ST- Merry University

POST GRADUATE PROGRAM MBA IN BUSINESS ADMINISTRATION

THE EFFECTS OF INTEGRATED MARKETING COMMUNICATION ON ORGANIZATIONAL PERFORMANCE IN THE CASE OF LION INSURANCE SHARE COMPANY

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Addis Ababa, Ethiopia

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DECLARATION

I, here by, declare that this Master's research entitled "**The Effect of Integrated Marketing Communication on Organizational Performance in the case of Lion Insurance Share Company**" is submitted to the Department of Business Administration in Partial Fulfillment of the requirements for the Degree of Masters of Arts in Business Administration at St. Merry university, Addis Ababa. The thesis is my original work and has not been presented for a degree in any other university and all sources of materials used for the thesis have been duly acknowledged.

Declared by:

Wesen Shiketa

_____

Date & Signature

CERTIFICATION

This is to certify that Wesen Shiketa has carried out her research work on the topic entitled "**The Effect of Integrated Marketing Communication on Organizational Performance in the case of Lion Insurance Share Company**". The work is original in nature and is suitable for submission for the award of Master's Degree in Business Administration.

Advisor:Dr Belaynesh Tefera (Ph. d)

Signature_____

Date_____/2023

St. Merry University

Addis Ababa, Ethiopia

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ABSTRACT

The purpose of this study was to examine the effect of integrated marketing communication on organizational performance in the case of Lion Insurance S.C., Addis Ababa city, Ethiopia. Moreover, the study tried to investigate the relationship between Integrated marketing communication and organizational performance. IMC tools i.e., advertising, sales promotion, personal selling, public relation and direct marketing were used to evaluate the effect on organizational performance. In order to achieve the objective of study, explanatory research design was chosen. Also, quantitative research approach was implemented. Convenience sampling technique was used to select 114 employees who served as respondents in the study. The Correlation result indicated that there is a positive and significant relationship between all Integrated marketing communication tools and organizational performance. Also, multiple regression analysis result revealed that except sales promotion and public relation the remaining three dimension had positive and significant effect on organizational performance. Besides, it is found that advertising tool of IMC has the highest influence on organizational performance in Lion Insurance S.C. From the analysis the researcher recommends that Lion Insurance should give priority for the proper implementation of advertising aspect of IMC dimension than other dimensions because this dimension has highest effect on organizational performance. Finally, the company have to implement most important dimensions appropriately and continuously, as a major tool for gaining competitive advantage which in turn leads to customer satisfaction.

Keywords: *IMC, advertising, sales promotion, personal selling, public relation, direct marketing, organizational performance*

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List of Accronyms/Abbreviations

IMC	Integrated Marketing Communication
OP	Organizational Performance
ADV	Advertising
SP	Sales Promotion
PS	Personal Selling
PR	Public Relation
DM	Direct Marketing
SPSS	Statistical Package for Social Science
ANOVA	Analysis of Variance

CHAPTER ONE: INTRODUCTION

This chapter contains a brief discussion of the background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, scope of the study, limitation of the study and organization of the study.

1.1 Background of the study

People have become overly reliant on technology as a result of rapid globalization. The way individuals communicate with one another has altered as a result of this phenomena. Information is no longer communicated orally. Communication is facilitated by technologically improved communication instruments that transmit and receive data swiftly and efficiently. (Belch, G. E., & Belch, M. A., 2015).

All organizations large and small, commercial, government, charities, educational and other non-profit organizations need to communicate with a range of stakeholders. This may be in order to get materials and services to undertake their business activities or to collaborate and coordinate with others to secure suitable distribution of their goods and services. In addition, there are consumers who are free to choose among the many hundreds and thousands of product offerings. Marketing communications provides a core activity so that all interested parties can understand the intentions of others and appreciate the value of the goods and services offered (Fill & Jamieson, 2006).

Marketing communications is a management process through which an organization engages with its various audiences. By understanding an audience's communications environment, organizations seek to develop and present messages for its identified stakeholder groups, before evaluating and acting upon the responses. By conveying messages that are of significant value, audiences are encouraged to offer attitudinal and behavioral responses (Fill & Jamieson, 2006).

Integrated Marketing Communication is a process that manages all promotional messages and leads customers or prospects towards sale and nurtures customer loyalty (Kliatchko, 2007). Pickton & Broderick (2005) believe that IMC is bringing together of all marketing communications activities. It is just interlinking marketing communication activities. According to Floor & Van Raaij (2011) definition, "IMC is a process where all messages and methods are geared to each other in such way that they complement and reinforce each other and that added

value in the result", IMC is a process where all messages and methods are interlinked with each other in order to create synergy.

IMC is the concept and process of strategically managing audience-focused, channel-centered and results-driven marketing communication programs over time". IMC is not only a strategic process but also a concept of managing marketing communication programs over time. Percy (2008) defined IMC as planning a systematic way in order to determine the most effective and consistent message for appropriate target audiences. As to Percy (2008) IMC is a process of planning and its goal is to determine the most effective and consistent message for target audience.

According to Kotler and Keller (2009) the integrated marketing communications mix consists of five major modes of communication tools i.e., advertising, sales promotion, personal selling, public relations/publicity and direct marketing. They further maintain that company communications go beyond those specific communications mix.

Richard et al., 2009 states that organizational performance encompasses three specific areas of firm outcomes, that is financial performance (return on assets and return on investment), product market performance (sales and market share) and shareholder return (total shareholder return and economic value added). The potential success of a business depends on its organizational performance, which means its ability to effectively implement strategies to achieve institutional objectives (Randeree and Al Youha, 2009).

Ethiopian insurance industry does not have a long history of development despite the country's long history of civilization. Schaefer (1992) indicated that the emergence of modern insurance in Ethiopia is traced back to the establishment of the Bank of Abyssinia in 1905. The Bank began to transact fire and marine insurance as an agent of a foreign insurance company. Imperial Insurance Company was the first domestic private insurance company that was established in 1951. In the 1960s domestic private companies started to increase in number. In 1962, according to the survey of the Central Statistical Agency (CSA), there were 34 insurance companies in Ethiopia, of which two were domestic and the rest were foreign represented by agents. In other words, the origin of Ethiopia's insurance industry is linked to expatriates and foreign insurance companies (Zeleke, 2007)

Depending on the above explained concepts, the aim of this study is to examine the effect of the five main Integrated marketing communication tools (advertising, sales promotion, personal selling, public relation/publicity and direct marketing) on organizational performance in the case of Lion Insurance S.C.

1.2 Statement of the problem

In a continually changing society characterized by technological advancement and web instruments, the role of marketing becomes crucial (Vázquez, Casielles, Iglesias & Varela Neira, 2013). Regardless of the importance of marketing in their daily activities, some organizations still lag behind in the effective use of marketing communications especially emphasizing the basic marketing mix (service, affordability, promotion and placement) (Dan, Adelina, Elisabeta & Andreas, 2016). Failure to effectively communicate their service offering through the holistic approach of IMC has left several organizations struggling with performance in terms of market share and profitability.

IMC can be generally understood as a concept which provides the idea of how organizations could sustain in the highly competitive global market through a business process that can be evaluated and measured, whereby the communication and behavior of both internal and external stakeholder groups are being put into emphasis to form a coordinated and consistent brand communications (that is, brand messages, brand image, brand relationships) (Gelard, Boroumand and Ali, 2014).

Kotler and Armstrong (2005) indicated that under integrated marketing communication, the company carefully integrates and coordinates its many communications channels to deliver a clear, consistent and compelling message about the organization and its products. They further noted that the marketing communication mix consists of a set of promotion instruments needing their integration.

In the complex global marketplace where intense competition is evident, the traditional marketing tactics which focus on the Four Ps (i.e., price, promotion, place and product) and the supply-chain approach are unsustainable for an organization's long-term survival (Nazanin, 2015). Furthermore, companies are urged to adopt marketing-oriented approach in order to survive (Amanchukwu, Stanley, and Ololube, 2015); improving their market communications

programs by getting familiar with the principles of service marketing and encouraging communicative interchange among internal and external stakeholder groups (Schüller and Rašticová, 2011).

Several studies have investigated the effect of integrated marketing communications (IMC) on organizational performance (Sajuyigbe, Amusat and Oloyede, 2013; Srinivasan, Bajaj and Bhanot, 2016; Syeda and Sadia, 2011; Tackx, Rothenberger and Verdin, 2015; Weerathunga and Pathmini, 2016; Shafayet and Panuel, 2012; Yi-Chih, Wei-Li, Yang-Chu and Chia-Ko, 2014). These studies focused on other sector leaving a gap on the impact of IMC on service institutions performance. It is in lieu of the foregoing that this study intends to examine the effect of integrated marketing communications on organizational performance of Lion insurance S.C. in Addis Ababa, Ethiopia.

1.3 Research Questions

Grounded on the above identified problem, the current study aims to address the following five basic research questions?

1. What is the effect of advertising on organizational performance?
2. What is the effect of sales promotion on organizational performance?
3. What is the effect of personal selling on organizational performance?
4. What is the effect of public relation/publicity on organizational performance?
5. What is the effect of direct marketing on organizational performance?

1.4 Research objective

1.4.1 General objective

The general objective of the study is to examine the effect of Integrated Marketing Communication (IMC) on Organizational Performance in the case of Lion insurance S.C. Addis Ababa, Ethiopia.

1.4.2 Specific objectives

I.   To identify the effect of advertising on organizational performance in the case of Lion insurance S.C.

II. To identify the effect of sales promotion on organizational performance in the case of Lion insurance S.C.

III. To identify the effect of personal selling on organizational performance in the case of Lion insurance S.C.

IV. To identify the effect of public relation/publicity on organizational performance in the case of Lion insurance S.C.

V. To identify the effect of direct marketing on organizational performance in the case of Lion insurance S.C.

1.5 Significance of the study

The findings of the study can be a very essential input for Lion insurance and other companies in the insurance industry to identify and realize the impact of the IMC on their organizational performance and moreover each elements of the IMC has been addressed in relation to their respective effect on Lion insurance's organizational performance which enables to realize which element of the IMC strongly influence the companies organizational performance that allows companies to focus and put their effort on that particular marketing communication tool which influences organizational performance strongly and to integrate the least influencers and strong influencers for the best of marketing result.

The significance of this study can be viewed from academic and practical stand points. Practically, this study can assist in broadening the knowledge of the market players on the essence, importance of IMC and new media and channels available in disseminating marketing information.

1.6 Delimitation of the study

Geographical delimitation: Geographically the study is delimited to examining the effect of integrated marketing communication programs on organizational performance in the case of Lion Insurance S.C. Addis Ababa, Ethiopia.

Theoretical delimitation: Theoretically, the study is delimited to 5 IMC tools i.e., advertising, sales promotion, personal selling, direct marketing and public relation as independent variables and organizational performance as a dependent variable.

Methodological delimitation: The study employed an explanatory research design with a quantitative approach.

1.7 Definition of key terms

IMC: is a process which involves the management and organization of all agents in the analysis, planning, implementation and control of all marketing communications contacts, media, messages and promotional tools focused at selected target audiences in such a way as to derive the greatest

enhancement and coherence of marketing communications effort in achieving predetermined product and corporate marketing communications objectives (David Pickton, 2010).

Advertising: According to Kotler and Armstrong (2008), advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.

Sales promotion: Griffin et al (2004) describe sales promotion as short-term promotional activities designed to stimulate consumer buying or co-operation from distributors and other members of the trade.

Personal selling: is face to face communication with one or more prospective customers for the purpose of making sales and building customer relationships (Mortimer, 2001).

Public relation: According to Kotler and Armstrong (2004), public relation refers to building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image and handling or heading off unfavorable rumors, stories and events.

Direct marketing: is the interactive use of advertising media to stimulate an immediate behavior modification in such a way that this behavior can be tracked, recorded, analyzed and stored on a database for future retrieval and use. (Stone & Jacobs, 2001)

Organizational performance: is the analysis of a company's achievement as compared to goals and objectives. Within corporate organizations, there are three primary outcomes analyzed: financial performance, market performance and shareholder value performance (in some cases, production capacity performance may be analyzed) (Meidan, 2006).

1.8 Organization of the study

The study is structured in to five parts/chapters. The first part is all about introduction including the background of the study, statement of the problem & research questions, research objectives, the significance of the study and the delimitation of the study. The second part deals with reviewing the literature related to the study area which includes theoretical and empirical literature reviews as well as the research hypotheses and conceptual framework of the study. The

third part includes the research methodology part which includes the research design, research approach, target population, sampling method, sample size, data source, method of data collection and analysis. The fourth chapter deals with data analysis and interpretation. The fifth part deals with conclusion and recommendation. Lastly, appendix is attached in the final part of the paper.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

This chapter presents the literature reviewed on the study. It includes theoretical and empirical literatures which are related with of integrated marketing communication, and concludes with the development of hypothesis and conceptual framework of the study.

2.1 Theoretical Review

2.1.1 Marketing

According to the American Marketing Association, quoted by Kotler & Keller, (2006) marketing can be defined as an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Another simpler definition is presented as marketing includes anticipating demand, managing demand and satisfying demand (Evans & Berman, 1997). Marketing could also be defined in a few words with mutually satisfying exchange relationships (Baker, 2006).

The marketing mix is defined as the specific combination of marketing elements used to achieve objectives and satisfy the target market. It encompasses decisions regarding four major variables: product, distribution, promotion and price (Evans & Berman, 1997). The whole marketing mix is defined as the set of controllable tactical marketing tools – product, price, place and promotion that the firm blends to produce the response it wants in the target market (Kotler & Armstrong, 2006).

2.1.2 Marketing communication

All organizations large and small, commercial, government, charities, educational and other not-for-profit organizations need to communicate with a range of stakeholders. This may be in order to get materials and services to undertake their business activities, or to collaborate and coordinate with others to secure suitable distribution of their goods and services. In addition, there are consumers who are free to choose among the many hundreds and thousands of product offerings. Marketing communications provides a core activity so that all interested parties can understand the intentions of others and appreciate the value of the goods and services offered (Chris Fill, Barbara Jamieson, 2006).

Marketing communications is a management process through which an organization engages with its various audiences. By understanding an audience's communications environment, organizations seek to develop and present messages for its identified stakeholder groups, before evaluating and acting upon the responses. By conveying messages that are of significant value, audiences are encouraged to offer attitudinal and behavioral responses (Fill, 2006).

As one of the marketing mix elements, promotion includes all the activities directed to the targeted consumers, that lead to facilitate the process of contacting with them for the purpose of formatting a sense of the importance of the commodity in achieving a high degree of consumer's satisfaction of their wishes and needs comparing with the competitor's commodities (Mahmud I. Nour *et al.,* 2014). Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is used to ensure that consumers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers (Ansari *et al.,* 2011). The channels to be used are; advertising, direct marketing, public relations and publicity, personal selling, sponsorship and sales promotion (Rowley, 1998).

2.1.3 Integrated Marketing Communication

A variety of definitions have emerged surrounding the concept and understanding of what IMC means. One of the most widely accepted definitions offered by the American Association of Advertising Agencies (AAAA) as cited by Belch and Belch, (2004:11), asserts that "IMC is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines (for example, general advertising, direct response advertising, sales promotion and public relations…) and combines these disciplines to provide clarity, consistency, and maximum communications impact."

Pickton & Broderick (2005: 25) believe that, "IMC is bringing together of all marketing communications activities", is just interlinking marketing communication activities even though their book "Integrated Marketing Communication 2005" clearly shows that IMC is not as simple as they define it but rather complex and difficult to fully understand. According to Kliatchko (2005) definition, "IMC is the concept and process of strategically managing audience-focused, channel-centered and results-driven brand communication programs over time", IMC is not only

a strategic process but also a concept of managing brand communication programs over time. Percy (2008:) defined IMC as "IMC is planning a systematic way in order to determine the most effective and consistent message for appropriate target audiences". By Percy (2008) IMC is a process of planning and its goal is to determine the most effective and consistent message for target audience. Last, according to Floor & Van Raaij (2011) definition, "IMC is a process where all messages and methods are geared to each other in such way that they complement and reinforce each other, and that added value is the result", IMC is a process where all messages and methods are interlinked with each other in order to create synergy.

Integrated marketing communications (IMC) is an approach to achieving the objectives of a marketing campaign through a well-coordinated use of different promotional methods that are intended to reinforce each other (Ellison, 2010). Integrated marketing communications recognizes the value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines that combines them to provide clarity consistency and maximum communication impact. Several scholars and marketing bodies have offered diverse definitions to the concept of integrated marketing communications. According to Kurtz and Boone (2011), IMC is the bringing together of promotional mixes to arrive at a unified, customer-based sales message. Chartered Institute of Marketing (CIM, 2012) defines IMC as a strategic approach to the management of an organization's marketing communication activities. Lamb and Low (2012) are of the opinion that IMC is the systematic coordination of all sales programs mainly: media, advertisement, sales promotion, personal selling, public relation and other forms types of communication to have a consistent, unified message which is a customer focused message (Lamb and Low, 2012).

Integrated marketing communication is a process that passes through various stages to achieve its objective. The steps in the process of the communication programs demonstrate the components of IMC. Broadly speaking, there are three basic components of IMC programs (Naeem et al 2013) and these are consumers, communication channels and results. In understanding the first component, customers, firms must question how target audiences are getting information as well as understand how the delivery this information affects the messages form and contents. Secondly the organization should look at how effective and appropriate each communication channel is in the achievement of the IMC strategy. The final important

component is to be able to measure results of the IMC programs. This process is a cycle that must be improved every time new elements, concerns and developments arise. This is why IMC is not considered as a one-time job rather a process that must be refined every time and go in line with new developments in the organizations internal and external environment

Effective strategies focus on the successful development of integration of marketing communications tools (advertising, public relations, direct marketing, sales promotion, and personnel selling) to optimize the communications impact on target consumers (Binod, 2012; Kotler, 2006). Publicity and advertising can therefore combine to effect hearing on the cost effectiveness. However, marketers do not take cognizance of this capability when planning promotional strategies, thus failing to put together communication programs from an element to another (Schultz, 2012).

2.1.4 Integrated Marketing Communication Tools

Integrated marketing communication is being considered as business strategy which is used to get maximum positive impact on the business. Usually, it is the combination of different promotion mix which is used in same way to produce seamless message to make maximum impact on the customer. According to Brassington and Pettitt (2000), promotion strategy is the direct way in which an organization communicates the product or service to its target audiences. Within the healthcare industry, promotion is used in many different ways (Meidan, 1996). Brassington and Pettitt (2000) has categorized the promotional tools into five main elements; Advertising, Sales promotion, Personnel selling, Public relations and Direct Marketing.

2.1.4.1 Advertising

Akanbi and Adeyeye, (2011) define advertising as the aim to persuade people to buy. Advertising as the dissemination of information concerning an idea, service or product to compel action in accordance with the intent of the advertiser. Advertisement in such a media as print (newspaper, magazines, billboards, flyers) or broadcast (radio, television) typically consist of pictures, headlines, information about the product and occasionally a response coupon. Broadcast advertisement on the other hand consists of an audio or video narrative that can range from 15 seconds spots to longer segments known as infomercials, which generally last 30 to 60 minutes (Akanbi and Adeyeye, 2011).

Koltler (2006) define advertising as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Montaner and Pina (2008) on the other hand defines advertising as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, service or idea. The key difference between advertising and the other promotional tools is that it is impersonal and communicates with large numbers of people through paid media channels.

Advertising is a crucial component of the promotion mix that is well recognized in the marketing mix. This aspect is a result of its presence and visibility in all other marketing communication basics. Any compensated sort of non-personal arranging and promotion of concepts, products, or services by a recognized donor (where the origin is the sponsoring business) is referred to as advertising (Kotler & Armstrong, 2010)

Advertising as a marketing communication tool is used by business organizations to inform consumer that the right product is available at the right place, right price and to convince the consumer to purchase them. Advertising comprises all messages that are paid for in the media owned and controlled by people other than the company making the advertisement (Osogbo, 2014). Abiodun (2011) also defines advertising as a non-personal paid form of communication about an organization or its product to a target audience through a mass broadcast medium by an identified sponsor. Advertising as a promotional tool also tends to remind, reassure and influence the decisions of the consumers because an advertisement itself enlightens and persuades consumers on their acceptability of the product offering. For any promotional activity to be called advertisement, it must be paid for (Abiodun, 2011)

2.1.4.2 Sales promotion

Sales promotion is an activity that is designed to help boost the marketing of a product or service (Jin-Woo, Yu-Jin & Woo-Choon, 2013; Mahmoud, 2014; Shamout, 2016; Pileliene, 2010). It is very important as it not only helps to boost patronage but it also helps a business to draw new customers while at the same time retaining older ones (Fernando, Claudio, Marcelo and Valter, 2015; Sakara & Alhassan, 2014; Ripon, Mosharraf, Farhad and Jakirul, 2013; Rashid, Fareeha, Rab, Moeed and Hafiz, 2013). It can be done through an advertising campaign, public relation activities, a free sampling campaign and offering additional benefits for the use of a product or service. Promotion influences people to buy and consume the products of a marketer (Oyebamiji,

Kareem and Ayeni, 2013). Promotion is defined as marketing activities usually specific to a period, place or customer group, which encourage a direct response from consumer or marketing intermediaries, through the offer of additional benefits (Peattie & Peattie, 1994). Promotion is the process of persuading the potential customers; company's communication strategy to promote an increase in patronage (Schultz and Block, 2014).

Koltler (2006) defines sales promotion as a collection of incentive tools mostly short term, designed to stimulate quicker or great purchase of a particular product or services by consumers or trade. Sales promotions are action-focused marketing events whose purpose is to have a direct impact on the behavior of the firm's customers. There are three major types of sales promotions: consumer promotions, retailer promotions, and trade promotions. Consumer promotions are promotions offered by service/product producers directly to consumers. Retailer promotions are promotions offered by retailers to consumers. Trade promotions are promotions offered by service/product producers to retailers or other trade entities (Mortimer, 2001). Sales promotion adds a range of activities and tools such as coupons, discounts, refunds, demonstrations, contests, prizes and more to the communications mix and, therefore, is able to target audiences better than traditional forms of advertising

According to Brassington and Pettitt (2000) sales promotion is different tactical marketing techniques with mostly short-term incentives, which are designed to add value to the product or service, in order to achieve specific sales or marketing objectives. Sometimes, institutions will offer discounts to their first customers. Furthermore, Meidan (2006) states that sales promotion has two distinctive qualities. Firstly, it provides a bargain chance, since many sales promotion tools have an attention-gaining quality that communicates an offer that will not be available again to purchase something special.

The disadvantage, however, for sales promotion is that although they appeal to a wide range of buyers, many customers tend to be less brand loyal in the long run. Secondly, if sales promotions are used too frequently and carelessly, it could lead to insecure customers, wondering whether the service is reliable or reasonably priced. Sales promotion is sometimes considered as an activity of less importance but companies increasingly realize the importance of having a well-planned and structured program for sales promotion (Jobber & Lancaster, 2006).

2.1.4.3 Personal selling

One of the most powerful strategies for integrated marketing communication is personal selling. When a marketer or sales professional offers items or services to clients, this is known as personal selling. Personal selling contributes significantly to the organizations and end-users' mutual success. Personal selling that works targets the buyer's requirements and preferences without putting them under duress. Good salespeople can help buyers save money and time during the decision-making process by providing guidance, information, and suggestions. The seller should respond honestly to any concerns or objections raised by the buyer, demonstrating that he is more concerned with addressing the buyer's needs than with making the transaction (Banerjee N., Siddhanta S. & Bandopadhyay G., 2012).

Datta and Datta (2006) define personal selling as face-to-face interaction with one or more prospective customers for the purpose of making sales and building customer relationships. Brassington and Pettitt (2000) define personal selling to be a two-way communication tool between a representative of an organization and an individual or group, with the intention to inform, persuade or remind them, or sometimes serve them to take appropriate actions. Furthermore, personal selling is a crucial element in ensuring customers post-purchase satisfaction, and in building profitable long-term buyer-seller relationships built on trust and understanding. Insurance institutions are known to participate in this a lot. This is done through career days in their institutions.

2.1.4.4 Public relation

Public relations are a distinctive management function which helps to establish and maintain mutual lines of communications, understanding, acceptance and cooperation between the organization and its publicist involves the management of problems or issues which helps management to keep informed on public opinion and respond effectively (Kayode, 2014). According to Watson (2012), the British Institute of public relation defines public relation as a deliberate, planned, and sustained effort to establish and maintain mutual understanding between an organization and its publics. Similarly, Aikins and Akua (2015) define public relations as the management process whose goal is to attain and maintain accord and positive behaviors among social groupings on which an organization depends to achieve its mission. Its fundamental responsibility is to build and maintain a hospitable environment for an organization. Dornyo and Aduku (2015) also define public relations as the management of communication between an

organization and its publics. In the same vein, Rosenberg (2013) defines public relations as a management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depends. Seitel (2011) indicated that public relations as practiced today is a twentieth century American phenomenon and its fundamental elements of informing people, persuading people and integrating people were basic to earliest society just as they are today. The authors further emphasize that the effective tool to monitor and manage opinion of the general public is through extensive use of public relations practices. Watson (2012) opine that public relation is a management function practiced by a wide range of organizations, companies, governments, non-profit organizations, the educational system, labor unions, politicians, organized sports, and the media.

2.1.4.5 Direct Marketing

According to Nadeem, Naveed, Muhammad, and Komal (2013), direct marketing is an interactive system of marketing, using one or more advertising media to achieve measurable response anywhere, forming a basis for creating and further developing an on-going direct relationship between an organization and its customers, to be able to create and sustain quality relationship with sometimes hundreds or even thousands of individual customers, an organization needs to have as much information as possible about each one, and needs to be able to access, manipulate and analyze that information, thus, the database is crucial to the process of building the relationship.

Direct marketing is defined as sending a promotional message directly to customers rather than through the media. Its goal is to create and use a direct relationship between producers and their customers. Direct marketing, according to the Direct Marketing Association (DMA), is an interactive marketing strategy that use one or more promotional mediums to elicit a quantifiable response and/or commercial agreement at any location. Direct marketing, on the other hand, is defined as the use of fax, mail, the internet, or e-mail to contact directly with or solicit responses from individual consumers and prospects (Kotler & Keller, 2006; Kotler & Armstrong, 2010).

Direct marketing allows businesses to communicate straight to the consumer using various channels. The message on direct marketing seeks to drive a "specific call to action". Direct marketing emphasizes trackable, measurable responses from customers regardless of medium (Wunderman 1967). Channels for direct marketing include direct mail, telemarketing, direct

selling, text messages, emails, interactive consumer websites, fliers, promotional letters and outdoor advertising. Direct marketing is practiced by businesses of all sizes. It is easily measurable and can prove their impact on organizations bottom line.

2.1.5 Organizational performance

According to Singh et.al (2016) Organizational performance (OP) lies at the heart of a firm's survival. Organizational performance has been defined as a set of both financial and non-financial indicators capable of assessing the degree to which organizational goals and objectives have been accomplished (Kaplan and Norton, 1992).

Organizational performance, according to Cho and Dansereau (2010), refers to the "performance of a company as compared to its goals and objectives. In addition, Tomal and Jones (2015) defines organizational performance as the actual results or output of an organization as measured against that organization's intended outputs.

In order to get and keep competitive advantage over other market players in the same industry, the manufacturing organizations need confirmation regarding the fulfilling of their objectives and goals. Performance management should be done by the organizations in order to confirm whether they are going in right direction or not. For measuring, managing and comparing the performance, the organizations are required to know about performance indicators that are defined as the physical values which are used to measure, compare and manage the overall organizational performance (Bhatti et.al, 2014).

2.1.6 Integrated Marketing Communication Vs Organizational Performance

Esposito (2013) elucidated that IMC components significantly affects the performance of a company. Likewise, Sellahvarzi, Mirabi, and Parizi (2014) found that the customer loyalty boosts up along with the business productivity when the corporate uses the perfect blend of IMC components. In the same vein, Ashraf (2014) empirically scrutinizes in his study and articulated a significant relationship between the consumer buying patterns with the sales/service promotion. Similarly, Ercis (2011) found that IMC components when applied properly in the market significantly effects the market share, customer satisfaction level, brand awareness, brand profitability, customer loyalty, total sales revenue and the overall performance of an organization. On the contrary, the studies of Chu and Keh (2006), and Netemeyer, et al., (2004) indicated that the individual influence of marketing activities like promotion on the

creation/building of brand equity through market performance is unclear as these studies found an insignificant effect of marketing communication on brand equity and market share.

2.2 Empirical Review

Mohammed (2017), conducted research entitled ''the effects of integrated marketing communication programs in Ethiopian insurance company''. The study found that direct marketing and personal selling activities conducted by the Corporation affect its performance significantly in a positive manner. This goes in line with the literature as well as the conceptual framework of the study. The study concluded that EIC"s personal selling activities influenced its performance to a great extent. The regression analysis shows an increase in a unit of personal selling activities by the EIC will increase overall performance by 0.296 units. All the activities of personal selling identified in the study affect the performance of insurance business to a great extent. The effect of sales promotion activities such as discounts, event sponsorship, ex gratia treatments as well as customer service week and trainings are mixed on performance.

Esayas Azene (2017): examined the impact of integrated marketing communication on the company sales performance in the case of Tikur Abbay shoe Share Company. This study therefore examined the integrated marketing communication tools commonly used by the companies under study in boosting their sales performance; established how Integrated Marketing Communications save time, money and stress. The result of the analysis revealed that there was significant relationship between Integrated Marketing Communications and companies" sales in the case of tikur abbay shoe Share Company. The study further showed that Integrated Marketing Communications save time, money and stress.

A study conducted by Alphonce, Victor, Fredrick, Patrick, Beatrice, and Odhiambo, (2012); Mohd and Wannur (2012); Ismail, Hussain, Shah and Hussain (2012) focused on the effect of marketing communication strategies on performance of higher institutions. Findings concluded that there was a positive/significant relationship connecting marketing communication strategies and institutional performance. In light of the findings of these studies, marketing communication strategies can be used to reach target potential students and persuade them to enrol.

Oliyad E., and Shimels Z., (2021), studied The Effects of Promotional Mix Strategies on Organizational Performance: Evidence from Systematic Review of Literature. The results

indicated that promotion has impact on organizational performance, sales promotion has impact on sales volume, market share and profitability of the firms, advertising has impact on organizational performance, public relation has impact on organizational performance and direct marketing has impact on organizational performance.

The studies of Agbeja, Adelakun and Akinyemi (2015), Aliata et al. (2012) and Manuere, Gwangwava and Kudakwashe (2012) found a statistically significant relationship between sales promotion and performance. They established that sales promotion enhanced brand preference, which then enhanced brand performance hence high profits/performance.

Asiya (2015) and Ercis (2011) found that IMC components when applied properly in the market significantly effects the market share, customer satisfaction level, brand awareness, brand profitability, customer loyalty, total sales revenue and the overall performance of an organization.

Kaleb Bekure (2021) conducted research entitled   the effect of integrated marketing communication on sale performance in the case of Dashen brewery share company found that all the five tools of integrated marketing communication have positive and significance effect on sales performance the independent variables have positive on sales performance.

Another researcher Kathleen kihanya 2013 entitled the effect of integrated marketing communication on business performance in insurance industry in Kenya orient insurance limited conclude the study conclude that advertising of institutions services/products, sales promotion, direct marketing, personal selling, influenced the company performance to great extent.

Catherine Mutia 2017 another researcher with the title the effect of IMC strategies on attraction of generation Y customers in commercial banks of Kenya the study conclude that direct marketing, advertising, personal selling, public relation and sales promotion positively and significantly affected attraction of generation Y Customers. This is as a result of banks use of newspapers and magazines to reach the customers and use of premium or bonus offer for some products.

Research by Hiwot Terefe 2021 titled the effect of integrated marketing communication on customer patronage in the case of private general hospitals in Addis Ababa with descriptive and explanatory research design conclude that promotional mix tools have significant and positive

effect on prediction of customer loyalty when designed in an integrated manner and effectively implemented. Advertising, personal selling, and direct marketing played relatively more significant role in enhancing sales volume, target and growth results in creating or maintaining long term relation with customers.

Research entitled integrated marketing communication strategies and the performance of insurance companies in Nairobi Kenya by Mwaniki Mwangi Gichiru 2014 the study conclude that advertising, personal selling, public relation, and sales promotion positively and significantly affected firm performance. This is the result of insurance firm's use of newspapers and magazines to reach the customers and use of premium or bonus offer for some products.

A research entitled effects of marketing communication mix on sale performance of soft drink companies in daries salaam Tanzania by Neema Omary Seukindo 2017 conclude that sales promotion strategy has an insignificant influence on sales performance ,and that companies can improve that relationship by integrating direct marketing as well as publicity tactics that will improve the brand image therefore eventually increase level of sales performance .publicity and direct marketing has a positive and strong on the level of sales performance and that companies in soft drink industry ca n improve the strength of this relationship by developing a close association ,generate an immediate response ,cover a wide audience with target promotion message and allow complete ,customized and personal message from the direct marketing strategy.

2.3 Hypothesis of the study

Based on the above reviewed literature, this study hypothesizes as follows:

H1a: advertising has positive and significant effect on organizational performance

H1o: advertising has no positive and significant effect on organizational performance

H2a: sales promotion has positive and significant effect on organizational performance

H2o: sales promotion has positive and significant effect on organizational performance

H3a: personal selling has positive and significant effect on organizational performance

H3o: personal selling has positive and significant effect on organizational performance

H4a: public relation has positive and significant effect on organizational performance

H4o: public relation has positive and significant effect on organizational performance

H5a: direct marketing has positive and significant effect on organizational performance

H5o: direct marketing has positive and significant effect on organizational performance

2.4 Conceptual framework

Based on the literature review, the researcher summarizes the dependent variable and the independent variables in the conceptual framework below
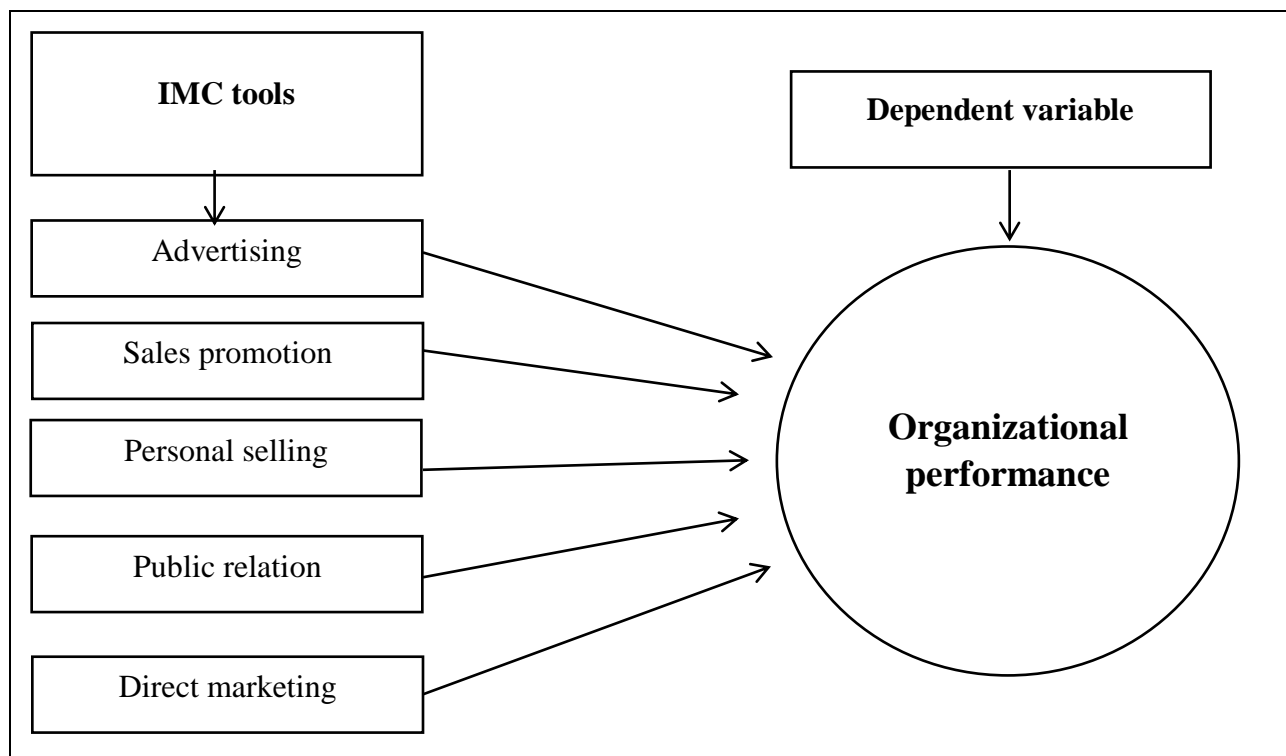
Source: Own conceptual framework based on the literature review

Figure 2.1: Conceptual Framework

CHAPTER THREE: RESEARCH METHODOLOGY

This section presents the methodologies employed on the study including the description of the study area, research design, research approach, target population, sample size, sampling technique, source of data, data collection method, Data analysis and interpretation method and it ends with ethical considerations.

3.1 Research Design

Research can be classified as descriptive, explanatory and exploratory depending on the specific purpose that the research tries to address. Descriptive research sets out to describe and to interpret what is. It looks at individuals, groups, institutions, methods and materials in order to describe, compare, contrast, classify, analyze and interpret the entities and the events that constitute the various fields of inquiry. It aims to describe the state of affairs as it exists. On the other hand, explanatory research, aims at establishing the cause-and-effect relationship between variables. The researcher uses the facts or information already available to analyze and make a critical evaluation of the data/information. Exploratory research is less formal, sometimes even unstructured and focuses on gaining background information and helps to better understand and clarify a problem. It can be used to develop hypotheses and to develop questions to be answered (Abiy et al., 2009).

Therefore, based on the aim of the study, explanatory research design was used in this study since it is most suitable due to the characteristics and the purpose of the study. The purpose of this study was to assess the effect of IMC on organizational performance. Thus, this can be investigated through explanatory research design. Explanatory study was used to understand and explain the relationship between different Variables 5 IMC tools (advertising, sales promotion, personal selling, public relation and direct marketing) and organizational performance in the case of Lion insurance S.C.

3.1 Research Approach

Basically, there are three types of research approaches; the first one is Qualitative method which involves studies that do not attempt to quantify their results through statistical summary or analysis. In qualitative research, data are often in the form of descriptions not in numbers. The second one is Quantitative method, which engages in systematic and scientific investigation of

quantitative properties and phenomenon and their relationship. The objective of quantitative research is to develop and employee mathematical models, theories and hypothesis pertaining to natural phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of an attribute. The last one is mixed approach consisted of both qualitative and quantitative approach (Abiy et al., 2009).

This study employed quantitative method because, Using the quantitative inferential method helps to determine the relationship between two or more variables, i.e., the independent variables of 5 IMC tools (advertising, sales promotion, personal selling, public relation and direct marketing) and the dependent variable (organizational performance).

3.3 Target Population

In scientific research, population is defined as a full set of cases from which a sample is taken (Saunders, 2009). Given constraints in incorporating the whole population in the undertaking of a research, individuals are selected to represent the population and participate in the study so as to infer the outcome to the population as a whole. In some cases, a study might consider a set of all elements belonging to a certain defined group to be studied to which the study outcomes are going to be generalized to and these are referred to us target population.

Due to their better understanding of the concept of IMC, the study considered 160 employees of lion insurance from the marketing department, managerial position employees and agents of the company as a target population. Therefore, the total population for the study was 160 employees of Lion insurance S.C.

3.4 Sample Size and Sampling Technique

3.4.1 Sample Size

Since the target population of the study is finite, the sample size was determined by using Yamane's formula (1967) shown below.

$$n = \frac{N}{1 + N(e^2)} \qquad n = \frac{160}{1 + 160\,(0.05^2)} = 114$$

Where;

n is the sample size,

N is the population size and

e is the margin of error at 5 percent (0.05). A 95% confidence level is assumed for the equation.

Depending on the above calculation, the study considered 114 respondents as a sample from the total population.

Table 3.1: sample proportion

No	Selected population groups	Number of employees under each group	%	Sample size from each group
1	Marketing related employees	54	34	39
2	Managerial position employees	56	35	40
3	Agents of the company	50	31	35
	Total	160	100%	114

Source: Lion insurance

3.4.2 Sampling Technique

Sampling is the selection of a fraction of the total number of units of interest for the ultimate purpose of being able to draw general conclusions about the entire body of units (Patrick, 2008). There are two main sampling methods, probability and nonprobability sampling. In this study, non-probability sampling technique was used. Respondents were selected by using convenience sampling. Convenience sampling is a type of non -probability sampling where the sample is taken from a group of people easy to contact or reach.

3.5 Data Source

As the aim of this study is to assess the effect of Integrated Marketing Communication (IMC) on Organizational Performance, only primary data was collected from employees of the company. There are no secondary sources used to collect data.

3.6 Data Collection Instruments

A structured questionnaire was used for gathering data in this study. The rational is the method is easy to standardize and produce results that are easy to summarize, compare and generalize. It

also contributes to reliability by promoting greater consistency; since every respondent is asked the same questions.

The researcher developed Questionnaire for measuring the variables and it is designed in a five points Likert scale measurement for both the independent and dependent variables. The variables were measured by using Likert scale with five response categories that stretch from strongly disagree to strongly agree. The researcher used the Likert scale because it is easy to prepare and interpret and also simple for respondents to give response.

3.7 Reliability and Validity

Reliability analysis was conducted to check whether a scale used in this study consistently reflects the subset it measures. The Cronbach 's α was used as a measure of internal consistency. On the other hand, the statements were generated from an extensive review of academic and practitioner's literatures. Therefore, it is assumed that the construct validity will hold.

3.8 Method of Data Analysis

Analysis of data in this study was done by using descriptive statistics tools like frequency, mean and standard deviation and inferential statistics (correlation and Multiple linear regression analysis). Personal information of the users was analyzed by using percentage, frequency and cumulative percentage. Statistical techniques which include mean values and standard deviation were computed for each variable of the study. The statistical method of Pearson Correlation was also used to determine the existence of any relationship between the independent variables and the dependent variable. Additionally, multiple linear regression analysis was conducted to examine the effect of the independent variables on the dependent variable. To analyze the quantitative data, the researcher executed SPSS software version 21.

Model specification for IMC tools and organizational performance

$$OP = \beta0 + \beta1ADV + \beta2SP + \beta3PS + \beta4PR + \beta5DM + \varepsilon$$

Where;

β_0 = Constant Term

$\beta1, \beta2, \beta3, \beta4$ and $\beta5$ = Coefficients

OP = Dependent variable

ADV, SP, PS, PR and DM = Predictor variables

ε = Error term

3.9 Ethical Considerations

The survey was conducted based upon the agreement of volunteer respondents. All responses were anonymous. The researcher invited the respondents to participate in the research upon distributing the questionnaires. All respondents were informed that all information is provided on a voluntary basis and would be used for research purposes only. Names were not required to disclose on the data collection forms so that privacy and anonymity were ensured.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

In this chapter of the study, data collected from respondents were analyzed and interpreted using quantitative analysis which involves analysis of the demographical information of respondents and the descriptive and inferential statistics employed to test the hypothesis and to investigate the effect of independent variables on dependent variable. In order to analyze the collected data, statistical procedures were undertaken using SPSS version 21.

4.1 Response rate on questionnaires

A total of 114 questionnaires were distributed to respondents in order to examine the effect of IMC on organizational performance and from the total distributed questionnaires 110 were properly filled up and returned making the response rate 96.4%. This indicates that the respondents were committed to give information relevant to the research understudy.

Table 4.1: Response rate

Distributed questionnaires	114	100%
Valuable questionnaires	110	96.4%
Discarded questionnaires	4	3.6%

Source: survey output, 2022

4.2 Validity and Reliability Test Result

4.2.1 Validity

According to Kothari (2004) content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. validity of the instrument for the present study was ensured as the independent variables and items are identified from the literature and were reviewed by other academicians.

4.2.2 Reliability

The reliability test is an important instrument to measure the degree of consistency of an attribute which is supposed to measure. According to Mahon and Yarcheski (2002) the less variation of the instruments produces in repeated measurements of an attribute the higher its reliability. Cranach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which

the items in a questionnaire are related to each other. The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency. Different authors accept different values of this test in order to achieve internal reliability, but the most commonly accepted value is 0.70 as it should be equal to or higher than to reach internal reliability (Hair *et al.,* 2003). George and Mallery (2003) provide the following rules of thumb: a Cronbach alpha value which is > 0.9 is Excellent, 0.8-0.9 is Good, 0.7-0.8 is Acceptable, 0.6-0.7 is Questionable, 0.5-0.6 is Poor, and < 0.5 is Unacceptable.

Table 4.2: Reliability Analysis

Variable	Number of items	Cronbach's alpha value	Internal consistency
Advertising	5	0.838	Good
Sales promotion	5	0.850	Good
Personal selling	5	0.873	Good
Public relation	4	0.873	Good
Direct marketing	5	0.844	Good
Organizational performance	6	0.876	Good
Overall reliability	30	0.960	Excellent

Source: survey output, 2022

The Cronbach's coefficient alpha was calculated for each dimension of the questionnaire. According to Table 4.2 the values of Cronbach's Alpha for each dimension of the questionnaire ranged from 0.838 to 0.876. This range is considered good and acceptable as the result ensures the reliability of each dimension of the questionnaire.

Further for the entire questionnaire Cronbach's Alpha equals 0960. which indicates excellent reliability of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and acceptable.

4.3 Descriptive Analysis of Respondents profile

Descriptive analysis was used to look at the data collected and to describe that information. It is mainly important to make some general observations about the data gathered on demographic

profile of respondents. The demographic factors used in this research were gender, age, educational level, work experience, current job status and monthly income.

Table 2.3: Descriptive analysis of respondent's profile

Variable		**Frequency**	**Percent**
Gender	Male	74	67.3
	Female	36	32.7
Age	18-25 years	6	5.5
	26-35 years	38	34.5
	36-45 years	43	39.1
	46-55 years	19	17.3
	Above 55 years	4	3.6
Educational Level	First Degree	79	71.8
	Masters and above	31	28.2
Work Experience	Less than 1 year	3	2.7
	1-3 years	10	9.1
	3-5 years	44	40
	More than 5 years	53	48.2
Current Job Status	Managerial	28	25.5
	Non managerial	82	74.5
Monthly Income	3501-10000	35	31.8
	10001-25000	62	56.4
	Above 25000	13	11.8

Source: survey output, 2022

As presented in Table No.4.3, 74 (67.3%) of the respondents were male while the remaining 36 (32.7%) were female respondents. This indicates that majority of the respondent employees of the study were male.

In Table No. 4.3, the age composition of respondents encompasses 43 (39.1%) the age group of 36-45 years followed by 38 (34.5%) that fall in between the age group of 26-35, 19 (17.3%) that fall in between the age group of 46-55 years, 6 (5.5%) that fall in between the age group of 18-25

years. The least age group in the sample encompasses respondents aged above 55 years, 4 (3.6%). This indicates that majority of the respondents of the study were young and middle aged.

As presented in Table No.4.3, 79 (71.8%) of the respondents have a first-degree educational background and the remaining 31 (28.2%) of the respondents have an educational level of masters and above. This indicates that majority of the respondent have first-degree educational background.

Table No. 4.3, shows that 53 (48.2%) of the respondents have a work experience of more than 5 years followed by 44 (40%) that have a work experience fall in between 3-5 years, 10 (9.1%) that fall in between the work experience group of 1-3 years. The least work experience group in the sample encompasses respondents having less than 1 year experience. This indicates that majority of the respondents of the study are experienced workers.

As presented in Table No.4.3, 82 (74.5%) of the respondents are working on a non-managerial position while the remaining 28 (25.5%) were managerial position employees. This indicates that majority of the respondent employees of the study were non managerial position employees.

Table No. 4.3, shows that 62 (56.4%) of the respondents have a monthly income between 10001-25000 ETB followed by 35 (31.8%) that have a monthly income fall in between 3501-10000 ETB. The least monthly income group in the sample encompasses respondents having more than 25000 ETB. This indicates that majority of the respondents of the study have a monthly income of 10001-25000 ETB.

4.4 Descriptive statistics of scale typed questions

In this part, descriptive statistics regarding the six dimensions in the form of mean and standard deviation were presented so as to indicate the level of agreement and/or disagreement.

The mean value measures the average value of all the respondents responded towards of each statement. It calculates the sum of the values divided by the number of values. The implication is that the item with the highest mean is the one that most consumers rated highly. While the item with the lowest mean is the one that slightest rated by customers.

Standard deviation also measures the variation and it is based on deviations from the mean of the data values. It described in terms of the deviation of the observations from the mean, the

variation is small if the observations are bunched closely about their mean, and large if they are scattered over considerable distances. This means an item on the Likert scale with the smallest standard deviation implies that consumers gave a similar answer to that item compared with the others and vice versa.

The responses of the respondents for the variables indicated below were measured on five points Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4=agree and 5= strongly agree. But, while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear (Best, etal., 1977).

$$\text{Respondents level of agreement} = \frac{\text{Maximum- Minimum}}{5} = \frac{5\text{-}1}{5} = 0.8$$

The mean value of each item or variables ranging from 1-5 falls within the following intervals:

Table 4.4: Interval of mean to measure the respondent level of agreement

1.00-1.80	Strongly disagree
1.81-2.60	Disagree
2.61-3.40	Neutral
3.41-4.20	Agree
4.21-5.00	Strongly agree

4.4.1 Descriptive statistics of Advertising

In order to measure advertising, respondents were forwarded with five measurement items regarding this dimension. The result is summarized in table 4.5.

Table 4.5: Descriptive statistics of advertising

Descriptive Statistics of advertising			
	N	Mean	Std. Deviation
Overall advertising practices of the company influenced customers to prefer the service	110	3.41	.838
The company uses media advertising for its services	110	3.33	.949
The company's advertising is more informative	110	3.30	.934

	N	Mean	Std. Deviation
Frequent advertising of the company reminds customers to use the service	110	3.12	.955
Trustworthy information is advertised by the company	110	2.75	1.070
Average mean		**3.18**	

Source: survey output, 2022

Table 4.5 contains five individual variables which are grouped together and named as advertising variable. As it shown in the table 4.5, "Overall advertising practices of the company influenced customers to prefer the service" has scored a mean of 3.41 with standard deviation of 0.838. "The company uses media advertising for its services" has scored a mean of 3.33 with standard deviation of 0.949. "The company's advertising is more informative" has scored a mean of 3.30 with standard deviation of 0.934. "Frequent advertising of the company reminds customers to use the service" has scored a mean of 3.12 with standard deviation 0.955. And finally, "Trustworthy information is advertised by the company" has scored a lowest mean of 2.75 with a standard deviation of 1.070. However, the average mean result falls between the range of 2.61-3.40 this means that majority of the respondents were neutral about the advertising variables and this implies that the respondents were on average. Therefore, the above results entail yet there are tasks that the company has to do in the variable of advertising.

4.4.2 Descriptive statistics of Sales promotion

In order to measure sales promotion, respondents were forwarded with five measurement items regarding this dimension. The result is summarized in table 4.6.

Table 4.6: Descriptive statistics of sales promotion

Descriptive Statistics of sales promotion			
	N	Mean	Std. Deviation
The company uses attractive packages as a tool for promotion	110	3.71	.942
The company uses low-cost gifts to motivate customers to use the service	110	3.55	.944
The company organizes events as sales promotion	110	3.47	.993
The sales discount during holiday events attracts customers more	110	3.34	.998

The overall sales promotion activities of the company tempt customers to go there.	110	3.24	.947
Average mean		**3.46**	

Source: survey output, 2022

Table 4.6 also contained five individual variables, which are grouped together and named as sales promotion variable. As shown in the table 4.6, "The company uses attractive packages as a tool for promotion" has scored a mean of 3.71 with a standard deviation 0.942. "The company uses low-cost gifts to motivate customers to use the service" has scored a mean of 3.55 with a standard deviation of 0.944. "The company organizes events as sales promotion" has scored a mean of 3.47 with a standard deviation of 0.993. "The sales discount during holiday events attracts customers more" has scored a mean of 3.34 with a standard deviation of 0.998. And finally, "The overall sales promotion activities of the company tempt customers to go there" has scored a lowest mean of 3.24 with a standard deviation of 0.947. The average mean result falls between the range of 3.41 – 4.2 and this means that majority of the respondents tend to agree with the variable of sales promotion. However, the result implies that still there need more tasks on the above-mentioned aspects of sales promotion.

4.4.3 Descriptive statistics of Personal selling

In order to measure personal selling, respondents were forwarded with five measurement items regarding this dimension. The result is summarized in table 4.7.

Table 4.7: Descriptive statistics of personal selling

Descriptive Statistics of personal selling			
	N	Mean	Std. Deviation
The sales persons contact customers frequently to visit its services	110	3.65	.971
The sales persons of the company are knowledgeable to instill confidence on customers	110	3.57	.840
The sales persons create friendly relationship which influenced customers to visit the service	110	3.52	.843
The sales persons of the company offer customers customized service which suits their personality	110	3.46	.885

Sincerity of the company's sales persons influences customers to use its services	110	3.39	.939
Average mean		**3.52**	

Source: survey output, 2022

Table 4.7 also contained five individual variables, which are grouped together and named as personal selling variable. As shown in the table 4.7, "The sales persons contact customers frequently to visit its services" has scored a mean of 3.65 with a standard deviation 0.971. "The sales persons of the company are knowledgeable to instill confidence on customers" has scored a mean of 3.57 with a standard deviation of 0.840. "The sales persons create friendly relationship which influenced customers to visit the service" has scored a mean of 3.52 with a standard deviation of 0.843. "The sales persons of the company offer customers customized service which suits their personality" has scored a mean of 3.46 with a standard deviation of 0.885. And finally, "Sincerity of the company's sales persons influences customers to use its services" has scored a lowest mean of 3.39 with a standard deviation of 0.939. The average mean result falls between the range of 3.41 – 4.2 and this means that majority of the respondents tend to agree with the variable of personal selling. However, the result implies that still there need more tasks on the above-mentioned aspects of personal selling.

4.4.4 Descriptive statistics of Public relation

In order to measure public relation, respondents were forwarded with four measurement items regarding this dimension. The result is summarized in table 4.8.

Table 4.8: Descriptive statistics of public relation

Descriptive Statistics of public relation			
	N	Mean	Std. Deviation
Information from the company's public relation makes customers perceive the brand positively	110	3.78	.871
Reliable information, disseminated via the public relation, tempted customers to use the service	110	3.70	.914
The company provides more detailed information via its public relation officers	110	3.61	.968
The company uses appealing printed materials to	110	3.31	1.020

promote its services			
Average mean		**3.6**	

Table 4.8 also contained four individual variables, which are grouped together and named as public relation variable. As shown in the table 4.8, "Information from the company's public relation makes customers perceive the brand positively" has scored a mean of 3.78 with a standard deviation 0.871. "Reliable information, disseminated via the public relation, tempted customers to use the service" has scored a mean of 3.70 with a standard deviation of 0.914. "The company provides more detailed information via its public relation officers" has scored a mean of 3.61 with a standard deviation of 0.968. And finally, "The company uses appealing printed materials to promote its services" has scored a lowest mean of 3.31 with a standard deviation of 1.020. The average mean result falls between the range of 3.41 – 4.2 and this means that majority of the respondents tend to agree with the variable of public relation. However, the result implies that still there need more tasks on the above-mentioned aspects of public relation.

4.4.5 Descriptive statistics of Direct marketing

In order to measure direct marketing, respondents were forwarded with five measurement items regarding this dimension. The result is summarized in table 4.9.

Table 4.9: Descriptive statistics of direct marketing

Descriptive Statistics of direct marketing			
	N	Mean	Std. Deviation
The company updates customers about its services through my personal mail	110	3.27	1.066
Overall direct marketing practice of the company makes customers decide to use its service	110	3.23	.935
The company uses phone calls to send clear messages regarding new service offers	110	3.15	.994
The company staff's interactive communication persuades its customers to purchase	110	3.12	1.011

The company uses social media to promote its new services	110	3.07	1.064
Average mean		**3.17**	

Source: survey output, 2022

Table 4.9 contains five individual variables which are grouped together and named as direct marketing variable. As it shown in the table 4.9, "The company updates customers about its services through my personal mail" has scored a mean of 3.27 with standard deviation of 1.066. "Overall direct marketing practice of the company makes customers decide to use its service" has scored a mean of 3.23 with standard deviation of 0.935. "The company uses phone calls to send clear messages regarding new service offers" has scored a mean of 3.15 with standard deviation of 0.994. "The company staff's interactive communication persuades its customers to purchase" has scored a mean of 3.12 with standard deviation 1.011. And finally, "The company uses social media to promote its new services" has scored a lowest mean of 3.07 with a standard deviation of 1.064. However, the average mean result falls between the range of 2.61-3.40 this means that majority of the respondents were neutral about the direct marketing variables and this implies that the respondents were on average. Therefore, the above results entail yet there are tasks that the company has to do in the variable of direct marketing.

4.4.6 Descriptive statistics of Organizational performance

In order to measure organizational performance, respondents were forwarded with six measurement items regarding this dimension. The result is summarized in table 4.10.

Table 4.10: Descriptive statistics of organizational performance

Descriptive Statistics of organizational performance			
	N	Mean	Std. Deviation
Company overall competitive position is high.	110	3.61	.949
Company growth of sales is high.	110	3.14	1.062
Company profit margin on sales is high.	110	3.13	1.006
Company growth in return on investment is high.	110	2.95	1.008
Company growth of market share is high.	110	2.85	1.077
Company customers are fully satisfied.	110	2.58	1.095
Average mean		**3.04**	

Table 4.10 contains six individual variables which are grouped together and named as organizational performance variable. As it shown in the table 4.10, "Company overall competitive position is high" has scored a mean of 3.61 with standard deviation of 0.949. "Company growth of sales is high" has scored a mean of 3.14 with standard deviation of 1.062. "Company profit margin on sales is high" has scored a mean of 3.13 with standard deviation of 1.006. "Company growth in return on investment is high" has scored a mean of 2.95 with standard deviation 1.008. "Company growth of market share is high" has scored a mean of 2.85 with standard deviation 1.077. And finally, "Company customers are fully satisfied" has scored a lowest mean of 2.58 with a standard deviation of 1.095. However, the average mean result falls between the range of 2.61-3.40 this means that majority of the respondents were neutral about the organizational performance variables and this implies that the respondents were on average. Therefore, the above results entail yet there are tasks that the company has to do in the variable of organizational performance.

4.4.7 Summary of descriptive statistics of variables

Table 4.11: Summary of descriptive statistics of variables

Summary of descriptive Statistics			
	N	Mean	Std. Deviation
Public relation	110	3.6000	.80437
Personal selling	110	3.5200	.73107
Sales promotion	110	3.4618	.76326
Advertising	110	3.1800	.74141
Direct marketing	110	3.1673	.79656
Organizational performance	110	3.0424	.81257

Source: survey output, 2022

Table 4.11 clearly summarizes mean and standard deviation of IMC dimensions and organizational performance perceived by the respondents. It indicates the respondent's agreement with the variables by giving the higher rate scale to public relation (mean=3.600, SD= 0.80437), followed by personal selling (mean=3.5200, SD=0.73107), sales promotion (mean =3.4618, SD=0.76326), advertising (mean =3.1800, SD=0.74141), direct marketing (mean

=3.1673, SD= 0.79656) and organizational performance (mean =3.0424, SD= 0.81257) The low standard deviation indicates that the mean is representative of the rate given by the majority of respondents.

4.5 Correlation Analysis

The Pearson´s correlation coefficient (r) was used to conduct the correlation analysis to find the level and direction of the relationships between IMC tools and organizational performance. Pearson's correlation coefficient falls between -1.0 and +1.0, indicates the strength and direction of association between two variables. A low correlation coefficient; 0.1-0.29 suggests that the relationship between two variables is weak or non-existent. If r is between 0.3 and 0.49 the relationship is moderate. A high correlation coefficient i.e., > 0.5 indicates a strong relationship between variables. The bivariate correlation of a two-tailed test confirms the presence of statistically significant relationship at probability level p<0.01 i.e., assuming 99% confidence interval on statistical analysis. Table 4.12 presents the correlation analysis between the independent variables (IMC tools) and the dependent variable organizational performance.

The results in Table 4.12 shows that advertising and organizational performance have a strong, positive and significant relationship at 0.01 significant level. The result of correlation between the two variables is shown in table 4.12. As the table indicated that there is a statistically significant relationship between advertising and organizational performance (r=0.677, P<0.01).

The results in Table 4.12 shows that sales promotion and organizational performance have a strong, positive and significant relationship at 0.01 significant level. The result of correlation between the two variables is shown in table 4.12. As the table indicated that there is a statistically significant relationship between sales promotion and organizational performance (r=0.585, P<0.01).

The results in Table 4.12 shows that personal selling and organizational performance have a strong, positive and significant relationship at 0.01 significant level. The result of correlation between the two variables is shown in table 4.12. As the table indicated that there is a statistically significant relationship between personal selling and organizational performance (r=0.686, P<0.01).

The results in Table 4.12 shows that public relation and organizational performance have a strong, positive and significant relationship at 0.01 significant level. The result of correlation between the two variables is shown in table 4.12. As the table indicated that there is a statistically

significant relationship between public relation and organizational performance (r=0.636, P<0.01).

Table 4.12: Correlation between IMC tools and organizational performance

		OP	AD	SP	PS	PR	DM
Correlations matrix							
OP	Pearson Correlation	1	.677**	.585**	.686**	.636**	.696**
	Sig. (2-tailed)		**.000**	**.000**	**.000**	**.000**	**.000**
	N	110	110	110	110	110	110
AD	Pearson Correlation	.677**	1	.591**	.596**	.537**	.684**
	Sig. (2-tailed)	**.000**		.000	.000	.000	.000
	N	110	110	110	110	110	110
SP	Pearson Correlation	.585**	.591**	1	.761**	.772**	.652**
	Sig. (2-tailed)	**.000**	.000		.000	.000	.000
	N	110	110	110	110	110	110
PS	Pearson Correlation	.686**	.596**	.761**	1	.771**	.721**
	Sig. (2-tailed)	**.000**	.000	.000		.000	.000
	N	110	110	110	110	110	110
PR	Pearson Correlation	.636**	.537**	.772**	.771**	1	.686**
	Sig. (2-tailed)	**.000**	.000	.000	.000		.000
	N	110	110	110	110	110	110
DM	Pearson Correlation	.696**	.684**	.652**	.721**	.686**	1
	Sig. (2-tailed)	**.000**	.000	.000	.000	.000	
	N	110	110	110	110	110	110
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: survey output, 2022

The results in Table 4.12 shows that direct marketing and organizational performance have a strong, positive and significant relationship at 0.01 significant level. The result of correlation between the two variables is shown in table 4.12. As the table indicated that there is a statistically

significant relationship between direct marketing and organizational performance (r=0.696, P<0.01).

Therefore, based on the above correlation test, all the five independent variables i.e., advertising, sales promotion, personal selling, public relation and direct marketing have a strong and positive relationship with organizational performance. Relatively, direct marketing has the highest association with organizational performance followed by personal selling, advertising, public relation and sales promotion with r values 0.696, 0.686, 0.677, 0.636 and 0.585 respectively.

Accordingly, it can be concluded that there is a positive relationship between all the five IMC tools and organizational performance. Hence any improvement in one of the five independent variables will positively contribute to organizational performance.

4.6 Inferential Statistics

4.6.1 Tests for multiple linear regression model assumptions

Before running regression, the study should examine the existence of multi-co linearity, Linearity, Homoscedasticity and Normality of data.

4.6.1.1 Multicollinearity

The problem of multi-co linearity occurs when there are high correlations between some of the independent variables. The study checks this with the Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. The VIF factor should not exceed 10, and should ideally be close to one (Myers,1990). Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model and is calculated using the formula 1–R2 for each variable. If this value is very small (less than 0.20), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multi-co linearity (Menard 1995)

Table 4.13: Multi collinearity statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Advertising	.491	2.035

	Sales promotion	.319	3.132
	Personal selling	.294	3.400
	Public relation	.307	3.258
	Direct marketing	.355	2.816

Source: survey output, 2022

As it can be seen from table 4.13, the result of co linearity statistics analysis shows variance inflation factors (VIF) value is below 10 and the variance individual tolerance for each value is greater than 0.1. Thus, the values indicate that for this analysis there is no multi-co linearity problem.

4.6.1.2 Linearity

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. Figure 4.1 reveals no large deviation in the spread of the residuals as we look from left to right on the figure and it is almost all residuals lay on the linear straight line. Therefore, this tells us the relationship between the predictor variables (IMC tools) and the dependent variable (organizational performance) is linear.

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Organizational_performance
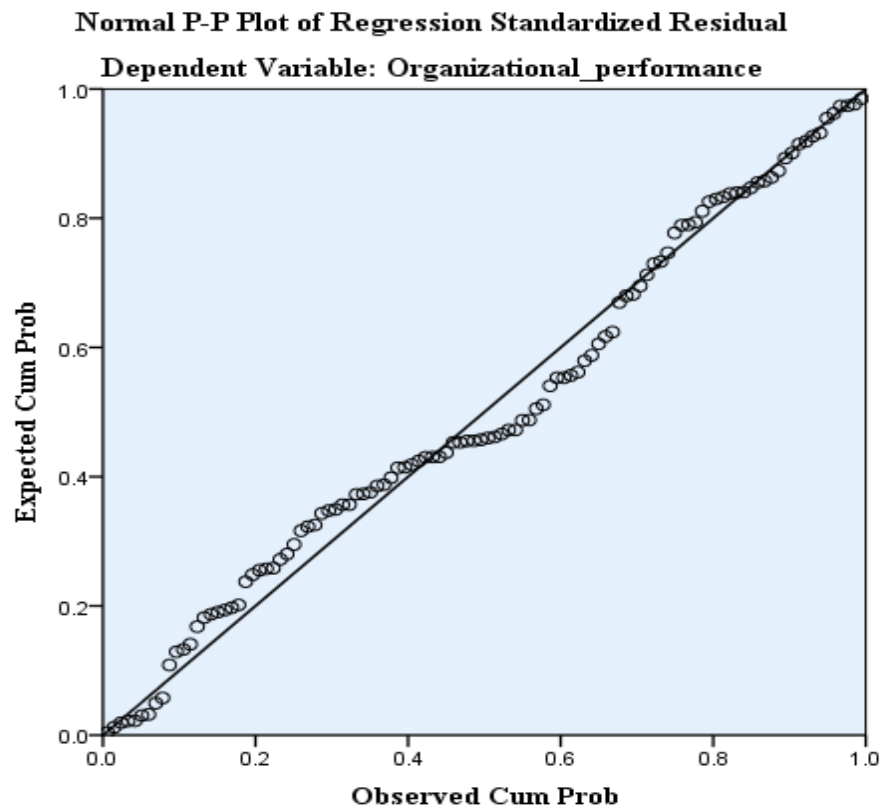
Figure 4.1: Linearity

Source: survey output, 2022

4.6.1.3 Normality

Normality test require that the independent variables in the analysis to be normally distributed. And also, as per the linear regression models assumptions, the error term should be normally distributed or expected value of the error term should be normally distributed or expected value of the error terms should be zero. If the residuals are normally distributed, the histogram should be bell- shaped and thus this study implemented graphical methods to test the normality of data.
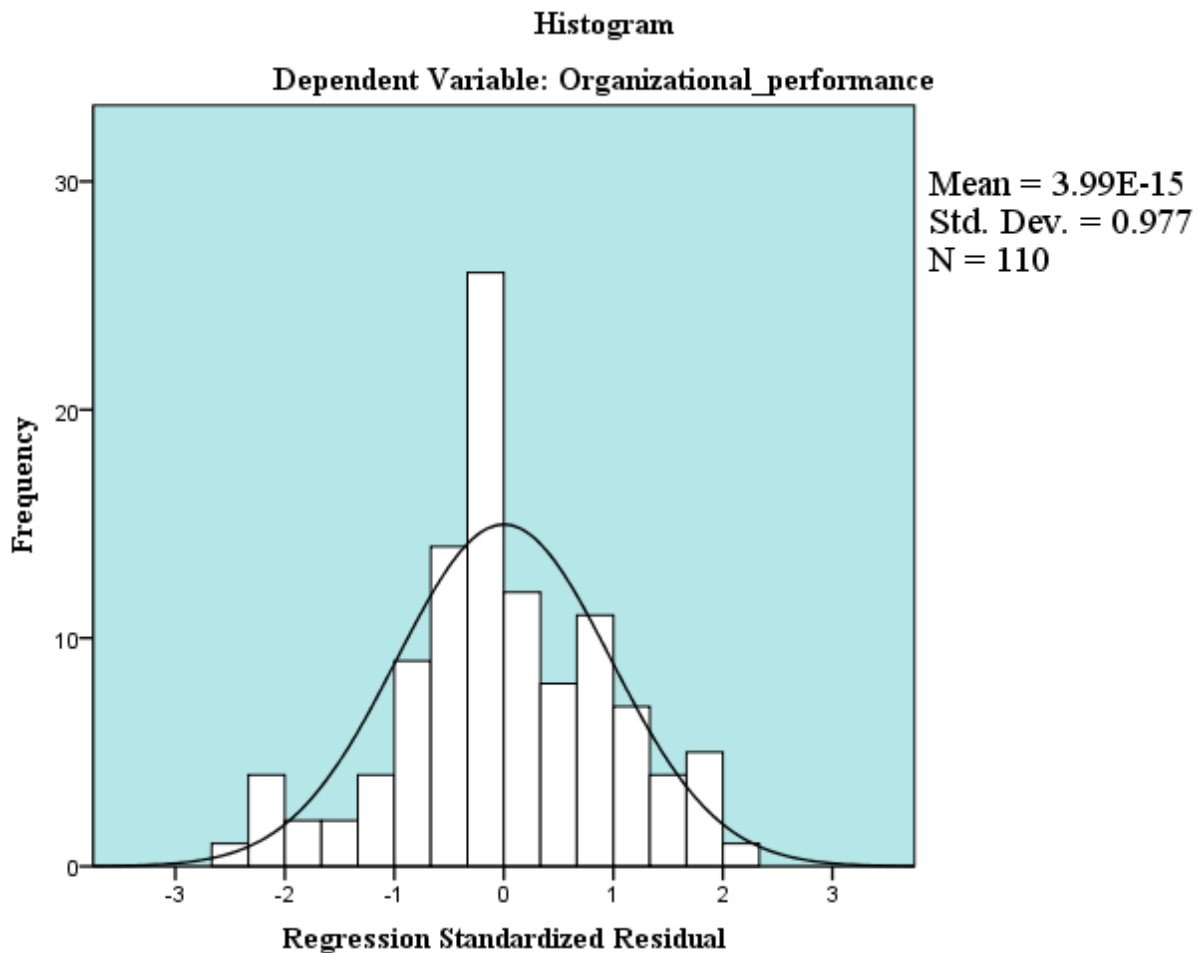
Figure 4.2: Normality

Source: survey output, 2022

4.1.6.4 Homoscedasticity

Homoscedasticity is an assumption in regression analysis that the residuals at each level of the predictor variables have similar variances. That is, at each point along any predictor variable, the spread of residuals should be fairly constant.
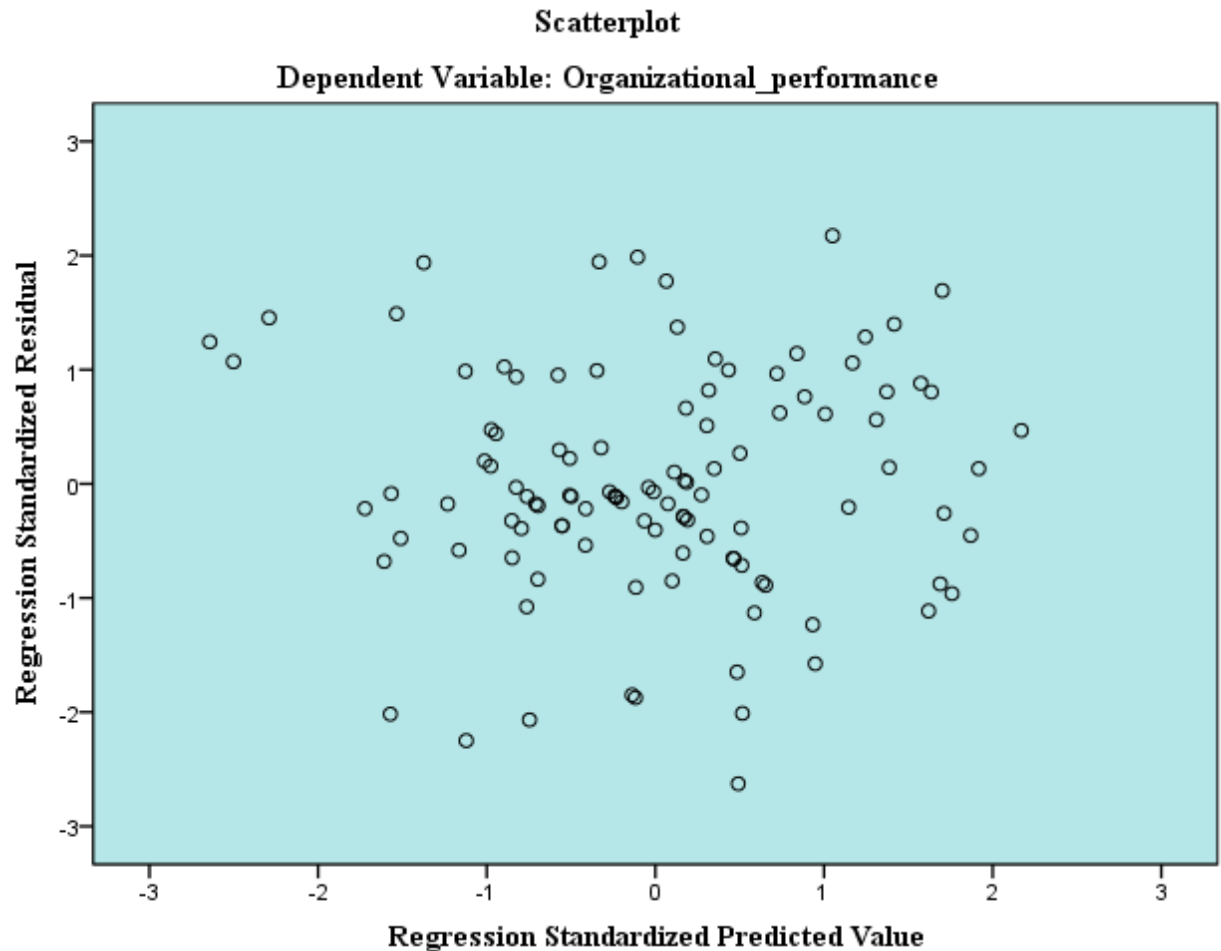
Figure 2.3: Homoscedasticity

Source: survey output, 2022

As can be seen in the scattered plot in figure 4.3, the residuals at each level of explanatory variables look like they are evenly dispersed around zero and that the graph is not something like cone shaped. Therefore, it is safe to say that this study has no homoscedasticity problem.

4.6.2 Multiple linear regression analysis

The multiple regression analysis was conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influence of independent

variables (advertising, sales promotion, personal selling, public relation and direct marketing) on the dependent variable; i.e., organizational performance.

4.6.2.1 Model summary

Table 4.14: Model summary

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.784[a]	.615	.597	.51606
a. Predictors: (Constant), Direct marketing, Sales promotion, Advertising, Public relation, Personal selling				
b. Dependent Variable: Organizational performance				

Source: survey output, 2022

As far as the above table is concerned, the adjusted R square 0.597 indicates 59.7 percent of the variance in organizational performance is attributed to the five independent variables entered into the regression and the remaining 40.3 percent of the variance in organizational performance may be explained by other factors which are not included in this study.

4.6.2.2 ANOVA

Table 4.15: ANOVA

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	44.272	5	8.854	33.248	.000[b]
	Residual	27.697	104	.266		
	Total	71.969	109			
a. Dependent Variable: Organizational performance						
b. Predictors: (Constant), Direct marketing, Sales promotion, Advertising, Public relation, Personal selling						

Source: survey output, 2022

ANOVA tells the overall goodness of fit of the model. Table 4.15 using ANOVA shows a significant value of 33.248 for the F distribution with 8 and 356 df. The F-test can be taken as a measure of overall model significance of the estimated regression, indicates that the p-value is less than 0.05, which implies that a significant relationship exists between the selected variables in this model. The following Table 4.16, coefficients table illustrates the influence of IMC tools on organizational performance. At this point using this multiple regression coefficient results, the proposed hypotheses for this study were tested as follows

4.6.2.3 Coefficients

Table 4.16: Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.155	.264		-.586	.559
	Advertising	.358	.095	.327	3.767	**.000**
	Sales promotion	-.091	.115	-.085	-.793	.430
	Personal selling	.299	.125	.269	2.395	**.018**
	Public relation	.172	.111	.170	1.549	.124
	Direct marketing	.222	.104	.218	2.131	**.035**
a. Dependent Variable: Organizational performance						

Source: survey output, 2022

Thus, the multiple linear regression model of this study is in the following way

$$Y= -0.155 + 0.358X1 - 0.091X2 + 0.299X3 + 0.172X4 + 0.222X5 + 0.264$$

Where;

Y= Dependent variable (Organizational performance)

X1= Advertising

X2= Sales promotion

X3= Personal selling

X4= Public relation

X5= Direct marketing

Table 4.16 presents the results of the model predicting organizational performance with the variables of advertising, sales promotion, personal selling, public relation and direct marketing. Three of the five independent variables have a positive effect except sales promotion and public relation at 95% confidence level. Unstandardized coefficient (βeta value) indicates the degree of importance of each IMC tools towards organizational performance i.e., if the value of Beta is high, the effect of independent variable on dependent variable will be high; accordingly, the significant dimensions can be ranked in the following manners on the basis of their contribution/importance:

1. Advertising β = 0.358

2. Personal selling β = 0.299

3. Direct marketing β = 0.222

Since sales promotion and public relation does not have significant effect on organizational performance, the interpretations of the significant independent variables are:

✓ The regression equation above has established that keeping all the five independent variables i.e., advertising, sales promotion, personal selling, public relation and direct marketing constant at zero organizational performance will be -0.155. This means in the absence of the five IMC tools the organizations performance will decrease by 15.5%.

✓ The findings of the study in table 4.16 indicate that keeping all other independent variables at zero, a unit increase in advertising would lead to a 35.8% increase in organizational performance.

✓ The findings of the study in table 4.16 indicate that keeping all other independent variables at zero, a unit increase in personal selling would lead to a 29.9% increase in organizational performance.

✓ The findings of the study in table 4.16 indicate that keeping all other independent variables at zero, a unit increase in direct marketing would lead to a 22.2% increase in organizational performance.

Overall, advertising had the highest effect on organizational performance of Lion insurance S.C followed by personal selling and direct marketing. The remaining two IMC tools i.e., sales promotion and public relation were found to be insignificant to affect organizational performance of Lion insurance S.C.

4.7 Hypothesis Testing

Hypothesis (H) testing is based on unstandardized coefficients beta and p-value to test whether the hypotheses are rejected or not. Based on the Table 4.16 multiple linear regression coefficients, each proposed hypothesis is tested as follows.

H1a: advertising has positive and significant effect on organizational performance

H1o: advertising has no positive and significant effect on organizational performance

The regression result of advertising with organizational performance shows significant level of influence at 95 percent confidence interval with a Sig. value of 0.000. based on this result, the alternate hypothesis was supported ***H1a***.

H2a: sales promotion has positive and significant effect on organizational performance

H2o: sales promotion has no positive and significant effect on organizational performance

The regression result of sales promotion with organizational performance shows insignificant level of influence at 95 percent confidence interval with a Sig. value of 0.430. based on this result, the null hypothesis was supported ***H2o***.

H3a: personal selling has positive and significant effect on organizational performance

H3o: personal selling has no positive and significant effect on organizational performance

The regression result of personal selling with organizational performance shows significant level of influence at 95 percent confidence interval with a Sig. value of 0.018. Based on this result, the alternate hypothesis was supported ***H3a***.

H4a: public relation has positive and significant effect on organizational performance

H4o: public relation has no positive and significant effect on organizational performance

The regression result of public relation with organizational performance shows insignificant level of influence at 95 percent confidence interval with a Sig. value of 0.124. Based on this result, the null hypothesis was supported **H4o**.

H5: direct marketing has positive and significant effect on organizational performance

H5: direct marketing has positive and significant effect on organizational performance

The regression result of direct marketing with organizational performance shows significant level of influence at 95 percent confidence interval with a Sig. value of 0.035. Based on this result, the alternate hypothesis was supported **H5a**.

Table 4.17: Summary of hypothesis testing

Hypothesis	Statement of hypothesis	Sig. value	Result
H1	Advertising has positive and significant effect on organizational performance	**0.000**	Accepted
H2	Sales promotion has positive and significant effect on organizational performance	0.430	Rejected
H3	Personal selling has positive and significant effect on organizational performance	**0.018**	Accepted
H4	Public relation has positive and significant effect on organizational performance	0.124	Rejected
H5	Direct marketing has positive and significant effect on organizational performance	**0.035**	Accepted

Source: survey output, 2022

4.8 Result and Discussion

The overall objective of this study was to examine the effect of IMC practices on organizational performance in the case of Lion insurance S.C. In general, the outcome of the study indicated that three of the five IMC tools were found to be significantly affecting organizational performance of Lion insurance S.C.

The determinants of IMC practices in organizational performance were advertising, sales promotion, personal selling, public relation and direct marketing. The study further revealed that

advertising was found as a dominant IMC practice to affect organizational performance of Lion insurance S.C. The effect of independent variable "advertising" on Organizational Performance provides B- value of 0.358 and sig. value of 0.000. So that it can be concluded that advertising has a positive and significant effect on Organizational Performance. This result contradicts to the result of a study with a quantitative method conducted by Mohammed D, 2017 advertising does not have an effect on organizational performance.

The second significant IMC practice found in this study which has strong and positive effect on organizational performance is personal selling. The effect of independent variable "personal selling" on Organizational Performance yields a B-value of 0.299 and Sig. value of 0.018. So that it can be concluded that personal selling has a positive and significant effect on Organizational Performance. This result is in line with the result of a study with a quantitative method conducted by Mohammed D, 2017 saying personal selling significantly affects organizational performance.

The third significant IMC practice found in this study which has strong and positive effect on organizational performance is direct marketing. The effect of independent variable "direct marketing" on Organizational Performance yields a B-value of 0.222 and Sig. value of 0.035. So that it can be concluded that direct marketing has a positive and significant effect on Organizational Performance. This result is in line with the result of a study with a quantitative method conducted by Mohammed D, 2017 saying direct marketing significantly affects organizational performance.

Sales promotion was found to have insignificant effect on organizational performance. The effect of independent variables "sales promotion" on Organizational Performance yields a B-value of - 0.091 and Sig. value of 0.430. So that it can be concluded that sales promotion does not have significant effect on Organizational Performance. However, this result is in line with the result of a study with a quantitative method conducted by Mohammed D, 2017 saying sales promotion does not have significant effect on organizational performance.

Public relation was found to have insignificant effect on organizational performance. The effect of independent variables "public relation" on Organizational Performance yields a B-value of 0.172 and Sig. value of 0.124. So that it can be concluded that public relation does not have significant effect on Organizational Performance. However, this result contradicts to the result of

a study with a quantitative method conducted by Kaleb B, 2021 saying public relation significantly affects organizational performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

In this chapter summary of the major aspects of this study are addressed and in line with the major findings of this study, conclusion of the findings is presented and based on the

conclusions made, recommendations for Lion insurance S.C and for further research are suggested.

5.1 Summary

The main objective of this study was to investigate the effect of IMC on organizational performance in the case of Lion insurance S.C. In this study explanatory research design were used. Regarding research approach, quantitative research approaches are implemented and a cross-sectional research survey was also considered. The target populations of the study were managerial position employees, marketing department employees and agents of the company.

Based on the research objective, primary data were employed as a source of information using English version questionnaire. One hundred and fourteen (114) respondents were approached using non- probability sampling (convenience sampling technique). From the 114 question forms, 110 are completed and returned.

With respect to the reliability and validity of the questionnaire table 4.2 illustrated that all the questionnaires were reliable and acceptable with Cronbach's Alpha result 0.960 and valid items are identified from the literature i.e., adopted and modified.

Regarding respondents perception, the finding of the study in table 4.11 indicated that the respondent's agreement with the variables by giving the higher rate scale to public relation (mean=3.600, SD= 0.80437), followed by personal selling (mean=3.5200, SD=0.73107), sales promotion (mean =3.4618, SD=0.76326), advertising (mean =3.1800, SD=0.74141), direct marketing (mean =3.1673, SD= 0.79656) and organizational performance (mean =3.0424, SD= 0.81257) The low standard deviation indicates that the mean is representative of the rate given by the majority of respondents.

Moreover, the results of correlation analysis in table 4.12 showed that all variables were positively and significantly correlated with the dependent variable i.e., organizational performance at 99 percent confidence level (P<0.01). The highest correlation was occurred between direct marketing and organizational performance (r=0.696), followed by personal selling (r=0.686), advertising (r=0.677), public relation (r= 0.636) and sales promotion (r=0.585). Table 4.16 indicated the results of multiple regressions of the five dimensions of IMC. The study was conducted on a 95% level of confidence i.e., P value less or equal to 5%.

The result shows that the model tested is significant ($p < 0.05$). The multiple R is .784, R square 0.615 and adjusted R square 0.597 indicates that 59.7% the variance in the dependent variable (organizational performance) can be explained/predicted from the independent variables. Means the random variation of the error term explains around 40.3% of the variation of the independent variable. Or the remaining 40.3% of the variance in organizational performance may be explained by other factors which are not included in this study.

In addition, table 4.16 depicted the relative effect of dimensions of IMC on organizational performance. β value & their significance was used to identify their relative importance in affecting organizational performance. The unstandardized beta value for advertising was β =0.358. This indicated that, the dimensions have relatively strong degree of importance on organizational performance. Personal selling and direct marketing had βeta value of 0.299 and, 0.222 respectively. Therefore, the finding revealed that, advertising was the most dominant dimension in determining organizational performance in Lion insurance S.C.

Based on the multiple regression coefficient results, the proposed hypotheses for this study were tested and hypothesis one, three and five were accepted and hypothesis two and four was rejected.

5.2 Conclusion

The study analyzed the effect of IMC on the side of organizational performance of Lion insurance S.C. The study aimed to answer five basic research questions and address five specific research objectives. based on the study finding the following conclusions are drawn.

Specific objective one: Identify the effect of advertising on organizational performance of Lion insurance S.C.

> Grounded on the regression result of advertising with organizational performance, the study concluded that advertising has significant level of influence on organizational performance of Lion insurance S.C.

Specific objective two: Identify the effect of sales promotion on organizational performance of Lion insurance S.C.

Grounded on the regression result of sales promotion with organizational performance, the study concluded that sales promotion has no significant level of influence on organizational performance of Lion insurance S.C.

Specific objective three: Identify the effect of personal selling on organizational performance of Lion insurance S.C.

Grounded on the regression result of personal selling with organizational performance, the study concluded that personal selling has significant influence on organizational performance of Lion insurance S.C.

Specific objective four: Identify the effect of public relation on organizational performance of Lion insurance S.C.

Grounded on the regression result of public relation with organizational performance, the study concluded that public relation does not have any significant influence on organizational performance of Lion insurance S.C.

Specific objective five: Identify the effect of direct marketing on organizational performance of Lion insurance S.C.

Grounded on the regression result of direct marketing with organizational performance, the study concluded that direct marketing has significant influence on organizational performance of Lion insurance S.C.

5.3 Recommendation

Based on the above conclusions drawn, the following recommendations are suggested for Lion insurance S.C. to help improve its IMC in order to increase organizational performance. From the five IMC tools three of them have positive and significant effect on organizational performance. Therefore, priorities toward these important dimensions are expected from the company. The remaining two predictor variables doesn't have significant effect on organizational performance but since they have positive relationship with organizational performance the company is recommended to do the following specific tasks in each of the five IMC tools in order to improve its practice of IMC and its organizational performance.

Advertising: In order to improve this dimension, the company should Advertise more informative and trustworthy messages for audiences.

Sales promotion: In order to improve this dimension, the company should use low-cost gifts to motivate customers to use the service, use attractive packages as a tool for promotion and organize events as sales promotion.

Personal selling: In order to improve this dimension, the company should train its sales persons to contact customers frequently to visit its services and offer customers customized service which suits their personality.

Public relation: In order to improve this dimension, the company should use appealing printed materials to promote its services and disseminate reliable information via the public relation.

Direct marketing: In order to improve this dimension, the company should update customers about its services through their personal mail, use social media to promote its new services and use phone calls to send clear messages regarding new service offers.

5.4 Limitation and future research recommendations

The study only focused on assessing the effect of IMC on organizational performance and it doesn't consider other factors which can influence organizational performance like service quality, price and others.

The study is conducted only in Lion insurance S.C. Addis Ababa, Ethiopia. so the findings cannot be generalized to other industries/products and also other countries. Furthermore, this study is done only from the company's' point of view; customers perspective about this subject is not researched because of time constraints. Therefore, this limitation provides for further research.

In addition, as the convenience sampling is used, bias may exist. As the population in this study is expected to shed some light in our understanding of the influence of IMC on organizational performance, further studies, however can try to have representative sample to strengthen any understanding in this area and thus this study cannot be generalized but provide us tentative results to investigate further in other studies. This study emphasized the significance of IMC tools on organizational performance of Lion insurance S.C. Adjusted R_2 which is the

coefficient of determination was 59.7% which means that IMC tools can account for 59.7% of the variation in organizational performance of Lion insurance S.C. While the remaining 40.3% variation in organizational performance is attributable to other factors. Therefore, Future research is recommended to identify other factors that affect organizational performance.

The independent variables used in this research have different types/classifications under each category, but the current study examined those variables in general. Therefore, Future research is recommended to identify and study the different types of each of the independent variables.

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Appendix

Questionnaire

ST- Merry University

POST GRADUATE PROGRAM MBA IN BUSINESS ADMINISTRATION

POST GRAGUATE PROGRAM

Dear Respondent,

My Name is Wesen Shiketa. I am currently conducting a Research for the partial fulfillment of Degree of Masters in Business administration. The Objectives of the study is focused on "the effect of Integrated Marketing Communication on organizational performance in the case of Lion insurance S.C.

I kindly ask you to fill all questions in this questionnaire with full honesty. Your honest opinion and your cooperation in providing genuine answers to the following questions are valuable for the success of this study.

I am very thankful for the support you are giving me and I would like to assure you that all your responses will be *kept confidential and will only be used for research purpose*. You can contact me through +251986556313

Note:

- No need to write your name
- Please complete each part of the survey with care, honesty and due attention,
- Please supply the required data by ticking [√] against the most appropriate answer.

Part 1: Personal information

1. **Gender:**   Male ☐   Female ☐

2. **Age:**   18-25 ☐   26-35 ☐   36-45 ☐   46-55 ☐   55+ ☐

3. **Educational level:** Primary school ☐   Secondary School ☐   Diploma ☐
   BA Degree ☐   Masters and above ☐

4. **Work experience:**   Less than 1 year ☐   1-3 years ☐   3-5 years ☐   5 years+ ☐

5. **Current job status:** Managerial ☐   Non managerial ☐

6. **Monthly income:** <3500 ☐   3501-10000 ☐   10001-25000 ☐   >2500 ☐

Part 2: Questions related with independent variables

Please indicate the level of your agreement or disagreement on the statements by putting (√) mark on the space provided below the options.

1= Strongly Disagree 2= Disagree 3= neutral 4= Agree 5= Strongly Agree

No.	Integrated Marketing Communication Tools	1	2	3	4	5
Advertising						
1	The company uses media advertising for its services					
2	The company's advertising is more informative					
3	Trustworthy information is advertised by the company					
4	Frequent advertising of the company reminds customers to use the service					
5	Overall advertising practices of the company influenced customers to prefer the service					
Sales Promotion						
6	The company uses low-cost gifts to motivate customers to use the service					
7	The sales discount during holiday events attracts customers more					
8	The company uses attractive packages as a tool for promotion					
9	The company organizes events as sales promotion					
10	The overall sales promotion activities of the company tempt customers to go there.					
Personal Selling						
11	The sales persons contact customers frequently to visit its services					
12	The sales persons of the company are knowledgeable to instill confidence on customers					
13	The sales persons of the company offer customers customized service which suits their personality					
14	Sincerity of the company's sales persons influences customers to use its services					
15	The sales persons create friendly relationship which influenced customers to visit the service					
Public Relation						
16	The company uses appealing printed materials to promote its services					

17	Reliable information, disseminated via the public relation, tempted customers to use the service					
18	The company provides more detailed information via its public relation officers					
19	Information from the company's public relation makes customers perceive the brand positively					
Direct Marketing						
20	The company updates customers about its services through my personal mail					
21	The company uses social media to promote its new services					
22	The company uses phone calls to send clear messages regarding new service offers					
23	The company staff's interactive communication persuades its customers to purchase					
24	Overall direct marketing practice of the company makes customers decide to use its service					

Part 3: Questions related to the dependent variable

No.	**Organizational Performance**	1	2	3	4	5
25	Company customers are fully satisfied.					
26	Company growth of market share is high.					
27	Company growth of sales is high.					
28	Company growth in return on investment is high.					
29	Company profit margin on sales is high.					
30	Company overall competitive position is high.					

Appendix Two

SPSS Outputs

Correlations

		Organizational_performance	Advertising	Sales_promotion	Personal_selling	Public_relation	Direct_marketing
Organizational_performance	Pearson Correlation	1	.677**	.585**	.686**	.636**	.696**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	110	110	110	110	110	110
Advertising	Pearson Correlation	.677**	1	.591**	.596**	.537**	.684**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	110	110	110	110	110	110
Sales_promotion	Pearson Correlation	.585**	.591**	1	.761**	.772**	.652**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	110	110	110	110	110	110
Personal_selling	Pearson Correlation	.686**	.596**	.761**	1	.771**	.721**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	110	110	110	110	110	110

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Public_relation	Pearson Correlation	.636**	.537**	.772**	.771**	1	.686**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	110	110	110	110	110	110
Direct_marketing	Pearson Correlation	.696**	.684**	.652**	.721**	.686**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.784[a]	.615	.597	.51606

a. Predictors: (Constant), Direct_marketing, Sales_promotion, Advertising, Public_relation, Personal_selling

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.272	5	8.854	33.248	.000[b]
	Residual	27.697	104	.266		
	Total	71.969	109			

a. Dependent Variable: Organizational_performance

f

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.155	.264		-.586	.559
	Advertising	.358	.095	.327	3.767	.000
	Sales_promotion	-.091	.115	-.085	-.793	.430
	Personal_selling	.299	.125	.269	2.395	.018
	Public_relation	.172	.111	.170	1.549	.124
	Direct_marketing	.222	.104	.218	2.131	.035

a. Dependent Variable: Organizational_performance