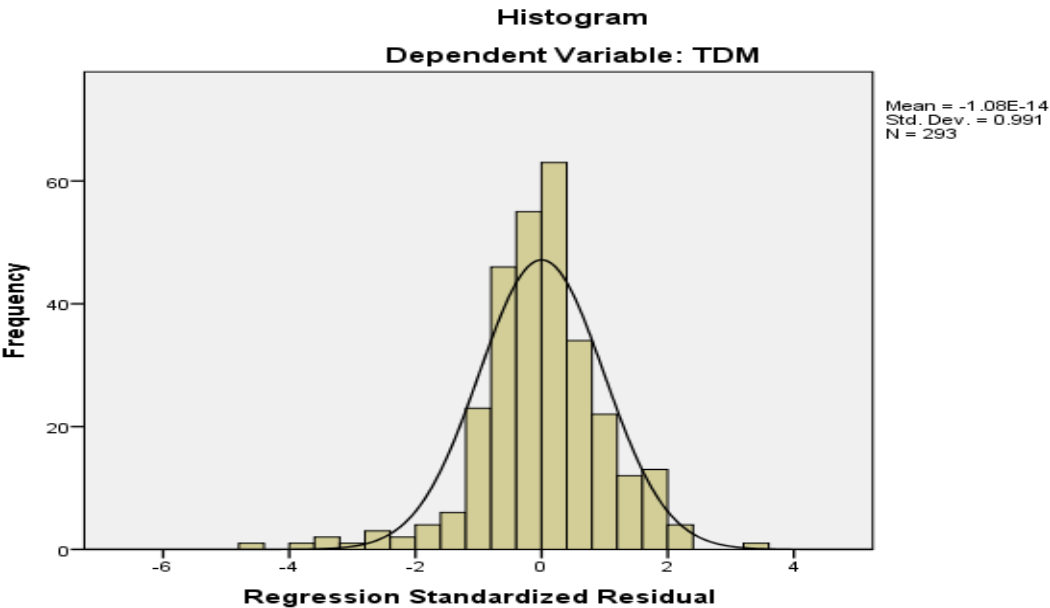


Figure 3 Normality Test

4.5.2.1.5 Linearity Test

Only linear relationships between the dependent and independent variables can be effectively estimated using standard multiple regression. Regression analysis results will understate the

underlying relationship if there is a nonlinear relationship between the independent and dependent variables. The graph should be laid exactly on the diagonal line there is some difference between the diagonal line and the graph but somehow its tolerable and it pass this test.

From the following figure, we can show that the relationship between the independent variable and dependent variable is linear.

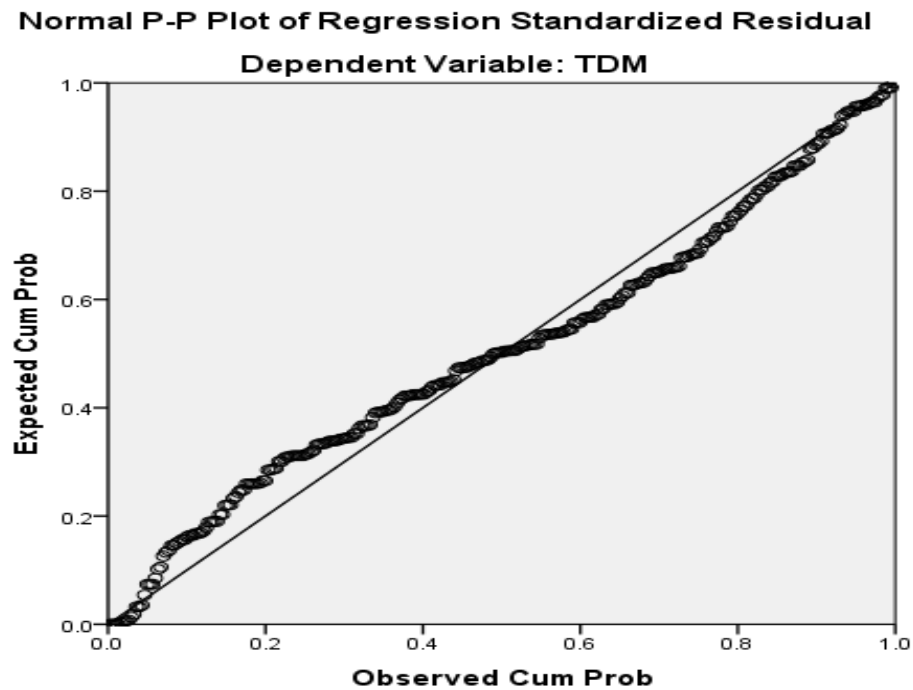


Figure 4 Linearity Test

4.5.3 Regression Result and Discussion

The next part presents the results of the regression output to analyze the factors affecting adoption of digital marketing in Abay Bank. Multiple regression analysis was used to determine model summaries, ANOVA, and beta coefficients and to develop regression models.

4. 5.3.1 Model Summary for all the independent variables and Adoption of Digital Marketing

The correlation coefficient in a regression study between the independent and dependent variables is called the R-value. According to the model summary in Table 4.12 below the correlation coefficient (R) for a set of independent variables (Relative advantage, Employees' technological

skill, Top management support, IT infrastructure, and awareness of customers) and the dependent variable (adoption of digital marketing) was 0.934. Therefore, there was a high positive correlation between these independent and dependent variables. Moreover, from Table 4.12 below we can also see that the coefficient of determination (R^2) is 0.873. This implies that 87.3% of the variation in adoption of digital marketing is explained by the explanatory variables; Relative advantage, Employees' technological skill, Top management support, IT infrastructure and awareness of customers). The result also presents that other factors explain 12.7% of the variation in adoption of digital marketing that are not considered in this study.

Table 4.12 Model Summary for all the explanatory variables and the dependent variable

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.934 ^a	.873	.871	.32071	1.605

a. Predictors: (Constant), Relative advantage, employee skill, top management, IT infrastructure, awareness of customer

b. Dependent Variable: adoption of digital marketing

Source: Own computation on SPSS, survey 2024

4. 5.3.2 ANOVA test

In this study, an analysis of variance was performed to determine whether the model fit the data well or not. Furthermore, the ANOVA table demonstrates how much the independent factors affect the dependent variable and how well the applied model was able to predict the dependent variable. However, the ANOVA indicates if the model produces an overall significantly good degree of outcome variable prediction (Field, 2005). Given that the ANOVA table's significance result is 0.000, or $p < 0.01$, the regression analysis demonstrated the existence of a high degree of prediction. The contribution of all the independent variables can be seen from the result of multiple regressions in the coefficient table 4.13 below.

Table 4.13 ANOVA table

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	202.977	5	40.595	394.679	.000 ^b
Residual	29.520	287	.103		
Total	232.497	292			

a. Dependent Variable: adoption of digital marketing

b. Predictors: (Constant), Relative advantage, employee skill, top management, IT infrastructure, awareness of customer

Source: Own computation on SPSS, survey 2024

Table 4. 14 Regression Result

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.701	.159		-4.414	.000
Relative Advantage	.435	.030	.494	14.496	.000
Employee Technological Skill	.097	.033	.064	2.944	.004
Top Management Support	.106	.040	.092	2.671	.008
IT Infrastructure	.186	.036	.138	5.203	.000
Awareness of Customer	.373	.032	.346	11.625	.000

a. Dependent Variable: DM

Source: Own computation on SPSS, survey, 2024

4. 5.3.3 Regression Equation

Standardized Beta Coefficient: From this regression analysis coefficients present the relative importance of explanatory variables. Regression analysis yields these coefficients once all

explanatory variables have been standardized. Table 4.14 above shows that the standardized relative advantage factor is the highest value, followed by the awareness of customers, top management support, IT infrastructure and employee technological skill factors. The higher the standardization factor, the greater the relative influence of the factor on adoption of digital marketing.

Multiple regression analysis was used as a model to explore the effects of independent variables on adoption of digital marketing. This allows us to compare the predictive power of specific independent variables and find the best variable set for predicting the dependent variable. As shown in Table 4.14 above, the study constructs the following regression equation from the unstandardized coefficient values listed as β . The study revealed a relationship between adoption and independent variables.

Unstandardized Beta Coefficient (β): The unstandardized coefficients (β_1 through β_5) are the coefficients of the calculated regression model, as established in Chapter Three. Therefore, by incorporating the error element (ϵ), the adoption of digital marketing model may be expressed as follows: Regression equation for digital marketing adoption

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

$$Y = -0.701 + 0.435 (X_1) + 0.097 (X_2) + 0.106 (X_3) + 0.186 (X_4) + 0.373 (X_5) + e$$

Where: Y: adoption of digital marketing practice (the dependent variable (DV)); X1: Perceived use (Relative advantage); X2: Employee technological skill; X3: top management supports; X4: IT infrastructure; and X5: customer awareness

If all slope coefficients are zero, the intercept term, or β_0 , is a constant that would equal the mean. From the regression result the value of β_0 is -0.701 which means the expected value of adoption of digital marketing practice is -0.701 when all the five explanatory variables assume zero value.

The coefficients β_1 , β_2 , β_3 , β_4 , and β_5 correspond to each independent variable, indicating the variation in the average value of Y for every unit change in the corresponding independent variables, plus the error term e.

From all the five explanatory variables all of them were found to have statistically significant effect on adoption of digital marketing.

4. 5.3.4 Discussion of the Regression Result on each variable

A) Perceive Use (Relative Advantage)

Based on the coefficient of regression from Table 4.14 above we can see that perceived use (relative advantage) has a β coefficient of 0.435 and p-value of 0.000. Keeping other explanatory variables constant, relative advantage was found to have a statistically significant positive effect on adoption of digital marketing practice. This finding supports the hypothesis that Relative advantage positively and significantly affects digital marketing practices. Moreover, the result suggests that a unit increase in relative advantage will cause adoption of digital marketing to increase by 0.435 units. This implies that technological invention significantly influences adoption of digital marketing practice in Abay Bank S.C. This finding is consistent with the study carried out by Bosire Viola (2021) on economic analysis of factors influencing the adoption of digital marketing in color cosmetics companies, Kenya. The result revealed a strong positive and significant relationship between technological factors like relative advantage and adoption of digital marketing ($\beta=0.452$, $p=0.003$).

B) Employee Technological Skill

As per the regression result as shown in Table 4.14 above, employee technological skill has caused a positive and statistically significant effect on adoption of digital marketing at a 1% significant level ($p=0.004$). The finding suggests that employee technological skill has an unstandardized β coefficient of 0.097 and p-value of 0.000. This implies that keeping all other explanatory variables constant employee technological skill was found to have a statistically significant positive effect on adoption of digital marketing practices. An increase of one unit in employee technological skill results in a 0.097-unit increase in the adoption of digital marketing. The result supports the hypothesis that employee technological skill has a positive and significant effect on adoption of digital marketing practices. This finding is supported by the finding of Dagim et al. (2020) who conducted a study on factors affecting electronic marketing in Addis Ababa. They found that skilled man power was found to be a significant determining factor for successful adoption of digital marketing practices.

C) Top Management Support

According to Wilson, Daniel, and Davies (2008) top management or government should provide incentives to facilitate innovation adoption and usage. From the regression analysis shown in Table 4.14 above, top management support has a β coefficient of 0.106 and p-value of 0.008. This variable is significant at 1% significance level. Holding other explanatory variables constant, top management support was found to have a statistically significant positive effect on adoption of digital marketing. This finding supports the hypothesis that top management support positively and significantly affects digital marketing practices. Moreover, the result suggests that a unit increase in relative advantage will cause adoption of digital marketing to increase by 0.106 units. This implies that support given by top management is significantly influences adoption of digital marketing in Abay Bank. This finding is supported by Dagim et al. (2020) who carried out a study that pursued to establish the effects of government support on adoption of digital marketing.

D) IT Infrastructure

IT infrastructure is one of the key elements that greatly influences e-marketing strategies, claims Essay (2010). IT infrastructure is the foundation for e-business dispersion integration on both internal and external success. One of the main barriers to using technology is a lack of IT infrastructure, which keeps individuals using antiquated, conventional ways of conducting business. This implies that they are not profiting from technological innovation and improvement, which has broadened and streamlined company practices, such as using the Internet to shop for things anywhere in the world. To connect different areas both inside and between nations, telecommunication facilities are necessary. From the regression analysis shown in Table 4.14 above, IT infrastructure resulted positive and statistically significant effect on adoption of digital marketing at 1% significant level ($p=0.000$). The finding suggests that IT infrastructure has an unstandardized β coefficient of 0.186 and p-value of 0.000. This implies that keeping all other explanatory variables constant IT infrastructure was found to have a statistically significant positive effect on adoption of digital marketing practices. A one-unit increase in IT infrastructure results in a 0.186 unit increase in adoption of digital marketing. The result supports the hypothesis of IT infrastructure has a positive and significant effect on adoption of digital marketing practices.

This result is consistent with Adediran's (2005) research, which shows that inadequate infrastructure has an impact on businesses across a range of sectors. For example, a study on the book publishing industry found that the majority of its clients, including booksellers, libraries, and even educational institutions (primary and secondary schools), do not have internet access due to inadequate infrastructure. Furthermore, the results of Abou-Shouk et al. (2013) about the factors influencing e-marketing adoption among Egyptian adopters and non-adopters corroborate this finding. The study's variable, IT infrastructure, revealed that the primary barrier to the adoption of e-marketing at the organizational level in the retail sector was a lack of telecommunication infrastructure.

E) Awareness of Customer

As shown in Table 4.14 above awareness of customer has an un-standardized β coefficient of 0.373 and p-value of 0.000. Holding all other independent variables constant awareness of customers was found to have a statistically significant positive effect on adoption of digital marketing. The result revealed that a unit increase in awareness of customers will cause adoption of digital marketing to increase by 0.373 units. The result supports the hypothesis of the awareness of customers has a positive and statistically significant effect on adoption of digital marketing practices. This result is in line with Sebrin's (2021) research on the variables influencing info mind solutions' digital marketing strategies. The findings indicate that respondents are in agreement with the steps necessary to successfully use digital marketing, including raising brand awareness.

4.6 Hypotheses Testing

Based on regression output summary of hypotheses result is summarized in the table below

Table 4.15 Summary of Hypothesis Testing

Hypothesis	Result	Reason
HP1: Perceived use (Relative advantage) has a positive and significant effect on digital marketing practices	Supported	$\beta=0.435$ $p=0.000$
HP2: Employee technological skill has a positive and significant effect on digital marketing practices	Supported	$\beta =0.097$ $p=0.004$
HP3: Top management support has a positive and significant effect on digital marketing practices	Supported	$\beta =0.106$ $p=0.008$
HP4: IT infrastructure has a positive and significant effect on digital marketing practices	Supported	$\beta =0.186$ $p=0.000$
HP5: Awareness of customer has a positive and significant effect on digital marketing practices	Supported	$\beta =0.373$ $p=0.000$

As table 4.15 above reveals, the first hypothesis (HP1) relative advantage has a statistically significant effect on adoption of digital marketing. As the result in the multiple regression result shows, relative advantage has a significant effect on adoption of digital marketing.

This result is in line with a study by Bosire Viola (2021) on the economic analysis of the variables impacting digital marketing adoption in Kenyan color cosmetics companies. The outcome showed that adoption of digital marketing and technology characteristics such as relative advantage had a strong, positive, and significant link. Upon deeper inspection of the parameter estimates for each digital marketing adoption factor, it can be seen that the likelihood of adopting digital marketing will rise in tandem with the relative advantage, which increases by a unit when compared to other factors.

The impact of employee technological proficiency on the adoption of digital marketing strategies is revealed by the second hypothesis (HP2). The outcome of multiple linear regression indicates that the adoption of digital marketing strategies by employees is significantly influenced by their technological skill. This finding is supported by the finding of Dagim et al. (2020) who conducted a study on factors affecting electronic marketing in Addis Ababa. They found that skilled man power was found to be significant determining factor for successful adoption of digital marketing practices a closer look at the parameter estimates for each digital marketing factor reveals, as employee technological skill increases, the chance of adopting digital marketing also increases.

The third hypothesis (HP3) in the multiple regressions (table 4.14) shows that top management support has a positive and statistically significant effect on adoption of digital marketing in Abay Bank S.C Addis Ababa. This result is supported by the hypothesis.

The fourth hypothesis (HP4) states that IT infrastructure has a positive and strong significant effect on adoption of digital marketing practices in Abay Bank Addis Ababa. IT infrastructure is one of the main factors that significantly affect digital marketing practices. The result in the multiple regressions (Table 4.14) shows that IT infrastructure has a significant impact on the adoption decision of digital marketing practices in Abay Bank. This result is supported by the hypothesis.

The fifth hypothesis (HP5) revealed that awareness of customers has a positive and statistically significant effect on adoption of digital marketing practices in Abay Bank Addis Ababa. The result in the multiple regressions (Table 4.14) shows that awareness of customers has a positive and strong significant effect on the adoption of digital marketing practices in Abay Bank Addis Ababa. The result is supported by the hypothesis. This result is in line with Sebrin's (2021) research on the variables influencing info-mind solutions' digital marketing strategies. The findings indicate that respondents are in agreement with the steps necessary to successfully use digital marketing, including raising brand awareness. A detailed examination of the parameter estimates for each adoption practice shows that the likelihood of adopting digital marketing will rise when customer awareness rises by a unit relative to other variables. This indicates that the likelihood of implementing digital marketing will rise in tandem with the rise in customer awareness.

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discussed major data results, as well as the conclusions formed from the findings and the recommendations made in response to them. The study's conclusion and recommendations were centered on achieving the study's goal. The study intended to examine the factors affecting adoption of digital marketing practices in Abay Bank, Addis Ababa. The study examined the effect of technological factors (relative advantage), organizational factors (employee technological skill, top management support, and IT infrastructure), and environmental factors (awareness of customers) on adoption of digital marketing practices in Abay Bank

5.2 Summary of Findings

The general objective of this study was to investigate digital marketing practices and factors affecting the adoption of digital marketing practices in Abay Bank S.C Addis Ababa, Ethiopia. The study is examined based on a survey of 293 employees as respondents of Abay bank S.C through distributing questionnaires for them. Based on the literature review discussed in Chapter Two, five independent variables were established. These are relative advantage, employee technological skill, top management support, IT infrastructure, and awareness of customers.

Based on the descriptive analysis, the findings indicate that the majority of respondents (56%), were male, 42.3% were between the ages of 25 and 30, 62.5% had a first degree, 72.7% had one to five years of work experience, and 45.4% were junior officers.

Before computing the main analysis, a reliability test was undertaken to see whether the questionnaires were reliable/not. In this regard, as shown in table 4.2 above all the variables are reliable and good, with an overall Cronbach alpha score of 0.916.

The result from Pearson correlation coefficients implies that the five factors were all positively related to adoption of digital marketing within the range of 0.266 to 0.868.

The results of the multiple regression analysis show that 87.3% of the variation in adoption of digital marketing is explained by the explanatory variables used (R-squared is 0.873). Furthermore, the significance value of the F statistic shows a value of 0.000, which is less than $p < 0.01$, which means the model, is significant.

The standardized relative advantage factor is the highest value, followed by the awareness of customers, IT infrastructure, top management support, and employee technological skills. The higher the standardization factor, the greater the relative influence of the factor on adoption of digital marketing.

5.3 Conclusions

This study was carried out on factors affecting digital marketing practice in Abay Bank S.C, Addis Ababa Ethiopia. By taking perceived use, top management support, employee technological skill, IT infrastructure and customer awareness as independent variables and on the other hand adoption of Digital marketing practice as a dependent variable. According to the result discussed on the above all the predictors have a positive and significance relationship to adoption of digital marketing practice.

✓ Furthermore, from the parameter estimates it can be concluded as follows:

- Perceived use had significant effect and a positive relationship with adoption of digital marketing practice. It is the strongest predictor among all of the factors listed on this study.
- Employee technological skill had significant effect and a positive relationship with adoption of digital marketing practice.
- Top management support had significant effect and a positive relationship with adoption of digital marketing practice.
- IT infrastructure support had significant effect and a positive relationship with adoption of digital marketing practice.
- Customer awareness had significant effect and a positive relationship with adoption of digital marketing practice. It is the second significant predictor among all of the factors listed on this study.

5.4 Recommendations

From the conclusion made based on the major findings of the research, the following recommendations are forwarded. These are:

- Relative advantage has a strong positive significant effect on adoption of digital marketing practices. Since digital marketing reduces costs of business operations, improves customer services, and reduces human resource requirements, employees should always endeavor to use new technologies for adoption of digital marketing.
- Abay Bank should incorporate technological inventions as part of its strategy. This will help it to use digital marketing to serve its customers better.
- Employees should be updated their knowledge based on the updated information on the organization.
- In order to increase the professional employee the organization should give a continuous training on new eras of the digital marketing strategy so this lead to better adoption.
- The organization should provide a small and precise information papers like flayers or notes that help the employees to keep updating their self while a new updates occur.
- It is also necessary to stay committed to training as new ways of technology improvement in employees can be discovered. These programs should entail regular orientations and sensitizations that prepare the employees to appropriately harness the opportunities
- Abay Bank S. C should focus on a consistent collection of investments to upgrade the IT infrastructure of the organization further. This will enable a smooth and proper roll out and regulation of the digital marketing initiatives to ensure that the facilities and equipment to support increasing wave of digital activities in the bank are put in place.
- Abay Bank S.C should keep the good internet connection and upgrade the system to make the connection in a better form.
- Abay Bank should also have to keep the good infrastructure in the organization and add more recent modern instrument which facilitate the digital marketing.
- Abay Bank S.C should focus on their company's technological readiness to create a compatible business structure ready to accept innovative information technology systems presented by the new tools and method of marketing through online platforms.

- Understanding the positive implications of top management support, it is necessarily to sustain the changes and support for such approach all over the organization. In particular, top management should exemplify and support the implementation of the digital marketing concepts and make all necessary resources and directions available for integrating digital tools into organizational objectives.
- The top management of Abay Bank S.C should increase providing of training, guidelines, technical support, independent advice, and other incentives that should encourage digital marketing adoption in the organization.
- Abay Bank should provide a way that can aware customers to update their technological gap by providing different instrument that can increase their technology awareness like broacher, flayer and advertising to remove there technological gap.
- Abay Bank S.C should build the customer trust in using digital marketing by giving awareness on the digital market for customers.

5.5 Recommendations for Further Research

Based on the research findings the following suggestions have been forwarded for future researcher:

- This research work was carried out on Abay Bank S. C of Ethiopia which is located in Addis Ababa and the subject of study was the employees of the Bank. Future research can consider this scope as a preliminary study and extend the study to all retail firms irrespective of their size and area of the country and can also use a large dataset for a longer period of time. This would involve collecting the data from the customers, people who do the digital marketing and everybody who is interested in the entire process. These sources of information could also be applied in research not only limited to the building sector or the Abay Bank.
- Consequently, the approach used in this paper can be further expanded by examining the factors that influence the implementation of digital market businesses, existing in organizations or firms advancing in digital marketing, and new entrants to the digital marketing environment. This can be made possible through adding other variables which were not incorporated in this research or other related researches.

- In this study, the analysis was limited to the use of a Technology-Organization-Environment (TOE) framework as postulated by Tornatzky and Fleischer (1990). Other theories and models such as TAM, TRA can also be looked at to explain the perception and practice of digital marketing in more depth.

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APPENDIX I

Appendix A: Survey Questionnaire

**Addis Ababa University College of Business and Economics School of Commerce
Department of Marketing Management Graduate Program Unit**

Questionnaire to be filled by Abay Bank SC staffs found in Addis Ababa

Dear Respondent, This questionnaire is designed to collect data on the FACTORS AFFECTING THE ADOPTION OF DIGITAL MARKETING PRACTICE AMONG ABAY BANK SC ADDIS ABABA ETHIOPIAN. The information collected will be used for academic purposes only. You are guaranteed of absolute confidentiality. Thank you for your cooperation. Please provide adequate answers to the following questions. Tick, or Mark in The Spaces Provided Thank You.

Questionnaire

I-General Background of Respondents (Demographic Information) from employees

1) Sex

A) Male B) Female

2) Age

A) 25-30 B) 31-35 C) 36-40 D) 41-50 E) Above 51

3. Educational level:

A) Diploma B. BSC/BA

C) MSC/MA D. above MSC/MA

4. Work Experience

A) 1 to 5 years B) 6 to 10 years C) 11 to 15 years D) Above 15 years

5. Current work position

A) Junior Officer B) Officer C) Supervisor

D) Manager E) CEO/General Manager

II- Assessment of perception

To what extent do you agree or disagree with each of the following factors affecting the adoption of digital marketing practice in Abay Bank SC.

1-Strongly Disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly Agree

NO	Questions	1	2	3	4	5
RA1	Using digital marketing reduce cost of business operations.					
RA2	Digital marketing improve customer service.					
RA3	Digital marketing reduces human resource requirements.					
ETS1	Abay Bank s.c employees have enough knowledge to Adopt Digital Marketing.					
ETS2	Abay Bank s.c employees got enough training to Adopt Digital Marketing					
ETS3	The continuous training on Employees have a direct impact on developing employees skill					
ETS4	Abay Bank s.c have enough professionals for Adoption of Digital Marketing practice					
MS1	The management of Abay Bank s.c is interested in the use of Digital Marketing practice					
MS2	The management of Abay Bank s.c is supportive of Adoption of Digital Marketing practice.					
MS3	Abay Bank s.c has a clear vision on Digital Marketing practice					
MS4	Abay Bank s.c vision of Digital Marketing activities is widely communicated and understood throughout the organization					
ITI1	The ICT department of Abay Bank s.c well organized in Infrastructure to Adopt Digital Marketing practice					
ITI2	The company internet connection is reliable for Adoption of Digital Marketing					
ITI3	Frequent power interruption seriously affect Adoption of Digital Marketing					
ITI4	Abay Bank s.c has a complete set of organizational facilities to Adopt Digital Marketing					

AC1	Customers have enough information to involve in Digital Marketing					
AC2	Customers have technological gap to Adopt Digital Marketing					
AC3	Customers have lack of knowledge to Adopt Digital Marketing practice					
AC4	Customers have fear of trusting technology to Adopt Digital Marketing practice					
AC5	Customers have sufficient technological access to adopt Digital Marketing practice					
DM1	Digital Marketing Adoption is feasible in Abay Bank, with current situation					
DM2	Digital Marketing could help Abay Bank to achieve its strategic plan					
DM3	Digital Marketing adoption is part of technological innovation					
DM4	Government regulations allow digital settlement for practicing digital marketing.					

Adopted and Modified from Girum (2021), Ferhihow (2022), Tesfahu(2019), Dagim(2020)

APPENDIX II

Table 16 List of Abay Bank Branch

1	Abay Sadiiq Kolfe Branch	46	Dil Ber Branch
2	Addey Abeba Stadium Branch	47	Enkulal fabrika Branch
3	Addisu gebeya Branch	48	Entoto Sub Branch
4	Africa Union Adebabay Branch	49	Eri Bekentu
5	Africa union Branch	50	Ferensay biret deldey
6	Africagodana Branch	51	Ferensay legasion Branch
7	Akaki Gebeya Branch	52	Figa Branch
8	Alembank Branch	53	Garment 72
9	Amana Alem Bank Branch	54	Gelan Branch
10	Amest kilo Branch	55	Genete Tsige
11	Anfo Branch	56	Gerji Branch
12	Anwar Meskid Branch	57	Gerji mebrat hail Branch
13	Arada Giyorgis Branch	58	Gesho Tera Branch
14	Arat Killo Branch	59	Gofa Branch
15	Asko addis sefer Branch	60	Gofa Camp Branch
16	Asko Menaharia Branch	61	Gojam berenda Branch
17	Atlas Branch	62	Goro
18	Autobus Tera	63	Goro Gebriel
19	Aware Branch	64	Goro Sefera
20	Ayat Adebabay Branch	65	Goro sumit Branch
21	Ayat Sebahulet Branch	66	Gotera Branch
22	Ayat Tafo Branch	67	Gulele Finance Branch
23	Ayat zone 3 Branch	68	Gurd Shola Branch
24	Ayat-gebeya Branch	69	Habte giorgis Branch
25	Ayer Tena Branch	70	Haile Garement Branch
26	Bambis Branch	71	Hana Mariam Branch
27	Baraka Branch	72	Haya hulet mazoria Branch
28	Beklobet Branch	73	Hayahult adebabay Branch
29	Betel Branch	74	head office
30	Bethel Michael	75	Hunegnaw Mera Branch
31	Bole 24 Branch	76	Imperial Branch
32	Bole airport Branch	77	Jakrose beshale Branch

33	Bole Arabsa Branch	78	Jemo Branch
34	Bole Branch	79	Kaliti Branch
35	Bole Bulbula Branch	80	Kality Cheralia Branch
36	Bole Kelebet	81	Kality Gebriel Branch
37	Bole medanialem Branch	82	kality Maselegna
38	Bole micheal Branch	83	Kara Kore Branch
39	Bole millennium Branch	84	Karl Adebabay Branch
40	Bomb tera Branch	85	Kazachis Branch
41	Bulbula 93 Branch	86	Kechene branch
42	Bulbula Medhanialem Branch	87	Kera Adebabay Branch
43	Chew Berenda Branch	88	Kera Branch
44	Chilot Adebabay Branch	89	Keraniyo Medhanialem
45	Cmc Branch	90	Kidist Silasie Branch

91	Kidus Amanuel	136	Satin tera Branch
92	Kidus Rufael	137	Sebara babur Branch
93	Kilinto Branch	138	Semen Mazegaja Branch
94	Kolfe 18 Mazoria Branch	139	Shalla Branch
95	Kolfe Branch	140	Shiro Meda Branch
96	Kolfe Branch	141	Shola Gebeya Branch
97	Kolfe Sub Branch	142	Signal Branch
98	Kotebe Branch	143	Stadium Branch
99	Kotebe Lokie	144	Summit Safari Branch
100	Kuas Meda Branch	145	Tabot Maderia
101	Lafto Mebrat Hail Branch	146	Tekle Haimanot Branch
102	Lamberet Branch	147	Tewodros Branch
103	Lebu Branch	148	Tikur Anbessa Branch
104	Lebu medanialem Branch	149	Urael Branch
105	Lem Hotel Branch	150	Urael Sub Branch
106	Lideta Branch	151	W/ro Ethiopia Tadesse Branch
107	Lideta Tsebel	152	Wossen Branch
108	Lomi Meda Branch	153	Yeka Abado Branch
109	Main Branch	154	Yeka Michael Branch
110	Megenagna Adebabay Branch	155	Yerer Branch
111	Megenagna Branch	156	Zenebwork Branch
112	Mehal Gerji Branch		
113	Mehal Gurd Shola Branch		

114	Mehal Lafto Branch		
115	Mehal Piassa Branch		
116	Mehal Wossen Branch		
117	Mehalsemit Branch		
118	Mekanisa Branch		
119	Mekanisa Micheal Branch		
120	Mekansia abo Branch		
121	Merkato Branch		
122	Merkato Fichegenet Branch		
123	Merkato Sebategna Branch		
124	Merkato shematera Branch		
125	Mesalemia Branch		
126	Meskel Flower Branch		
127	Mexico Branch		
128	Mexico Buna na Shay Branch		
129	Military tera Branch		
130	Nejashi Branch		
131	Salite-miheret Branch		
132	Saris 58 Branch		
133	Saris Abo		
134	Saris Adey Abeba Branch		
135	Saris Branch		

Source: Abay Bank S.C December 2023.