

## Extended Marketing Mix Strategy and Organizational Performance:

### Evidence from Bank of Abyssinia, Ethiopia

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#### Abstract

In today's business world giving attention for the extended marketing rather than 4P is very vital to maximize the organizational performance. Thus, the aim of present investigation was to assess the linkage between Extended Marketing Mix Strategy and Organizational Performance by taking Evidence from Bank of Abyssinia, Ethiopia. To achieve the objective, investigators used quantitative research approach which delivers clear and measurable outcome. In line with selected approach, the researchers utilized explanatory design. From the target population of 11,508, investigators selected 372 employees as sample by using stratified sampling procedure. Data collected from both firsthand and secondhand sources through organized instrument. To check soundness and reliability of the questionnaire, investigators used different statistical techniques like composite reliability, average variance extracted, and Cronbach's alpha techniques. To commence data analysis, the researchers utilized factor analysis and Structural Equation Modeling (SEM). Factor investigation helped to simplify the data into a more manageable form while SEM used to see the statistical connection among extended marketing mix components with private bank performance. The study found that positive and remarkable influence of marketing mix assortment such as product, promotion; place, price, process, people, and Physical evidence on Organizational success. This investigation contributes by advancing responsiveness of bank management regarding the marketing mix strategy, organizational success and by offering methodological accuracy in measuring a connection between constructs. Practically, it recommends that to achieve sustainable organizational performance using properly marketing mix strategy in banking sector is vital and to develop framework for sustainable private bank performance in Ethiopia.

Keywords: Extended Marketing Mix strategy, Private Bank, organizational Performance, Structural Equation Modeling

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#### Introduction

An intensifying competition in the recent era of business puts pressure on many organizations to invest their strategic resources on acquisition, satisfaction and maintenance of important customers with the objective of securing both short term and long lasting performance success (Jain et al., 2022). Because of global businesses are now trying to make their activities and events stand out as a way to remain competitive in the market (Wichmann et al., 2022). This is essentially true in the banking industry where deregulation has created an environment that allows customers considerable alternative in satisfying their financial needs. In this environment, formulation and implementation of the working bank marketing strategy becomes pivotal prerequisite to the success

of business operation across the world (Ciobu et al., 2025).

As specific business strategy, marketing strategy helps to build more customer base, which has a direct impact on revenue, sales, and organizational reputation (Makina & Oundo, 2020). Marketing strategy is a critical instrument that helps banking business to remain strong competitors (Ibrahim, & Ningi, 2014). It is defined as a process of organizing resources and making smart investments in the marketing synthesis, which includes invention, estimating, advancement, and delivery to boost the company's competitiveness (Makina & Oundo, 2020). Marketing mix strategies are contains actions intended to accomplish a reasonable benefit through well-informed and thoughtful marketing decisions (Arasa & Gathinji, 2014).

As an ongoing process, marketing mix strategy helps organizations work toward their long-term goals (Yusuf, et al., 2025). The foremost drive of marketing mix strategy is to enhance company performance by aligning with other business activities (Deboch & Bogale, 2019). Marketing strategy outlines the nature, strength, direction, and how the elements of the marketing mix interact with other tactical and corporate strategies, so that the company can gain and maintain a competitive edge (Yusuf, et al., 2025).

Banking business in Ethiopia has been playing critical role in multi-rounded socio economic development. Continuously growing economy of the country and changing market structure rose customers' expectation from banking business (Mekonen & Nair, 2021). As a response, Ethiopian government is taking financial liberalization measures and restructuring of financial institutions in order to promote competitive environment and efficient banking service to the public. Now a day's banking industry in Ethiopia is highly competitive. In this environment, emphasizing on traditional activities of banking operations is not sufficient (Jain et al., 2022). Hence, bankers are expected to develop and implement extended marketing mix (7p's) strategy

However, the banking sector in Ethiopia has both promising opportunities and difficulties, which make this, study especially important (Mekonen & Nair, 2021). Using the opportunity, many private banks are joining the industry and getting substantial amount of profit and market share (Yusuf, et al., 2025). In addition, Ethiopia is a country with large number of population, which serves as a potential advantage to the banking industry.

Parallel, to the previous mentioned opportunity, banking business in Ethiopia has been facing with challenges. Despite short-term profit that bankers are currently enjoying, future seems very difficult to compete (Jain et al., 2022). Partial liberalization of the financial sector since 1994, allows many privately owned banks to join the industry. Using the opportunity, many banks joined the market and recently all the banks have been competing for limited number of business customers. More importantly, recently, the country is in eve of full-scale liberalization of the financial business. As a response, more experienced commercial banks from different country is applying to join banking industry of Ethiopia (National Bank Annual Report, 2025).

The experience of the banking service delivery in Ethiopia, shows an attempt to formulate and implement marketing mix strategy with primary aim of improving market share and profit through competitiveness could be enhanced (Gebremicael,

et al, 2024). However, the marketing strategy of the banks remained deficient in terms of addressing strategic goal of the organization. In ability to align extended marketing mix strategy with business level strategy made strategic marketing experience of the bank problematic (Rustam et al, 2025)

Furthermore, empirically many studies across the world investigated connection between extended marketing mix strategy and performance of bank (Panchal & Bhavsar, 2022; Karaev, 2023). Extending marketing mix strategy reflects the application of the marketing discipline philosophy. However, in the developing economy where the focus is on selling than the marketing, the issue received less attention. Bankers in Sub-Saharan region give strong focus on short term selling for current profit maximization than marketing philosophy that aimed in attaining sustainable banking performance through customer satisfaction (Jain et al., 2022). The imperative of marketing in Ethiopian banking industry moves behind to the selling concept (Mekonen & Nair, 2021). In Ethiopia academic literature dealing with an empirical relationship between marketing mix strategy and bank performance is not sufficient. Most of the previous studies focused on traditional 4p's model rather than emphasizing on recently emerging concept of extended marketing mix (7p's) strategy ( Singh, 2012, Francis Ofunya, 2015, Mekonen & Nair, 2021, Ishak et al., 2020). This shows that marketing work has been recognized as more of tactical than strategic.

Previous literature linking marketing mix strategy with organizational performance emphasized on manufacturing sector with specific cluster in industrial marketing (Karaev, 2023). Empirical work that shows the influence of extended marketing mix strategy on organizational performance in service sector is remained scarce. Significant numbers of the previous have gaps in methodology. Most of such studies emphasized on descriptive design with self-reported data from business owners. Few of the researchers who utilized empirical statistics preferred older regression model. To fill such gaps present study employed a recent development in research methodology, structural equation modeling (SEM). In addition, previous studies had limitation in terms of utilizing marketing theories. Most of the former studies base their work on resources based view rather than integrating many different theories together in a single piece of the study (Njue et al.,(2023 ; Panchal & Bhavsar, 2022). To narrow such gap, present study integrated many theories such dynamic capability theory; Resource based view theory, efficient market theory, Absorptive

capacity theory, and Diffusion of innovations theory together.

Researchers selected Bank of Abyssinia because of its special strengths in Ethiopia's banking industry. The bank has built a strong reputation by offering creative banking solutions and has invested a lot in digital tools, mobile banking, and partnerships with fintech companies. These efforts influence how the bank markets itself and improve how it runs its operations. By focusing on technology, the bank can connect better with customers and provide better services which help it perform well. Compared to other banks in Ethiopia, Bank of Abyssinia has shown significant sustainable growth in profit, assets, and the number of customers it serves. This success comes from its smart marketing strategies, including new products, smart promotions, good pricing, and strong ways to reach customers. However, to intensify competition bank need to give more attention to support its marketing activities with innovative technology and use extended marketing mix strategy. Thus, the bank's mix of innovative methods, technological advances, and strong performance makes it a great example to study how extended marketing mix strategy affects bank performance in Ethiopia.

Based on what was mentioned earlier, it's clear that there are significant gaps in both practical and empirical knowledge, which is why this study was conducted. The researchers believe that exploring the connection between an extended marketing mix strategy and the banking business performance can contribute meaningful insights to existing research. So, the main purpose of this study was to examine how a broader marketing mix approach influences the organizational performance with the Bank of Abyssinia serving as the example.

### **Theoretical Foundation**

This study used several key theories as its foundation, they were Dynamic capability theory and Resource based view theory, efficient market theory, Absorptive capacity theory, and Diffusion of innovations theory. These theories help compare a company's resources, capabilities, and performance by first looking at what resources the company has and then evaluating how well those resources can generate returns. Hereafter, specifications how selected theories regulate the relationship between exogenous and endogenous constructs were explained as follows;

According to Dynamic Capability Theory, companies need to set flexible strategic goals and develop abilities that let them handle changes both inside and outside the business, as well as adjust resources effectively. This helps them respond properly to market conditions. Without these capabilities, a company might find it hard to stay competitive especially in fast-changing markets

(Gnizy et al., 2014). So, in a highly competitive environment having dynamic capabilities is important for achieving good performance (Wilden et al., 2013). It also helps organizations overcome inflexibility in their capabilities (Banerjee et al., 2018). Additionally, it supports how organizations manage knowledge and adapt to changes in their surroundings (Fainshmidt et al., 2013).

Subsequently, rationale for selecting Dynamic capable theories was similar the Resource-Based View (RBV), Dynamic Capabilities theory focus on an organization capacity to change, adjust, and to use its resources rather than to keep a competitive edge. When looking at how these theories apply to specific relationships such as the connection between exogenous and endogenous factors like marketing mix strategy (exogenous) and organizational performance (endogenous) they suggest a more complex way of controlling and influencing outcomes. These theories argue that organizations don't stick to one marketing strategy instead they constantly monitor changes in their environment and adjust their marketing mix strategy like product, price, place, and promotion grounded on what's happening outside the company. This ongoing adjustment helps ensure that marketing strategies stay in line with external market conditions, which in turn affects the company's performance internally.

Resource Based View (RBV) explains why some companies can keep a competitive edge and make more profit than their competitors over time (Srivastava et al., 2001). This theory argues that the main reason for a company's advantage comes from its special resources and abilities. These internal strengths, along with how the company uses them smartly, allow it to serve customers better and outperform competitors (Hinterhuber, A. 2013). The resource-based model explains that a company can keep an edge if its resources are valuable, not common, difficult to copy, and not easily replaced by others (Assensoh-Kodua, A. 2019).

Absorptive Capacity Theory looks at how well a company can spot the value in new information from outside, take it in, and use it to meet its goals (Cohen & Levinthal, 1989, 1990). Being able to absorb new knowledge makes an organization more innovative and flexible, which leads to better performance. Companies that can absorb knowledge more effectively have a stronger competitive position than those that can't (Javed, et al., 2025). Therefore, justification for selecting Absorptive Capacity theory was that it explains how well a company's marketing strategies which come from outside and inside depends on the company's absorptive capacity. This capacity shows how well the company can notice, understand, and use external marketing efforts to

achieve better results. It acts as a key link between outside strategies and inside performance. When looking at the connection between these outside and inside factors like marketing mix strategy and organizational performance the theory helps explain how external strategies impact internal outcomes through the company's internal processes.

Diffusion of Innovations Theory explains how new things, like new products, spread through a society (Ozkok, 2025). This theory helps understand how fast people adopt new products or services. It also helps marketers see how trends develop and assess whether a new product will be successful or not. By using this theory, companies can identify which customers are more likely to buy their products and create marketing plans that move the product through different groups of consumers (Nayak et al., 2025). Thus, the reasoning for selecting Diffusion of Innovations theory was it explains how external marketing strategies interact with internal organizational performance by determining how, when, and how much new ideas are taken up. This process influences when strategies are put into action, how strongly they are implemented, and how well they work, which in turn affects overall performance depending on how innovations spread through a social system. The theory shows that how information spreads through communications and social connections affects how fast and broadly marketing strategies are accepted. This then influences performance, as companies that use these channels well can put strategies into effect more quickly, leading to better performance results. Efficient Market theory helps to understand the practical constraints of arbitrage in restraining in runaway pricing (Ghosh, 2025). As Demsetz introduced this idea in 1973, most of the time business sectors set prices based on the value people sees in their goods or services. And also, Demsetz (1973) explain that higher profits for banks were not due to unfair competition but were a result of their efficiency which helped them to gain more market share and increase their profits. Thus, efficient market theory helps the organization to establish the correct price for the product and service (Ranjan, 2025). Consequently, explanation for selecting Efficient Market theory was that it explains how marketing strategies affect a company's performance by stating that markets quickly take in new information about a company's actions and adjust its value accordingly. This means that how well a marketing strategy works depends on how fast and accurately the market understands and reacts to new information. It highlights the importance of being clear, sending strong signals, and timing strategy moves right. According to this theory, any changes in marketing

strategies like launching new products, adjusting prices, or running promotions are quickly reflected in the company's market value and stock prices. This shows that there's a direct link between the strategies a company uses and how it performs, as seen in financial indicators.

### **Empirical Literature Review and Hypothesis**

#### **Development**

#### **Effect of product strategy on the business performance**

Wijaya & Rahayu, (2025) explain that product strategy is a plan that helps organization to develop right strategy for product development and to manage its products or services. Product strategy enunciates the direction and extent of the product link to competition the company's broader objectives and the demands of the market (Abdurrahman, 2025). And product strategy is detailed plan that indicates the long term goals and aims of a company's product or service offerings. Thus, a well-organized product strategy can greatly influence a bank's performance (Panchal & Bhavsar, 2022).

Njue et al. (2023) reveals that how private banks in Kenya develop their products has a great effect on the how well they perform. They distinguished that banks who make their products stand out from competitors can achieve better business results. Their results recommend that banks should focus more on product differentiation strategies to improve performance.

Fong et al. (2014) investigated about the how different approaches to create new products influence how well banks perform. They revealed that four main things how the bank is seen by people, how strong its brand is, how innovative its products are, and how good the products are have great effect on the bank's overall performance. Tun, (2025) observed that how product-related features influence organizational performance. They found that product feature can greatly improve organizational performance. Their research concludes that banks that use good product design strategies are better able to attract more customers. Tambunan, (2025) also supposed that good product management in the banking sector in India leads to better financial performance.

Fatima, (2025) examined how marketing strategies affect business performance in Malaysia. Their research showed that managing products is important for improving business performance. Anwar et al. (2025) studied marketing strategies and their influence on banking businesses in American. Their results indicated that product strategy have a positive effect on the business performance. Based on the evidence presented above, the following hypothesis is suggested:

### **H1: Product strategy positively influences organizational performance in Ethiopian private banks.**

#### **Effect of Promotion Strategy on Organizational Performance**

As explained by Zhang et al., (2021), a promotion strategy is a strategy which intended to generate or boost call for the product. Promotion strategy helps to brand awareness, building interest, driving sales, and developing brand loyalty (Zulfikar, 2023). Wijaya & Rahayu, (2025) also states that promotions are now a major element of the marketing mix. This mix includes different elements such as advertising, personal selling, sales promotions, public relations, and direct marketing all aimed at helping a company reach its marketing objectives.

As explained by Zhang et al., (2021), there was linkage between the elements of the promotional mix and business performance. In addition, many studies show that these promotional activities make a considerable and good difference in how well an organization performs (Florence, 2022). For case, Francis Ofunya (2015) revealed that things identical promotions of sales, personal selling, advertising, public relations, and direct marketing all help a lot in improving organizational performance. From them, sales promotions were found to be the most important factor.

Ejeta and Zewd (2021) also discovered that promotional mix strategy has positive and significant effect on the organizational performance. To remain competitive and meet changing consumer needs private banks are forced to use promotional strategies to grow beyond their current markets. These tactics increase awareness and lift the usage of their products and services (Yibeltal, 2023). Depending on these outcomes, this study suggests the following hypothesis:

### **H2: Promotional Strategy positively influences organizational performance in Ethiopian private banks.**

#### **Effect of distribution strategy on the Business performance**

Distribution involves group of the related companies that collaborate to prepare a product for customers to use or purchase, as explained by Kotler & Armstrong in 2006. A place strategy means having an effective way to get products to customers through marketing channels like wholesalers or retailers in the banking industry (Wang et al., 2024).

Goldber, (2018) investigated that how distribution management is important for improving business in South Africa. His study explained that well planned distribution channel has a valuable and substantial effect on the marketing performance. Similarly, Karaev, (2023) examined into the connection

among distribution practices and organizational performance in chemical manufacturing firms in Kenya. They recognized that there is a positive and significance relationship between how products are distributed and organizational achievements. Kidanemaryam et al., (2023) also determined that managing marketing distribution effectively has significant and valuable outcome on the financial performance business organization. Eneizan and their team in 2016 revealed that how a company distributes its products or services is important for both its financial and non-financial characteristics of success.

Rustam et al., (2023) intended on the marketing strategies and company performance in Indonesia and concluded that managing the place aspect is crucial for accomplishing organizational goalmouths. Depending on the above outcomes, investigators developed the subsequent hypothesis:

### **H3: Place Strategy positively influences organizational performance in Ethiopian private banks.**

#### **Influence of pricing strategy on the Business Performance**

Aligning a pricing strategy with the organizational goal is vital to overall achievement (Jain et al., 2022). As Chepkemoi & Cheruiyot, (2020) explanation aligning the pricing strategy with the overall organization's broader goals have a major effect on organizational performance. And Wang et al., (2024) investigated at how pricing strategies affect performance in the banking sector in Deutsche. Their study indicated that it's important to connect pricing goals with the company's overall objectives and to keep adjusting strategies as market conditions change. General, it gives significant understandings into how to establish effective pricing strategy for development and making greater profit in banking industry.

Another scholar Zheng et al., (2021) suggested that linking pricing strategy decision with organizational policy leads to greater performance in both the medium term and the extended term. Likewise, Chepkemoi and Cheruiyot, (2020) conducted study on how price skimming strategy effect on effectiveness of commercial banks in Kericho County, Kenya. They conclude that, there was strong relationship between price skimming and Business performance. And they recommend that commercial bank should inspire price skimming by encouraging product segmentation which enhancing organizations develop new products.

Gebremicael, et al., (2024) concluded that pricing strategy is important element from the Marketing mix in the banking industry. As they stated, in competing world setting right price for the product and service is vital to maximize the market share.

They also determined that private bank set their price not only for individual service they also set for all service packages. Zheng et al., (2021) also investigated on the how organizations enter the markets and set prices inside a remanufacturing supply chain that has limited capital and they focused on how used equity and bank loans inspirations the circular economy. They revealed that right pricing strategies support to improve how well banks perform. Based on their conclusion the study suggests the following hypothesis:

**H4: Pricing Strategy positively influences organizational performance in Ethiopian private banks.**

#### **Influence of People strategy on Business Performance**

The influence of people strategy on the business performance is significant and People are a key factor that determines how well a company performs (Yen, 2013). When companies put money into training and supporting their employees, it leads to better results in both money-related and other areas of how well they do (Okoye, 2022). Companies that manage their people effectively are better able to move their executives into roles that match their responsibilities. They do this through various support systems like assigning mentors, offering fast-track development programs, and providing clear pathways for advancement to top management (Gannile et al., 2021).

Zaki, et al. (2025) considered the performance of employees in Sharia Banks in Indonesia, with a focus on how organizational innovation and knowledge sharing act as mediators. The study found that both employee skills and the Islamic organizational culture have significant and valuable influence on organizational innovation. Additionally, organizational innovation was seen to have a strong and positive effect on knowledge sharing and employee abilities. The research concluded that the combination of Islamic organizational culture and organizational innovation together has a significant and valuable effect on how well staffs perform.

Yen, (2013) also looked into how a bank's human capital affects its overall performance. The study highlighted how human capital influences firm performance and showed that innovative capability increases gradually among commercial banks. It also suggested that the ability to be innovative could serve as a bridge between human resources and how well an organization performs. Based on this earlier research, the subsequent hypothesis is proposed:

**H5: People Strategy positively influences organizational performance in Ethiopian private banks.**

#### **Effect of Process on the organizational performance**

The organization's processes play a key role in marketing activities (Al Badi, 2018). Numerous studies investigated how processes affect organizational performance in business sectors. According to Astuti, (2015), Process innovation strategy greatly contributes to how effectively an organization operates daily activities. Thus, it helps to breakdown the organization's operating cost and to enhance general performance. Therefore, organization can improve their service delivering process.

In 2015, Astuti and her team studied that how the marketing mix element affect the choices people make when they decide to purchase something. They found that properly managing work process vital to operational performance and help to maximize the effectiveness of the organization. Correspondingly, Isoraite, (2021) determined that process is a collection of stepladders done in a particular order to deliver a designed service. This service delivery time have a great impact on how organization can achieve their targeted goals. As per Maziriri, (2018) explanation a well-articulated service delivery process with innovative process helps organization to achieve overall targeted performance.

Singh, et al., (2012) assessed that how innovation affects organizational performance through effort on process innovation. Their results specified that process innovation has a very important and significant effect on the how sound an organization's performance. Based on this evidence investigator develop the following hypothesis.

**H6: Process positively influences organizational performance in Ethiopian private banks.**

#### **Effect of Physical evidence on Organizational Performance**

The impact of physical evidence on how well an organization does its work comes from the environment where a service is delivered and the actual items that either support the service or represent it. This plays a key role in how well the organization runs. A research by Shaari et al. (2022) reveals that there was a valued linkage among physical evidence and how well an organization performs. Likewise, Astuti et al. (2015) studied the effect of physical evidence on business performance and discovered that it is very important. Based on these findings, the study suggests the following hypothesis:

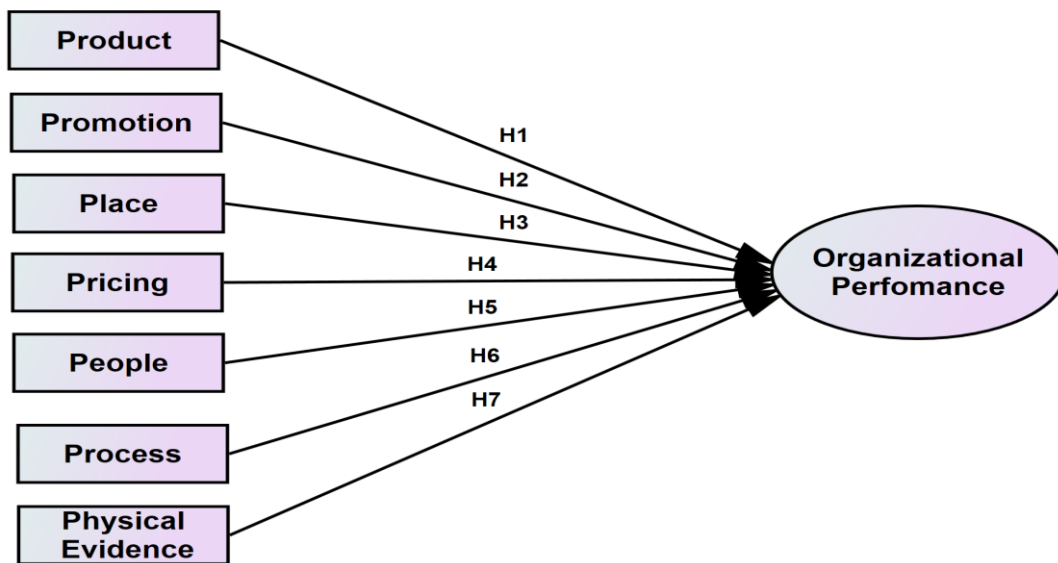
**H7: Physical evidence positively influences organizational performance in Ethiopian private banks.**

Organizational performance is chosen as the dependent variable because it represents the overall effectiveness and sustainability of banks strategic

actions, which are embedded in its resources and capabilities. These strategies are based on the bank's resources and abilities. According to the Resource-Based View, unique things a bank has like good technology, new marketing ideas, skilled workers, and a strong brand give it an edge over others. These things directly affect how well the bank performs. The Dynamic Capabilities approach also focuses on how a company can change, adjust, and use its resources as the market changes, which then affects its performance. By looking at organizational performance, the study shows how well a bank uses its inside resources and strategies especially those related to marketing and overall plans to get better financial and market results.

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**Figure 1: Conceptual Frameworks**



Source: Developed by researcher, 2025

### Materials and Methods

#### Research Approach

Based on positivist view of the scientific inquiry, the researchers preferred measureable approach. Quantitative approach preferred because it helps the researchers to find out clear and measurable outcomes regarding the relationship between an extended Marketing Mix Strategy and private bank performances in Ethiopia. Quantitative approach provides clear and evidence oriented general direction in testing research hypotheses. Quantitative approach capacitates the researchers to evaluate the applicability of the grounded theory in real world perspective (Creswell, 2008). The

workers, and a strong brand give it an edge over others. These things directly affect how well the bank performs. The Dynamic Capabilities approach also focuses on how a company can change, adjust, and use its resources as the market changes, which then affects its performance. By looking at organizational performance, the study shows how well a bank uses its inside resources and strategies especially those related to marketing and overall plans to get better financial and market results.

#### Conceptual Framework

Conceptual framework constructed based on the literature review. And the constructed conceptual framework sketches the independent variables of product strategy, promotion strategy, price strategy, place strategy, process strategy, people strategy, and physical evidence which influence organizational performance and organizational performance constructed as dependent. The links between these variables are presented as Figure 1 below.

approach allows researchers to test their ideas and confirm theories revealing the link between dependent and independent constructs of the study (Gamage, 2025). Hence, in this study, using quantitative approach, we tested the practicability of the selected theories in managing the ties of extended marketing mix scheme with bank operation in Ethiopia.

#### Research Design

Research design emphasizes on the blue print of the study with specific focus on how data is collected, measured, and analyzed (Bryman, & Bell, 2015). A good research design keeps the

study organized making sure it stays focused on its main goals and that the results are accurate and trustworthy (Creswell, 2008). In alignment with research approach, selected, present study used explanatory design with cross-sectional data. Despite its inferiority compared with longitudinal design in impact study, cross-sectional design serves as an important method of collecting more detail information at a time. Explanatory design preferred because it allows the researchers to collect quantifiable data from large sum of the respondents with relatively minimum effort (Gamage, 2025). This design helped the researchers to quantify the hypothesized relationship showing the link between extended marketing mix strategy and bank performed. It also allowed researcher to draw statistical inference towards stimulus of upgraded marketing policy on business goal achievement of the banking industry in Ethiopia.

#### Source of Data

Researchers collected a significant amount of data from firsthand and second hand sources. Firsthand information taken from respondents who filled structured questionnaire. The primary data triangulated with secondary information taken from varieties of relevant sources such as reports of the bank, banking journal articles, books, and banking statistics of the National Bank of Ethiopia (NBE).

This sample size deemed acceptable without adjusting for identified population adjustment dynamic. The quantifiable population adjustment element ( $C = n/N = 0.032$ ) is below the proposed error level (5%) showing the acceptable level of sample size to draw inference on target population (Kothari, 2004).

To ensure the right data, participants were chosen from each district, the divided the population in to different strata. Hence, the study applied stratified sampling technique. This approach helps make sure that all types of districts in the organization have fairly represented in a sample. Investigation used proportional allocation, which means each

#### Research Instrument

To collect primary data, we used questionnaire with a five-point Likert scale, where 1 represents strong disagreement and 5 stands for strong agreement. The instrument was adapted from existing relevant sources and adjusted to fit the context in Ethiopia. Adjustment was made on the grounds of results taken from pilot test. Pilot investigation conducted with 37 experts of the bank who was later excluded from main survey. According to the comments of the experts

The researchers undertook data triangulation by comparing the results of the primary data with an output obtained from document analysis.

#### Target population and Sample size determination

The study focused on 11,508 managerial and non-managerial employees working at Bank of Abyssinia. Hence, directed respondents of the inquiry were 11,508 workers of the Abyssinia bank working at 11 districts. To determine a sample size, Kothari (2004) formula was applied. The sample size determination was done subsequently:

$$n = \frac{Z^2 * p * q * N}{e^2 * (N - 1) + Z^2 * p * q}$$

#### Where:

$N$  = total number of people in the population,  
 $n$  = the number of people you need to include in your sample,  
 $z$  = the confidence level at 95% (which is usually 1.96),  
 $e^2$  = the margin of error, or the biggest error we're willing to accept, which is 0.05  
 $p$  = the part of the population that has the characteristic you're studying, and it's best to use the value where the sample size is largest, (at  $p = 0.5$  and  $q = 0.5$ , the product  $p * q$  equals 0.25).

$$n = \frac{(1.96)^2 * 0.5 * 0.5 * 11,508}{(0.05)^2 * (11,508 - 1) + (1.96)^2 * 0.5 * 0.5} = 372$$

district contributed a number of participants that reflected its size within the overall population. To find out the amount of tasters obtained from each district, researchers used same method from Kothari (2004), which helped them figure out the correct number of people from each group.

$$n_k = \left(\frac{n}{N}\right) N_k$$

#### Where:

$n_k$  = Sample size for the  $k$ th district,  $N_k$  = Population size of the  $k$ th district

$N$  = Total population size,  $n$  = Sample size

So, table 1 shows a number of people assigned to each of the all districts and it also indicates which district was selected as the head office.

questionnaire were adjusted to attain readability, simplicity, and clarity.

The items revealing a product strategy adapted from (Koech *et al.*, 2024; Mbithi *et al.*, 2016; Fong *et al.*, 2014; Adetutu *et al.*, 2025) and modified to attain its workability in a case of Abyssinia bank. The study used 5 items which focus on bank's experience of developing and marketing of new products such as saving deposit, current deposit, fixed deposit, money transfer, loan management, and interest free banking.

**Table 1: Sample Size Distributions for Each District.**

No	District Name	Population	Sample Size $n_k = \left(\frac{n}{N}\right) N_k$
1	Head Office	916	30
2	East Addis District	1,197	39
3	West Addis District	1,079	35
4	Central Addis District	942	30
5	Adama District	1,423	46
6	Hawassa District	1,325	43
7	Dire Dawa District	923	30
8	Dessie District	890	29
9	Jimma District	922	30
10	Bahir Dar District	911	29
11	Mekele District	980	32
<b>Total</b>		<b>11,508</b>	<b>372</b>

Source; Annual report of BOA (Bank of Abyssinia Oracle database, June 2024/2025)

To measure pricing strategy 5 items were taken from previous studies (Chepkemoin & Cheruiyot, 2020; Wang et al., 2024). The main focus of the measure was to find out bank's habit of making right pricing decision with specific emphasis on competitors pricing strategy, consideration of customers sensitivity on pricing, flexibility of pricing decision.

Distribution in banking business involves making of the bank services more convenient to the users. On top of this fact, present study measured place strategy with 4 items that emphasizes on data collection revealing branch expansion, technology orientation, and establishing personal contact with important customers (Massie et al., 2024; Mekonen & Naire et al., 2021). Promotional mix strategy measured using 6 items focusing on effective and integrated implementation of the communication tools like personal selling advertising, personal sale, sales advancement, public relation, publicity and straight marketing (Adefulu, 2015, Abdurrahman, 2025).

To examine the extent to which the bank has been using its human resources in desirable way 5 items were adopted and slightly modified from some relevant earlier sources (Okoye et al., 2022). Through such items important HR issues such as training, compensation, empowerment, and promotion status were assessed. Process management strategy in bank setting involves making work flow process simple to the users. Using 5 items, we measured employees perception regarding simplicity and understanding of the overall service delivery procedures of the bank (Massie et al., 2024). Physical evidence involves making of the intangible services more tangible to the users. Hence, banks are expected to make their

visible clue attractive to the service users. Using 5 items the researchers measured employees perception regarding suitability of the banks building, office equipments, communication technology, and other materials to the them and customers (Isoraite 2021).

#### Methods of Data Analysis

To analyze a data, researchers applied inferential statistical technique with the help of Statistical Package for the Social Sciences (SPSS) software, version 26. Inferential analysis was done using factor analysis and structural equation modeling (SEM). Factor analysis helped to simplify data to make it easier to handle, while SEM was used to look at the expected connections between different variables. The purpose of the factor analysis in quantitative study is not exploration but reducing the data in to reasonable size. Thus, through factor analysis, we checked for the strength of factor loadings, sufficiency of sample size, and amount of variation elucidated by top priority issues. SEM is now a popular method because it solves the problems that traditional regression models couldn't (Gefen et al., 2011). The researchers preferred SEM because of its convenience to undertake multi-variate statistical analysis including combined use of regression and factor analysis, two-side modeling interaction, and consideration of error terms (Alamer, 2025). In this study, the model was built after doing confirmatory factor analysis, which showed all the underlying variables and how the independent and dependent variables are related.

Among SEM varieties, the researchers used covariance based structural equation modeling (CB - SEM). This technique emanated from a concept idea that theoretical hypotheses, are expressed

through common factors that affect the observed variables, which are the actual measurements we can see and record. CB\_SEM is preferred over variable-based SEM mainly because it provides a more rigorous and theory-driven analysis. CB\_SEM is designed for confirmatory analysis and allows researchers to thoroughly test whether the empirical data fit an existing theoretical model. It also provides comprehensive fit indices.

#### **Detecting for outliers and normality**

Before evaluating data normality, the researchers examined data completeness through careful observation for missing responses and no missing missing value was reported. The outliers were

**Table 2 sample result of mahalanobis distance**

Respondents number	Mahalanobis distance-squared	p1	p2
23	48.324	.000	.111
182	45.078	.001	.044
190	44.281	.001	.009
119	41.561	.003	.017
162	40.284	.005	.015
170	38.362	.008	.039
157	38.041	.009	.020
206	37.950	.009	.007
213	37.337	.011	.006
74	37.056	.012	.003
214	35.743	.016	.014
53	35.184	.019	.017

#### **Source : Amos output, 2025**

The normality of the data were evaluated using objective measures. Data distribution in present study checked through both univariate and multivariate normality. Univariate normality was seen using the value of kurtosis and skewness. The values obtained for skewness and Kurtosis of each observations were between  $-3$  and  $+3$  showing that attainment of univariate normality. Thus, data considers to this study have normal influence on mean and covariance estimate. A normalized approximation of multivariate kurtosis (i.e., C.R.) is 3.75 that is less than 5, thus, multivariate normality of the data was established.

#### **Checking for multi-collinearity**

Existence of the multi-collinearity negatively affects estimation accuracy of the model. Present study detected measurement biasness level using tolerance and variance inflating factors (VIF) and the value is presented on the table 3 below.

According to the table 3, variance inflating factors (VIF) value ranges between 1 and 3 which is less than 10 depicting the absence of the measurement bias. Tolerance levels for the independent constructs are also below 1, which means there is no multicollinearity issue in the facts.

checked using mahalanobis distance as explained by table 2. Mahalanobis distance measures a distance in standard deviation between number of observation and centroids (Hair et al., 2021). Mahalanobis distance of the first 12 observations are shown on the table 2 below. As per existing rule, observations with P1 value (probability of the observation far from sample mean) less than 0.05 indicates outliers. In present study, 5% of observation found as extreme cases and could be deleted. However, deleting items because of the outliers needs further investigation, hence, researchers decided to keep such observations (Hair et al., 2021).

**Table 3 test of multi-collinearity**

Constants	Significance	Tolerance	VIF
Product	.001	.507	1.972
Price	.002	.671	1.490
Promotion	.000	.439	2.278
Place	.000	.569	1.759
People	.004	.419	2.388
Process	.003	.377	2.653
Physical existence	.000	.669	1.495

**Source: SPSS Output , 2025**

### Test of the Common Method Bias

The investigation, undertook this test to determine if the respondents' bias influenced the results. Common method bias happens when information revealing all the study constructs obtained from similar respondents and gauged using same tools, which can make the true values of the variables unclear (MacKenzie & Podsakoff, 2012). This can distort the findings and lead to incorrect conclusions (Jakobsen & Jensen, 2015). To identify this issue, the study employed Harman's Single Factor Test through an exploratory factor analysis (EFA) with principal axis factor extraction technique (Hair et al., 2021).

According to table 4, principal axis factoring method explains a total variance of 27.505%. Based on the decision rule, when the total variance explained is below 50%, it suggests that there is no common method bias in measurement (Hair et al.,

2021). Hence, a measurement considered was free from common method bias.

**Table 4 Testing for Common Method Bias**

Total variance explained						
Factor	Initial eigenvalues			Extraction sums of squared loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.999	30.431	30.431	6.326	27.505	27.505
2	3.588	15.602	46.032			
3	2.032	8.834	54.866			
4	1.802	7.836	62.702			
22	.191	.831	99.334			
23	.153	.666	100.000			

Extraction Method: Principal Axis Factoring.

Source : SPSS Output , 2025

After assuring data normality, absence of measurement bias due to multi-collinearity and common methods bias investigators conducted exploratory factor analysis is (EFA) and confirmatory factor analysis (CFA).

### Exploratory factor analysis

To understand if sample size was enough, the study looked at the Kaiser-Meyer-Olkin (KMO) value.

**Table 5 KMO and Bartlett's Test**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.872	
Bartlett's Test of Sphericity	Approx. Chi-Square	5310.718
	Df	253
	Sig.	.000

Source : SPSS Output , 2025

As per table 6, value from the Principal Component Analysis (PCA) indicate how much variance each construct accounts for in the dataset. The first construct accounts for 33.27% of the total

variation, which means it has a significant role in how the data is structured. The second construct adds an additional 14.32%, bringing the total variance to 47.59%. Subsequent constructs add

progressively less, with the third construct advocating 8.58% as well as the fourth 7.88%. Significantly, the fifth & sixth construct continue to capture variance, albeit at a declining rate, with 5.40% as well as 4.85% respectively.

By the sixth construct, the overall percentage reaches 74.29%, showing that the first six constructs explain a large part of the variance. The

other constructs add more, but the seventh, eighth, and ninth ones only explain a smaller amount of additional variance. Present analysis deepens the efficiency of PCA in deminishing dimensionality while retaining valuable information, supporting in the meaning of complicated data set.

**Table 6 Total Variance Explained**

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	%Cumulative	Total	Variance %	%Cumulative
1	7.652	33.269	33.269	7.652	33.269	33.269	3.922	17.051	17.051
2	3.294	14.320	47.589	3.294	14.320	47.589	3.510	15.260	32.311
3	1.972	8.576	56.165	1.972	8.576	56.165	3.035	13.194	45.505
4	1.813	7.882	64.047	1.813	7.882	64.047	2.392	10.399	55.905
5	1.242	5.399	69.446	1.242	5.399	69.446	2.131	9.265	65.170
6	1.115	4.846	74.292	1.115	4.846	74.292	2.098	9.122	74.292
7	.708	3.078	77.370						
8	.599	2.605	79.976						
22	.186	.808	99.368						
23	.145	.632	100.000						

Method of Extraction: Analysis of Principal Component

Source : SPSS Output , 2025

### Total Variance Explained

After ensuring data suitability for factor analysis, we conducted confirmatory factor analysis through structural equation modeling (SEM). First measurement part of the model constructed and evaluated for reliability, validity, and model.

### Measurement Model

Based on Figure 2, the investigator used Amos graphics to draw a measurement model to look at the direction, strength, and connection among the items and the hidden constructs. The model was constructed by using items that had been transformed. It shows how each item, which measures parts of prolonged Marketing mix strategies like Product strategy (P1), Promotion strategy (P2), place or channel strategy (P3), pricing strategy (P4), people strategy (P5), process strategy (P6), and physical evidence strategy (P7), relates to each other. The model also shows the direction and causality between these items and how they connect to organizational performance, which was measured through financial performance (FP) and operational performance (OP).

In addition, in the model PDCT1, 2 and 3 stands for items used to measure product strategy. PRMN 3, & 4 = indicators of promotion strategy, PLCE 1, 2 = items used to measure place (distribution strategy, PRCE 2, 3, 4 represents items used to

measure pricing strategy, PPLE 3, 4 shows items of people strategy, PRCS 1, 2, 4 stands for items of process management, PEDC 3, 4 represents items of physical evidence and FPCE1, 2, & 3 represents Financial performance and OPCE 1, 2, & 3 stands for items of operational performance.

### Fitness evaluation of measurement model

After finishing the sketching phase, the investigator checked how well the model fits. Table 7 presents the adequate catalogs for measurement model. Model has the Chi-Square ( $\chi^2$  or p-value) of 0.752 that exceeds suggested cutoff 0.05 (Byrne, 2016). Hence, proposed model closely matches with actually observed. When we look at Chi-Square to Degrees of Freedom (CMIN/DF) ratio, the result we got is 2.369. This value is below the suggested threshold of 3, as mentioned in Gefen et al., 2011. A smaller CMIN/DF value indicates that the model turns the data closely and effectively captures true structure beneath the data.

The Goodness-of-Fit Index (GFI) is 0.908, which meets the standard of 0.9 or higher as stated by Sathyanarayana and Mohanasundaram in 2024. This near perfect fit shows accuracy of the framework to accommodate information. The model also has an Incremental Fit Index (IFI) of 0.948, that is significantly above recommended

minimum of 0.9 (Koropp *et al.*, 2014), demonstrating that it fits the data very well. The Normed Fit Index (NFI) is 0.914, which is higher than the minimum recommended level of 0.9, showing that the model fits the data well. The Tucker-Lewis Index (TLI) is 0.931, which is above the minimum threshold of 0.9, meaning the model fits the data effectively. The Comparative Fit Index (CFI) for the model is 0.948, which is greater than the suggested value of 0.9, indicating that the

model explains correlation between the observed variables well (Lei, P.-W., & Wu, Q., 2025). The Root Mean Square Error of Approximation (RMSEA) is 0.021 that is much lower than the recommended limit of 0.061, meaning the model fits the data very well (Hu & Bentler, 1999). The Standardized Root Mean Square Residual (SRMR) is 0.068 that is below the typical cutoff of 0.08 showing that fitness between model and data.

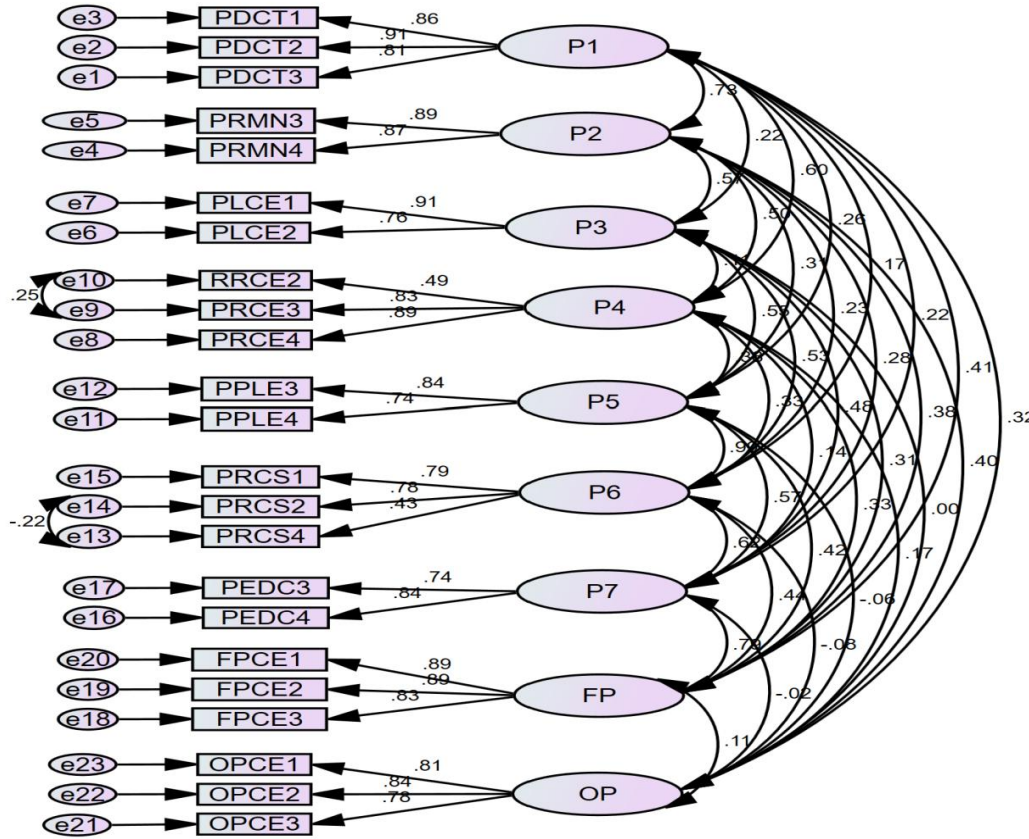


Fig 2: Measurement model  
Source : Amos output, 2025

Table 7: Fitness evaluation of the measurement Model

Fit indices	Symbol	Result generated	Value of recommended	Decision
Chi-square	$X^2(p\text{-value})$	.075	$\geq 0.05$	Well-suited
Chi-square/degree of freedom	$CMIN/DF$	2.369	$\leq 3$	Well-suited
Goodness-of-fit Index	$GFI$	.908	$\geq 0.9$	Well-suited
Normed fit Index	$NFI$	.914	$\geq 0.9$	Well-suited
Tucker, Lewis index	$TLI$	.931	$\geq 0.9$	Well-suited
The Incremental Fit Index	$IFI$	.948	$\geq 0.9$	Well-suited
The Comparative fit index	$CFI$	.948	$\geq 0.9$	Well-suited
Root mean square error of approximation	$RMSEA$	.061	$\leq 0.06$	Well-suited
Standardized Root Mean Square Residual	$SRMR$	.068	$< 0.08$	Well-suited

Source: Amos Output, 2025

### Reliability and Validity Test

Reliability analysis in Table 8 indicates that all constructs have good values of composite reliability (CR) which is high as it is above the required acceptable value of 0.7. In particular, product strategy (P1) presents the CR of 0.727 followed by the promotion strategy (P2) with the CR of 0.760. People strategy (P5) has the best reliability of 0.793 that has a high internal consistency among its indicators. Conversely, process strategy (P6) is the least reliable with a value of 0.721 though it does not go below the standard of reliability. The consistency within the constructs supports the measurement tools used in the study in that the data is collected correctly to represent the constructs of interest and further subsequent analyses.

The average variance extracted (AVE) values of all constructs are also strong which means there is a high convergent validity with all the figures exceeding the 0.5 mark. The AVE is 0.612 in the case of place strategy (P3) and 0.732 in the case of physical evidence strategy (P7). The results indicate that the constructs of observed variables explain a substantial percentage of the observed variance. More so the values of the maximum

shared variance (MSV) are not high implying that the constructs have good discriminant validity since there is no excessive overlap. All in all, the results confirm that any marketing strategy is not only valid, but also distinct, and their implications to organizational performance can be thoroughly comprehended.

The connection between the marketing strategies and organizational performance (OP) is imperative as the CR of OP is 0.755, and its AVE is 0.643. The relations among OP and individual strategies refer to possible pivot points to improve the effectiveness of organizations. It is worth noting that the reliability of the people and promotion strategies is quite high, which may imply that the training of these aspects would help improve the performance outcomes significantly. The lessons learned in this table are very useful to managers who could want to focus their marketing strategies on performance. The strategic management of optimal marketing can be achieved by laying emphasis on particular measures that are depicting high reliability and validity in order to obtain improved general performance and competitive edge.

**Table 8: Reliability and validity Test**

	CR	AVE	MSV	Max R(H)	P1	P2	P3	P4	P5	P6	P7	OP
<b>P1</b>	0.727	0.642	0.218	0.847	<b>0.646</b>							
<b>P2</b>	0.760	0.647	0.127	0.759	0.168	<b>0.657</b>						
<b>P3</b>	0.791	0.612	0.266	0.792	0.379	0.190	<b>0.672</b>					
<b>P4</b>	0.788	0.649	0.112	0.821	0.422	0.155	0.122	<b>0.689</b>				
<b>P5</b>	0.793	0.655	0.189	0.872	0.351	0.121	0.199	0.237	<b>0.645</b>			
<b>P6</b>	0.721	0.675	0.145	0.851	0.245	0.158	0.138	0.118	0.237	<b>0.788</b>		
<b>P7</b>	0.776	0.732	0.137	0.811	0.236	0.154	0.188	0.221	0.117	0.133	<b>0.754</b>	
<b>OP</b>	0.755	0.643	0.144	0.845	0.185	0.157	0.139	0.321	0.120	0.148	0.523	<b>0.732</b>

Note: P1= Product strategy, P2=Promotion strategy, P3=place or channel strategy, P4= pricing strategy, P5=people strategy, P6=process strategy, P7= physical evidence strategy, OP=Organizational performance

Source: Amos Output, 2025

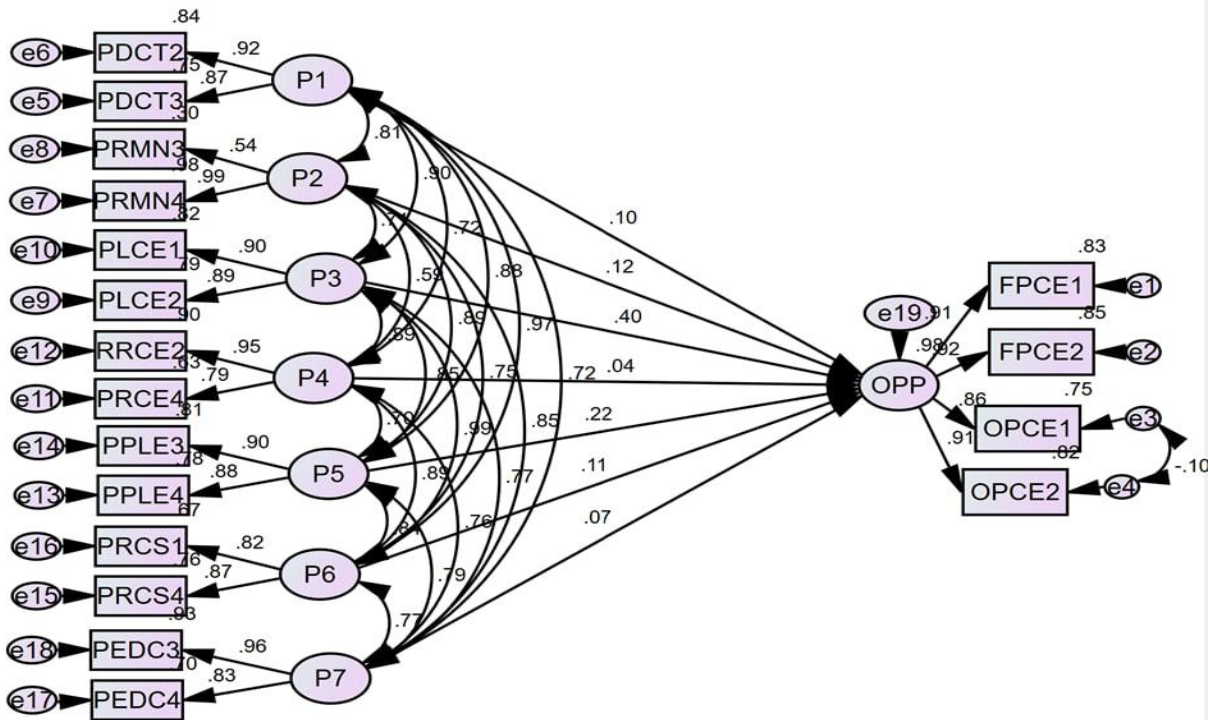


Fig 3: Structural Model of the study  
 Source: Amos output, 2025

Table 9: Hypotheses testing

No of hypothesis	Hypothesized paths	Estimate	P –value	Decision
H1	Product strategy → Organizational performance	0.100	***	Supported
H2	Promotion strategy → Organizational performance	0.120	***	Supported
H3	Place strategy → Organizational performance	0.402	***	Supported
H4	Price strategy → Organizational performance	0.042	0.672	Not supported
H5	People strategy → Organizational performance	0.216	***	Supported
H6	Process strategy → Organizational performance	0.109	***	Supported
H7	Physical evidence → Organizational performance	0.070	0.295	Not supported

Source: Amos Output, 2025

The first hypothesis proposes strong and meaningful connection between ways a company manage its product mix and organizational performance. As seen in table 9, the finding shows that the product mix strategy has a positive and valuable influence on business performance. The standard estimate between two variables reveals that positive and significant link with the correlation coefficient value of (r = 0.100) and a p-value of 0.000 which is below to estimated error level (0.05). According to the finding, if a products

mix strategy improves by one standard deviation, organizational performance goes by 10% of a standard deviation. This result is consistent with a lot of earlier research. For example, Fong et al. (2014) found that a new product development strategy significantly affects bank performance. Other studies have also shown that having a well-planned mix of products can greatly improves the performance of private banks, particularly in developing countries (Njue, et al., 2023).

The second hypothesis emphasizes on a relationship between promotional mix strategy and organizational performance. The study found a valued and positive connection between the promotional mix strategy and organizational performance with a correlation coefficient value of 0.120 and a p-value of 0.000 as explained by table 9. This means that if the promotional mix decision in standard deviation increases by one unit, the organizational performance is expected to increase by 12%. This finding matches with the outcome of other well-known studies (Francis Ofunya, 2015 ; Zhang et al., 2021). According to them, organizations that maintain and utilize an integrated approach of marketing communication build competitive advantage which serves as an important input to further business performance.

The third hypothesis deals with empirical relationship between place strategy and organizational performance. The standardized direct influence of the channel management efforts and the bank's performance was found valued and statistically insignificant ( $r = 0.402$ ) as we can see from table 9. The analysis shows that the place strategy was a significant factor of the organizational performance based on a p-value of 0.000. This implies that the place and distribution channels that the organization uses have an effective impact on the performance results. This outcome is similar to the outcome of (Kidanemariam & Murthy, 2023).

The fourth hypothesis shows how a company's pricing strategy is connected to how well the organization is doing. As seen in table 9, the finding of the investigation indicates that pricing strategy has a positive and insignificant impact on organizational performance ( $r = 0.042$ ,  $P = 0.672$ ), suggesting that only pricing does not significantly enhance organizational performance. This means that when pricing strategy goes by 1 standard deviation, organizational performance raised by 0.4% standard deviation which leads to the rejection of H4. This underscores the importance to consider other factors that might impact results. This finding is similar with the findings of (Gebremicael & Murthy, 2024).

The fifth hypothesis links the relationship between People strategy of the bank with its financial and operational performance. As seen in table 9, the output of the structural equation modeling yielded positive and significant effect of people management strategy on the bank performance ( $r = 0.216$ ,  $P = 0.000$ ). According to the finding of this study, the bank could improve 21.6% of its performance in standard deviation by rising its investment in human resources management, which essentially include training and development,

performance appraisal and compensation. This finding complements with the findings of many recently published evidence which, reported positive and meaningful influence of the human resources management practices of the organization with its overall performance improvement ( Okoye, 202 ; Gannile et al., 2021 ; Zulkifli et al., 2023).

Through sixth hypothesis, the investigator examined an empirical tie between workflow process strategies with organizational performance. As seen in table 9, the study showed that the bank's process management effectiveness has a positive and valued influence on its performance ( $r = 0.109$ ,  $P = 0.000$ ). This indicates that if the process management quality increases by one standard deviation, the bank performance increases nearly 11% in standard deviation. The finding went together with the findings of many of the earlier studies (Alhadid & As'ad, 2014; Tambunan, et al., 2025)

The seventh hypothesis, based on the previous suggestion, the investigator looked into how strongly and significantly managed physical evidence is connected to organizational performance. As seen in table 9, the study reveals that there is positive and insignificant connection between the physical environment of the bank and its performance success ( $r = 0.070$ ). The findings reveal that physical evidence has no significant effect on organizational performance, indicated by a p-value of 0.295 which leads to the rejection of H7. Thus, this finding supports the previous study conducted by (Asutay & Ubaidillah, 2024). This rejection of H7 aligns with prior investigation suggesting that physical evidence always plays a limited role in affecting performance an organization, emphasizing the need to focus on other strategic elements.

### Conclusion, Recommendations and Implications

The investigators discovered that applying broader marketing mix strategy has valuable and significant influence on both the financial and operational performance of the Bank of Abyssinia, Ethiopia. Each element of the marketing mix strategy resembling product, place, price, promotion, people, process, and physical evidence, plays an important role in helping the bank do well financially. It helps the bank make profits, earn revenue, and achieve a good return on investment. Also, these elements from the extended marketing mix are important for other areas of the bank's performance, such as how satisfied customers are, how many new customers the bank gets, its share of the market, and how loyal customers are.

These findings have important effects on how marketing strategies are studied, the banking

industry in Ethiopia, and the people who make policies. It explains how each part of the extended marketing mix contributes to better financial and operational results for a bank. This study contributes to the small amount of research that currently exists in Ethiopia by looking at how marketing strategies affect bank performance, with a particular emphasis on the expended marketing mix. These findings add important information to what is already known in strategic marketing showing how service marketing approaches are related to how well banks perform organizationally.

The study provides valuable information for the competitive banks in Ethiopia today. By using a combined approach based on the extended marketing mix strategy, the bank can achieve better performance in the short term and also see improved results in the extended term. Because of the deregulation in the banking industry, the Ethiopian government is currently working on changes that may allow more foreign banks to enter the market. In this situation, using a comprehensive marketing strategy along with other business strategies can help ensure the company survives in the petite term and remains competitive in the extensive track. Therefore, bank managers need to pay careful attention when planning, carrying out, and checking how well and efficiently the different parts of the extended promotional mix work. Using a unified strategic approach can help achieve long-term improvements in performance, showing just how important it is to connect marketing mix efforts with a wider strategic plan.

The results of this research highlight the applicability of the Dynamic Capability Theory and the Resource-Based View (RBV) in the realms of the marketing plans of the Bank of Abyssinia. The high influence of the extended marketing mix aspects on the financial and operational performance indicates the need of banks to leverage their distinctive resources and capabilities. The bank can adjust to the market dynamics by successfully exploiting the various strategies like product, pricing, promotion as well as people which would increase customer satisfaction and loyalty. This is consistent with the claim by the RBV that internal resources form core foundations to competitive advantage. Moreover, the paper highlights the necessity of constant innovation and re-configuring of resources, which, again, underlines the significance of dynamic capabilities in the way of how to address the changing banking environment in Ethiopia.

The feasible applications are to the policy makers and stakeholders in the banking industry, which points to the necessity of transparency and

competition in the industry. By implementing the Absorptive Capacity Theory, the banks need to improve their capacity to absorb and apply external knowledge to develop marketing strategies that enhance their innovativeness. Also, the Diffusion of Innovations Theory indicates that banks ought to be adventurous in adopting the new marketing methods in order to remain afloat particularly in a deregulated setting. Policymakers can support the creation of effective marketing strategies that are beneficial to both the banks and to the customers, by creating the environment where innovation and competition can be promoted. This holistic strategy does not only guarantee sustainability of the banks but also the economic growth in general in the banking industry in Ethiopia.

Regarding the policymakers' point of view, the investigators offer valuable information to the relevant organizations. Policymakers should promote transparency and foster healthy competition among banks. This helps in developing and implementing new and effective marketing strategies that work well and bring advantages to both banks and other stakeholders involved.

#### **Practical Implication**

This investigation has valuable and significant implication for private banks in Ethiopia. Incorporating more elements from the extended marketing mix can improve how well banks perform in the short term and also help them achieve long-term success. Bank managers need to focus carefully on planning, carrying out, and assessing the effectiveness of the different parts of the promotional mix. Managers need to understand usage of extended marketing mix strategy in their conventional work. By taking a combined strategic approach, they can achieve long-term improvements in performance which shows how important it is to connect marketing efforts with a wider strategic plan.

#### **Social Implications**

This study highlights how social usage can be enhanced by adding value, helping to create a highly competitive marketing strategy. As a result, it supports regulatory bodies in forming strategies that are more socially responsible, and it offers key insights to policy makers.

Policymakers should promote openness and foster fair competition among banks, which can help build an environment where banks can come up with new and innovative ways to market their services. This can benefit customers by giving them more options and better ways to meet their needs in society.

**Future Directions**

The current research is very informative in theoretical concepts and in practical applications, but it has significant limitations. Firstly, the fact that the study was conducted on one bank only restricts the ability to generalize the findings in other banking institutions. This limited range of scope can be of hindrance to the expanded application within the banking industry. Furthermore, the study didn't focus to the mediators and moderators that may play in the relations between marketing mix strategies and organizational performance. These gaps need to be rectified in future researches in order to give a more detailed explanation of these dynamics. In addition, the effect of environmental and consumer variables on the workability of marketing strategies should be taken into account in future studies to make the findings more relevant and applicable in various contexts in the banking industry.

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**Data availability:**

The data and code utilized in this work are made accessible upon request to ensure integrity and promote further investigation.

**Competing interest:**

The authors declare that there is no competing interest.

**Author contributions**

This study was part of AF PhD dissertation work. AF was responsible for manuscript writing, writing methodology, data collection, data analysis and writing report. However, BB & DA served AF by their constructive comments and suggestions while undertaking his study.

**Consent to publish:**

We provide blessing for this paper to be published as well as certify that it has not been sent to another publisher.

**Funding:**

The organization didn't pay us any money, and we'd want to seek for a full waiver.

**Ethics Approval:**

The study project has been approved by the Hawassa University research and ethics committee under reference number CBE-RTT-46/2025 with

date 14/03/2025. All procedures performed in this study adhered to the ethical standards outlined in the Declaration of Helsinki. Participants' confidentiality and anonymity were strictly maintained to protect their privacy throughout the research process.

**Additional information:**

Correspondence and requests for materials should be addressed to AF.

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