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Research Article

Effects of Integrated Marketing Communication Strategies on Selected Private Commercial Banks' Performance through the Mediating Role of Brand Equity

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Abstract

The research examines the effects of Integrated Marketing Communication (IMC) by mediating brand equity on selected private commercial banks' performance in Addis Ababa, Ethiopia. The study targets private Ethiopian commercial banks operating for over 15 years, focusing on their head office Marketing and Customer Relationship Management staff. A multi-stage sampling method is used, combining purposive, probability and convenience techniques. Respondents from pertinent departments are then chosen through probability and convenience sampling for practical data collection. Using a Structural Equation Modelling (SEM) framework, the study tests the direct effect of IMC on bank performance and brand equity (BE), and the indirect effect through the mediation of brand equity. The findings reveal that IMC significantly enhances bank performance both directly and indirectly through its positive effect on BE. Further, the analysis reveals that BE exerts a positive and significant influence on bank performance and partially mediates the IMC–performance linkage. Hypothesis testing validates the need for IMC in the development of brand equity, which leads to better operating performance. The results confirm that Integrated Marketing Communications IMC makes a significant positive contribution to both Brand Equity (BE) and banks' performance, exerting strong direct effects ($\beta=0.716$, $p<0.001$ and $\beta=0.775$, $p<0.001$ respectively). Additionally, Brand Equity positively contributes to Bank Performance ($\beta=0.490$, $p<0.001$), indicating that a well-established brand equity influences financial and operating success. Furthermore, IMC has an indirect effect on Bank Performance through Brand Equity ($\beta=0.351$, $p<0.001$), highlighting branding as a partial mediator in the IMC-performance relationship. These findings suggest that banks should emphasize appropriate integrated marketing communication strategies to improve their brand equity and performance as a whole.

1 Introduction

In the competitive banking sector, banks are increasingly recognizing the importance of integrated marketing communication strategies as a source of enhanced performance and competitiveness (Achrol and Kotler, 2017). Integrated Marketing Communication (IMC) is a systematic process that coordinates different marketing channels and communication tools to convey one message, thereby generating brand loyalty and customer engagement (Dinyah Fitri and Herdiansyah, 2021). In the competitive business world with growing customer expectations, the importance of IMC strategies cannot be overstated.

Despite the widely accepted benefits of IMC in strengthening organizational performance and building long-term stakeholder relationships, some of the determinants enabling its implementation remain inconclusive (Pisicchio and Toaldo, 2021). In today's business environment, IMC has become indispensable as companies attempt to attain market leadership, win customers, and keep them. According to Blazheska et al. (2021), IMC forms a pillar of contemporary business policies for developing sustainable customer relationships.

Empirical studies also indicate the impact of IMC on brand awareness. For instance, Dinyah Fitri and Herdiansyah (2021) studied the impact of IMC on BLANJA.com's brand awareness and concluded that online promotion of sales, public relations, communication, and advertising collectively enhance brand recognition. In support of this argument, Melati et al. (2024) argue that advertising is a primary force behind increasing brand awareness through engaging and informative ads that eventually drive purchase intent and overall business performance. Molla and Rahaman (2022) also depicts the reality that expenditure on advertisement significantly enhances the financial performance of banks and attests to the economic importance of IMC expenditure.

Besides, Al-azzam et al. (2024) emphasize the need for customer-oriented IMC planning and creative products that meet the demands of customers. In concurrence with this, Phokwane and Makhitha (2023) investigated the contribution of IMC to private bank performance in Juba, South Sudan, emphasizing the applicability of a well-balanced promotion mix. Similarly, Gede (2024) investigated promotional mix variable interactions with sales volume, affirming their noteworthy contribution to sales performance.

Firms that create superior IMC competencies have a higher chance of achieving greater campaign effectiveness, which translates to better market-based and financial performance (Luxton et al., 2015). To this extent, IMC is also among the most influential firm-specific competencies with an unparalleled influence on performance outcomes. Wu et al. (2022) offer additional evidence by demonstrating that planned public relations, advertising, and social media advertising have a substantial positive effect on hotel marketing performance. Founded on such a knowledge base, Batra and Keller (2016) propose a framework for maximizing IMC performance, with a "top-down" communications optimization model and a "bottom-up" communications matching model. Moreover, the relationship between IMC and brand loyalty has been examined extensively. Šerić et al. (2020) confirm that consistency in communication significantly strengthens brand loyalty, particularly for fast food brands. Likewise,Dinyah Fitri and Herdiansyah (2021) affirm that IMC remains one of the primary drivers of brand awareness. Ameyibor et al. (2022) is convinced that brand equity enhances corporate performance through consumers' willingness to pay premium prices, increasing brand preference, and enhancing loyalty. Although brand equity may be an outcome of numerous factors, researchers agree that maintaining consistency in communication through IMC is the secret to its establishment (Dzakiyya and Hijrah Hati, 2024).

Empirical validity of the IMC, brand equity, and business performance relationship has been confirmed across various industries. Elrayah (2020) researched large Saudi Arabian

market players and confirmed a strong relationship between IMC, brand equity, and business performance. Similarly, Theodora (2021) believes that IMC helps in building and establishing brand equity, which has an impact on firm performance. To complement these results, Rahayu and Hendrayati (2021) emphasize that IMC has a direct and significant impact on brand equity, necessitating sustained strategic efforts at IMC to drive brand positioning and maximize shareholder value.

Several recent empirical studies supplement the direct linkage between IMC and brand equity (Anita et al., 2023; Rahayu and Hendrayati, 2021. Tamulienė et al. (2020) for example, proved that IMC has a positive influence on brand loyalty, which is a basis of brand equity. Elrayah (2020) and Lee et al. (2021) further empirically confirmed the positive influence of IMC on corporate performance and brand equity. These results all point to the fact that companies that place a focus on integrated marketing communications are going to be more likely to have enhanced market position, financial performance, and long-term customer loyalty.

In their study of the integrated marketing communication model's influence on brand equity and business performance, Sulaeman and Kusnandar (2020) concluded that public relations, advertising, sales promotion, personal selling, and direct marketing all partially and simultaneously influence consumer choices and business performance. Similar to this, research by Rahayu and Hendrayati (2021) concludes that it is critical to concentrate on the company that keeps up its strategic efforts in the area of integrated marketing communication (IMC), which helps to increase the company's Brand Equity in the eyes of consumers, leading to enhanced company performance as evidenced by the optimization of sales, profits, and wealth to meet shareholder value. Figure 1 presents the conceptual framework developed through a rigorous empirical literature review.

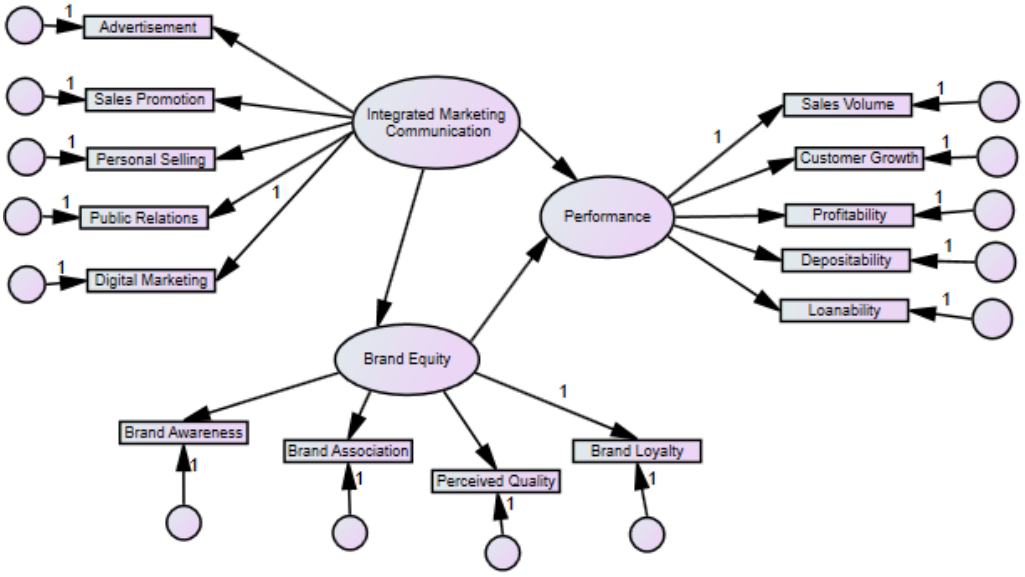

Figure 1: Conceptual Framework Based on Empirical Literature Review

Sources: (Chen, 2020; Manisha, 2017; Sulaeman and Kusnandar, 2020; Syamria et al., 2023)

The aforementioned researches were conducted in various countries, using various approaches, at various points in time, and in various sectors other than the banking sector, with various outcomes. Therefore, using brand equity as a mediating variable, in this paper, the effect of the integrated marketing communication strategy on the performance

of banks in Ethiopia is determined. This study aims to provide valuable insights into how integrated marketing communications can be employed to create brand equity and eventually result in improved performance outcomes in the banking sector. The findings will offer valuable implications for marketing practitioners and bank managers who are interested in enhancing their communication strategy and improving their market positioning.

A set of hypotheses was constructed in this paper that was tested in the analysis and discussion.
H1a: Integrated marketing communication has a significant effect on banks' performance.
H1b: Brand equity moderates the relationship between integrated marketing communication and the performance of the banks.
H1c: Integrated marketing communication has a significant effect on brand equity in banks.
H1d: Brand equity significantly influences banks' performance.

2 Materials and Methods

This research aims to identify the "Effects of Integrated Marketing Communication (IMC) Strategies on Banks' Performance by mediating brand equity" in Ethiopia. This research has employed a positivist philosophy, which believes that knowledge should be derived from scientific observation and empirical evidence. It emphasizes quantifiable variables and statistical analysis (Creswell and Creswell, 2017). Using this philosophy, this research elaborates relationships that prevail between IMC strategies, brand equity and banking performance while allowing flexibility and practicality in accordance with the objectives of the research. Thus, this research investigates how different dimensions of IMC affect bank performance; therefore, it demonstrates how important IMC is in the banking industry.

An explanatory descriptive research design was used for this study. Descriptive research is performed to describe the effect of integrated Marketing Communication (IMC) practices, such as advertising, sales promotion, personal selling, public relations and digital marketing, based on the quantitative results. Explanatory research to ascertain the cause and effect between these strategies and bank performance, specifically looking at the direct effect of these variables. Data collection involved quantitative surveys distributed among employees. The study targeted private banks in Ethiopia with over fifteen years of operational experience, focusing specifically on marketing and CRM staff at their head offices. These employees were chosen because they directly engage with IMC strategies and possess in-depth knowledge of their impact on bank performance. The sampling procedure followed a multi-stage design, beginning with purposive sampling to select six private banks, including Awash Bank, Dashen Bank, Hibret Bank, Nib International Bank, Cooperative Bank of Oromia, and Oromia Bank. These banks were selected based on their operational longevity and relevance to the study. A probability sampling method was then applied to select respondents from the marketing and CRM departments, followed by convenience sampling for ease of access.

To determine the sample size, the study utilized Morris (2015) simplified formula, resulting in a sample of 376 respondents from a target population of 579 employees. The sample size is computed as:

$$n = \frac{NZ^2pq}{(E^2\,(N-1) + Z^2pq} \tag{1}$$

The necessary sample size is denoted by n. N is the size of the entire population. The population proportions, p and q, are both set to 0.5. z is the value that defines the desired confidence level for the confidence interval when analyzing the data. A common confidence level in surveys is 95%, for which z is 1.96. E determines the precision of the sample proportions. For instance, if you aim to estimate the proportion of individuals supporting a policy with a margin of error of ±3%, E would be set to 0.03. Thus, the sample size is calculated as follows.

$$n = \frac{(579)\,(1.96)^2\,(0.5 * 0.5)}{((0.03)^2\,(579-1) + (1.96)^2(0.5 * 0.5)} \tag{2}$$

Out of the 376 questionnaires distributed, 312 were properly filled and used for this analysis purpose, representing 83% response rate. The sample was stratified by bank to ensure proportional representation. Employees were given standardized questionnaires to complete in order to gather primary data. Respondents are asked to indicate how much the identified variables of integrated marketing communication have affected their banks' performance by answering statements on a Likert scale with five points: 1 means severely disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree. Following data collection, the direct impact of IMC dimensions was tested using Structural Equation Modelling (SEM), which was used to investigate causal links between IMC methods and bank performance. The validity of the constructs was checked using Confirmatory Factor Analysis (Hair et al., 2019). To ensure evidence of the stability of the results, reliability and validity were strictly examined. Quantification was used to measure dependability in terms of Cronbach's alpha and composite reliability, whose acceptable values are above 0.7 (Hair et al., 2011). Convergent validity (which guarantees crucial correlations between measures of the same construct) and discriminant validity (which guarantees that constructs vary from one another) were applied to measure validity. By securing informed consent from all participants, the study aligned with ethical guidelines. Concisely, the research approach outlines an exhaustive method of examining the impact of IMC on banks' performance through the mediating role of brand equity through a mixed-methods research design in gathering qualitative and quantitative data. The approach guarantees that the research objectives are properly addressed and provides insightful information on how various IMC tools facilitate banks to thrive in the Ethiopian market through the mediating role of brand equity.

3 Results and Discussions

A reliability test was conducted to assess the internal consistency of the measurement items used for this study. Cronbach's Alpha (α) was used as a measure to assess the reliability of each of the constructs and their respective dimensions.

Table 1: Reliability Test of Measures

Variables	Dimension	Cronbach Alpha (α) values	Overall α-value
Integrated Market Communication (IMC)	Advertisement	0.949	0.914
	Sales Promotion	0.888	
	Personal Selling	0.905	
	Public Relations	0.919	
	Digital Marketing	0.987	
Brand Equity	Brand Awareness	0.856	0.898
	Brand Association	0.768	
	Perceived Quality	0.888	
	Brand Loyalty	0.894	
Performance		0.892	

Source: Field Survey (2024)
Note: The items are all measured using the five-point Likert scale

Furthermore, the above table 1 presents the reliability test results of various measures across key variables, with a specific focus on Cronbach's Alpha (α) values-a common measure of internal consistency. A Cronbach Alpha value of more than 0.70 is considered acceptable in social science research studies; the higher the value, the stronger the reliability of the measurement tool(Hair et al,2010).

Integrated Market Communication (IMC) variable includes dimensions like Advertisement, Sales Promotion, Personal Selling, Public Relations, and Digital Marketing, each showing high Cronbach Alpha values (ranging from 0.888 to 0.987). The overall α-value for IMC is 0.914, suggesting strong reliability and consistency within these dimensions. Performance variable, though not broken into sub-dimensions, has an α-value of 0.892, which reflects a high degree of reliability in measuring this construct.

Table 2: Regression Weights

Variable		Variable	Estimate	S.E.	C.R.	P
BE	←	IMC	.741	.102	7.280	***
PERF	←	IMC	.775	.180	4.311	***
PERF	←	BE	.474	.164	2.894	.004
Advertisement	←	IMC	1.000			
Sales_Promotion	←	IMC	.801	.109	7.374	***
Personal_Selling	←	IMC	.563	.097	5.784	***
Public_Relations	←	IMC	.819	.107	7.671	***
Digital_Marketing	←	IMC	.779	.100	7.807	***
Brand_Loyalty	←	BE	1.000			
Percieved_Quality	←	BE	.910	.098	9.314	***
Brand_Association	←	BE	.790	.102	7.769	***
Brand_Awareness	←	BE	.967	.105	9.242	***
PERF01	←	PERF	1.000			
PERF02	←	PERF	.916	.057	16.002	***
PERF03	←	PERF	.955	.061	15.720	***
PERF04	←	PERF	.913	.059	15.507	***
PERF05	←	PERF	.901	.063	14.364	***

Source: Field Survey (2024)

The Structural Equation Modelling (SEM) regression weights in table 2 above display key

path estimates between Integrated Marketing Communication (IMC), Brand Equity (BE), and Bank Performance (PERF), as well as the observed indicators associated with these latent constructs. The path from IMC to Brand Equity shows a statistically significant standardized estimate of 0.741 at a critical ratio (C.R.) of 7.280 with a p-value of *** ($p < 0.001$), proving the strong and positive influence of IMC on brand equity. Similarly, IMC has a direct and significant influence on Bank performance (estimate = 0.775, C.R. = 4.311, $p < 0.001$), establishing its strategic value in business outcomes. Additionally, Brand Equity strongly determines performance (estimate = 0.474, C.R. = 2.894, $p = 0.004$), suggesting partial mediation, thereby suggesting brand equity(BE) to be a mediator by which IMC enhances performance.

The observed measures of IMC Sales Promotion (0.801), Personal Selling (0.563), Public Relations (0.819), and Digital Marketing (0.779) all have high and significant loadings ($p < 0.001$), which confirms that IMC is truly well operationalized through these fundamental promotion factors. The results highlight how a unified communications plan results in cohesive brand messages and strategic marketplace positioning, which is supported by recent literature on marketing integration in the digital era(Harizi and Trebicka, 2023).

On the Brand Equity side, indicators such as Perceived Quality (0.910), Brand Association (0.790), and Brand Awareness (0.967) have strong and statistically significant loadings, with all C.R. values > 7 and $p < 0.001$. These findings confirm that the model has construct validity and internal consistency, and support the multidimensionality of brand equity. This aligns with current empirical studies showing that consumer-based brand equity dimensions remain pivotal in influencing customer preference and performance(Kunle et al., 2020; Pinar et al., 2020).

The performance construct (PERF) also exhibits dependable measurement through its indicators PERF02 to PERF05, all of them reporting high factor loadings (ranging from 0.901 to 0.955) and highly significant C.R. statistics (all over 14). These results confirm the robustness of the performance model and justify its usage in SEM-based examinations of firm outcomes.

Structural Equation Model of IMC- BE- PERF

Once the entire separate measurement model for each construct of each variable; pooled measurement model was conducted a separate structural equation model for IMC-BE-PERF.

Path Analysis and Hypothesis Testing

Once the validity and reliability of the measurement model have been confirmed, the next step involves testing the hypothesized relationships using the Bootstrapping algorithm. This includes examining the direct effects of Integrated Marketing Communication (IMC) and Brand Equity (BE) on bank performance, as well as the indirect effect of IMC on bank performance mediated by brand equity. Additionally, the mediating role of BE in the relationship between IMC and bank performance is also analyzed. In this section, all these hypotheses are examined. Here below is the SEM for IMC-BE-PERF.

Path Analysis and Hypothesis Tests of IMC-BE-PERF

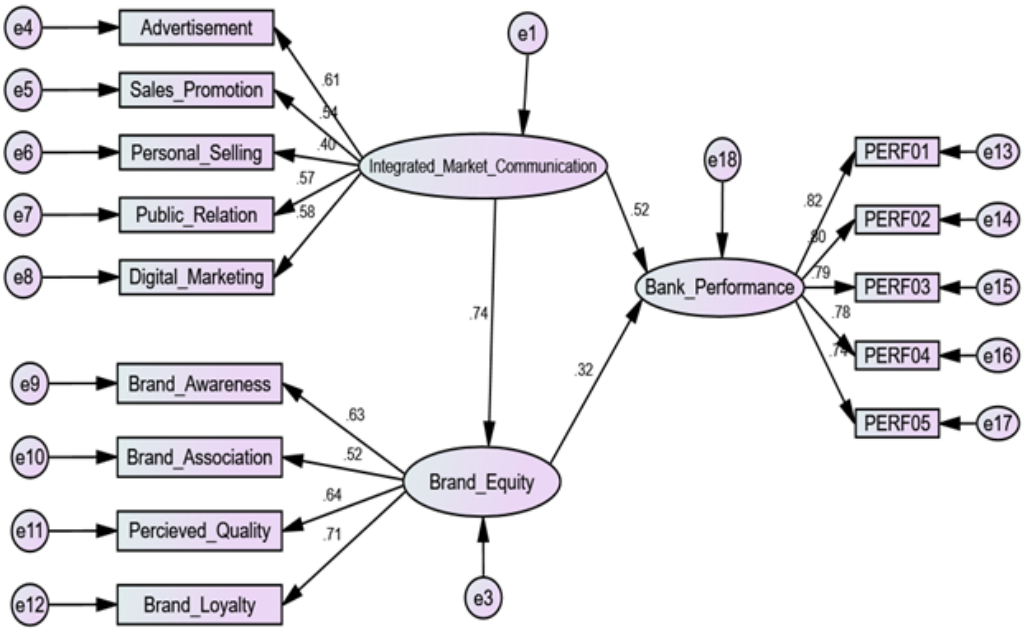

Figure 2: CRM-BE-PERF Structural Equation Model

It looks like your structural model has excellent fit. In SEM (Structural Equation Modeling), these indices are the "litmus test" to see if your proposed theoretical model actually matches the data you collected.

Here is the LaTeX code for Table 3, followed by a brief breakdown of what these specific results mean for your study.

Table 3: Structural Model Fitness Indices

χ^2 (df)	P-value	χ^2/df	GFI	CFI	SRMR	NFI	IFI	RMSEA
111.388 (74)	0.082	1.505	0.952	0.976	0.047	0.932	0.976	0.040

Source: Field Survey (2024)

Table 3 above shows that the model fitness index values are higher than the bare minimum needed. The data's fit to the model is supported by the following metrics: X2 (df) =111.388 (74), P-value = 0.082, GFI = 0.952, CFI =.976; NFI = 0.932; IFI = 0.976; normed chi-square = 1.505; SRMR = 0.047 and RMSEA = 0.040. Therefore, all the required fitness indices of the structural equation model of the study are fulfilled for further testing the hypothesis using path analysis. In Table 3 below, the presentation includes the importance of each path coefficient as well as the impact of exogenous constructs on the endogenous construct.

Table 4: Each Path Estimate's Unstandardized Regression Weights and Significance Level in Figure 1

Construct		Construct	Estimate	S.E.	C.R.	P	Result
BE	←	IMC	.716	.104	6.862	***	Significant
Bank PERF.	←	IMC	.775	.180	4.311	***	Significant
Bank PERF.	←	BE	.490	.170	2.877	.004	Significant

Source: Field Survey (2024)
*** suggests that it is substantial at < 0.001

Table 5: Weights of Standardized Regression for Each Path Estimate in Figure 1

Construct		Construct	Estimate
BE	←	IMC	.738
Bank PERF.	←	IMC	.517
Bank PERF.	←	BE	.318

Source: Field Survey (2024)

According to the path analysis results in Table 5 above, integrated marketing communication (IMC) has a significant effect on Bank Performance and Brand Equity (BE), with respective path coefficients of 0.517 and 0.738. Bank performance is positively impacted by brand equity as well, with a coefficient of 0.318 indicating a partial mediating effect. IMC's strategic significance in the banking industry is highlighted by its overall impact on bank performance, which is roughly 0.751. These findings are consistent with the current study, which shows that integrated and consistent communication improves consumer engagement and brand image, which in turn boosts organizational performance (Anabila, 2020). Banks that make investments in well-coordinated IMC initiatives are therefore in a more advantageous position to develop their brand and see long-term performance improvements.

Table 6: The Respected Path's Hypothesis Testing Result

Hypothesis Statement	Estimate	P-Value	Hypothesis Result
H1: BE is significantly affected by IMC	0.716	***	Supported
H2: Bank performance is significantly affected by IMC	0.775	***	Supported
H3: Bank performance is significantly affected by BE	0.490	0.004	Supported
H4: IMC significantly influences banks' performance indirectly through BE	0.351	0.000	Supported

Source: Field Survey (2024)

As demonstrated in Table 6 above, IMC has a significant and positive direct impact on bank performance at the 0.05 significance level (β = 0.775, t = 4.311, p<0.001), and the idea that IMC significantly improves banks' performance was validated as well as result concord the results of previous findings of Elrayah (2020), Muhanji and Ngari (2014), Nart et al. (2020), and Serdar (2011) . This suggests that banks are recommended to have well integrated market communication to boost their performance. The hypothesis the effect of BE on bank performance also tested in this study in IMC-BE-PERF model and as shown in the same table BE had a significant and positive effect on bank performance at the 0.05 level of significance (β = 0.490, t = 2.877, p < 0.004), and the idea that BE significantly improves bank performance was validated and result concord the results of previous findings of Elrayah (2020) and Hee et al. (2022) . This suggests that banks should have to audit their brand equity as it was found to improve their performance.

The indirect or mediation effect is examined using the Sobel test (the variant that employs the standard error in Equation), $SEab = \sqrt{SE_b^2 + b^2SE_a^2}$ and $Z = ab/\sqrt{(SE_b^2 + b^2SE_a^2)}$ as well as a version that relies on a nonparametric bootstrapping procedure using 5000 resampling was employed. It is common knowledge that one of the assumptions of the Sobel test is the requirement of a large sample size (Moke et al., 2018; Soleman and Tiffanie Victoria, 2021). Therefore, under the assumption of normality of the sampling distribution of the product term ab and with a significance level of α =.05, the approximate critical value for a two-tailed test is ±1.96. In order to perform the test, this critical value (±1.96) of the standard normal distribution at α =.05 is contrasted with the computed Z value of the indirect effect. However, with decreasing sample size, the Sobel test is less conservative (Zhang and Li, 2023).

Hillier et al. (2024) caution against the application of the normal distribution in the calculation of the p-value of the Sobel test because the sampling distribution of the product term ab need not be a normal distribution. The distribution of such products in most instances will be positively skewed, and thus confidence intervals under normality assumptions are symmetric and can yield tests of mediation with weak statistical power.

Alfons et al. (2022) advise against the application of the normal distribution to the estimation of statistical significance. As an alternative, they recommend comparing the calculated product with a set of critical values obtained from simulation studies or by bootstrapping the sampling distribution of ab to generate a confidence interval from the empirically obtained distribution. Bootstrapping is a nonparametric hypothesis testing and effect size estimation procedure that is free from assumptions about the shapes of the variables' distributions or the sampling distribution of the statistic(Creedon and Hayes, 2015; Ohlendorff et al., 2025.

Additionally, it offers a test independent of large-sample theory and hence is more suitable and dependable to use with a small sample. This procedure involves drawing a large number of resamples of size n (equal to the original sample size) from the data, with replacement sampling, and estimating the indirect effect (ab) for each resample (Koopman et al., 2015). Bootstrap methods have been recommended by researchers like (Alfons et al., 2022) as a remedy for the issue of loss of statistical power caused by asymmetry and other normality violations in the sampling distribution of ab. Accordingly, both the Sobel test and bootstrap methods were employed in this study to minimize the bias, and the findings are presented in Tables 6 and 7 below, respectively.

Hence, this study looked into how IMC indirectly affected banks' performance through BE. The hypothesis that BE has a significant positive impact on banks' performance was supported by the above SEM analysis table 4, which also provides a good basis for testing the indirect effect of IMC on performance through BE. Brand equity has a positive and significant effect on banks' performance at the level of significance 0.05 (β = 0.490, t = 2.877, p < 0.001). To examine the indirect impact of IMC on banks' performance through BE, bootstrapping was used. Zhao et al. (2010) recommended that the 95% confidence level from the bootstrap analysis and the indirect effect (a x b) be included when reporting the mediation analysis results. He contends that mediation is demonstrated and the indirect effect a x b is significant if the confidence interval excludes 0. Mediation analysis is rejected if a x b is not significant and the confidence interval contains 0. The test's outcomes are displayed in Table 5 above.

Furthermore, in order to enable meaningful interpretation of the findings, the unstandardized regression coefficients a, b, and c were employed. By using these procedures, the bootstrap analysis reveals that IMC has a positive and substantial indirect effect on performance (a x b = 0.351), with a 95% confidence interval that includes zero (0.022 to 0.683). Holding IMC, a unit rise in BE boosts banks' performance by 0.490 units. In the indirect path, a unit increase in IMC raises BE by a =.716 units; b =.490. Additionally,

notable is the direct effect c (.351) (p =.000); a unit increase in IMC results in a 0.351 improvement in performance while holding BE constant. It is a complementary mediation since a x b x c = (.272) is positive. Generally, IMC and BE have a significant effect on performance. However, BE was found to mediate IMC and banks' performance linkage, or IMC does have an indirect effect on Performance and hence, the H4 was supported. These outcomes support the findings of earlier studies, including Elrayah (2020) and Anabila (2019).

This finding has an implication for banks are strongly encouraged to participate actively in IMC as a means of enhancing their performance. In this study, for the indirect effect, the confidence limits, confidence level and P-values of independent variables were computed after a bias-corrected bootstrap was employed, as it provides the most accurate confidence limits and greater statistical power. The next tables, 7 and 8, display the findings.

Table 7: Indirect Effect Z-value and P-values

Path	Path a	SE (a)	Path b	SE (b)	a*b	SEab	Z-value	P-value
IMC → BE → PERF	0.716	0.104	0.490	0.170	0.351	.155	2.655	0.000

Source: Field Survey (2024)
Note: IMC = Integrated Market Communication, BE = Brand Equity, and PERF = Performance.

The above Table 7 shows a mediation analysis examining the indirect effect of integrated marketing communication (IMC) on Bank Performance (PERF) via Brand Equity (BE). Results show that the path from IMC to BE (path a) is estimated at 0.716 with a standard error (SE) of 0.104, showing a strong as well as statistically substantial positive association. This suggests that improvements in IMC significantly enhance brand equity. The second path of the mediation, BE to PERF (path b), is 0.490 with an SE of 0.170, also showing a significant positive effect. The product of these paths (a × b = 0.351) is the IMC's indirect effect on performance via brand equity. The pooled standard error of the indirect effect is 0.155, and its Z-value and p-value are 2.655 and 0.000, respectively, which confirms that the result of mediation is statistically noteworthy at the 0.01 level. It shows that Brand Equity significantly acts as a mediator between IMC and Bank Performance. These findings are consistent with more recent studies emphasizing the mediating role (Mandagie and Rana, 2023; Widjaya, 2024).

Table 8: Bootstrapped Confidence Level for P-values

Path	95% Lower Bound	95% Upper Bound
IMC → BE → PERF	0.022	0.683

Source: Field Survey (2024)

As seen in Table 6 above, IMC has an indirect effect because, as can be observed in Table 7 above, zero was not included in the range between the bottom and upper limits of the bootstrapped buoyancy level, which justifies the P-values of IMC. Thus, it can be concluded that IMC was found to have an indirect effect or BE was found to mediate the IMC-PERF linkage and the indirect effect's magnitude was computed as follows.

Finding the Impact Size of IMC's Indirect Effect

"As stated by Kenny (2016), the measurement of mediation, or the indirect effect, pertains to the portion of the effect that is mediated, determined by dividing the indirect

effect by the total effect". To ascertain whether the mediation is partial or full, it is generally accepted that the proportion of the indirect effect to the overall effect must be at least 0.80 to support a claim of complete mediation. In this study, Variance Accounted For (VAF) was utilized to assess the mediation effect, in accordance with the guidance made by Hair et al. (2011), which included the calculation of VAF for each variable. "The VAF indicates the size of the indirect effect in comparison to the total effect (i.e., Direct Effect + Indirect Effect) and is calculated as VAF = indirect effect/total effect (Hair et al., 2011)". Therefore, the calculated VAF values for each dimension, which signify partial mediation, are presented in Table 9 below. As we can see from Table 9 above, the direct

Table 9: Variance Accounted For (VAF) Significant Indirect Effect on PERF

Construct	Direct Effect (1)	Indirect Effect (2)	Total Effect (3)	VAF (2)/(3)
Brand Equity	.775	.351	1.126	.312

Source: Field Survey (2024)

effect of brand equity on performance is 0.775, and the indirect impact, apparently via a mediating variable such as Integrated Marketing Communication (IMC) is 0.351. The overall effect of BE on PERF is 1.126, calculated as the total amount of direct and indirect effects. Variance Accounted For (VAF) as a fraction of an indirect influence on the overall effect (0.351/1.126) ≈ 0.312 or 31.2 reflects the extent of mediation. A VAF of 20% to 80% indicates partial mediation, and this means Brand Equity Influences Performance both directly and indirectly by some other variable (Hee et al., 2022; Šerić et al., 2020). In this case, approximately 31.2% of the indirect influence of Brand Equity on Performance is being explained, perhaps through a marketing or communication process such as IMC. This implies that while Brand Equity has a strong influence on performance in itself, its influence is also complemented when paired with good marketing communication.

4 Conclusion and Recommendation

4.1 Conclusion

The results conclude that Integrated Marketing Communication (IMC) contributes significantly to improving banks' performance both directly and indirectly through Brand Equity (BE). IMC not only enhances bank performance by strengthening brand perception but also fosters a positive, mediated impact, as BE partially explains the relationship between IMC and bank performance. With significant path coefficients confirming this positive effect, the study underscores that well-structured IMC strategies can drive brand strength and operational outcomes, making BE a critical factor in leveraging communication efforts for competitive advantage. The partial mediation effect observed in this relationship indicates that while BE serves as a valuable intermediary, IMC independently contributes to performance, highlighting the dual benefit of direct and indirect influence. Consequently, the study emphasizes the strategic necessity for banks to implement robust IMC practices and continually assess their brand equity, as these are shown to yield significant gains in performance and competitive positioning within the financial sector.

Overall, these findings confirm that the hypotheses of IMC significantly influencing banks' performance due to enhanced brand equity pinpoint the very crucial role that this marketing strategy plays. The findings underline the deliberate relevance of brand equity in the banking sector and also verify that improving BE through IMC yields better performance.

The findings support that banks should adopt integrated approaches through which to realize IMC for maximum performance, meaning this strategy should operate to help the brand equity function effectively.

4.2 Recommendations

Several suggestions were made to enhance performance using IMC in view of the results through the mediating role of brand equity. It's relevant that banks develop and implement integrated marketing communications plans to help build brands by providing one clear voice through digital and traditional channels.

The banks should continuously review and enhance their brand equity, fully realizing that this will be of immense help in customer loyalty and market success. The bank should also always observe and evaluate the performance of IMC, update strategies according to performance indicators and changing needs of customers to remain competitive. Overall, banks should formulate and implement comprehensive strategies for IMC, ensuring it aligns with and supports the optimization of brand equity and performance outcomes. It is also highly desirable that banks periodically evaluate the brand equity and effectiveness of various IMC activities to identify their strengths, weaknesses, and areas of improvement.

Banks should develop the capability of their staff through integrated marketing communications based training programs, which will definitely enable them to perform their job of executing integrated strategies. Therefore, banks should establish specific performance measures to ascertain the consequences of IMC strategies on brand equity and overall performance, and to review these measures periodically in order to make their strategies more robust so that the banks can remain competitive and meet their customers' needs effectively. By doing so, a bank can establish a solid foundation on which the IMC models can be applied to strongly enhance performance by building brand equity and ensuring customer loyalty in the competitive financial sector.

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Data Availability

Data can be made available on the behavior of the request

Declaration of interests' statement

The author declare no competing interests.

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