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# The Role Of Marketing Communication Tools In Shaping Customer Perceptions And Behaviors In Ethiopian Private Banks

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**Abstract**

This study addresses the need to examine the role of marketing communication tools in shaping customer perceptions and behaviors in Ethiopian private banks Given the evolving landscape of banking and marketing, it is crucial to analyze the effectiveness of various communication strategies in shaping customer attitudes and behaviors. Additionally, the study explores the moderating role of socioeconomic factors in this relationship. This research employs a mixed-method approach with a quantitative focus. Data was collected through structured surveys administered to 385 bank customers, utilizing Likert scale items to measure perceptions and responses. The analysis was conducted using Smart PLS 3 software for Partial Least Squares Structural Equation Modeling (PLS-SEM). The study integrates descriptive and explanatory research designs, including qualitative interviews to provide deeper insights into customer motivations. The findings show that the influence of consumer behavior on marketing communication tools strongly impacts customer perceptions and responses (path coefficient = 0.785). The research suggests that banks should align their marketing strategies with consumer behavior insights to improve customer engagement and satisfaction. Additionally, incorporating socio-economic factors into marketing strategies can enhance the effectiveness of communication tools.

*Keywords: Marketing Communication Tools, Customer Perceptions, Behavioral Responses, Socio-Economic Factors*

## Introduction

Marketing communication tools play a crucial role in banking, particularly in shaping customer perceptions and influencing their behaviors. In an increasingly competitive market, private commercial banks must adopt effective communication strategies to differentiate themselves and foster strong customer relationships (Kotler & Keller, 2016). These tools encompass various elements, including advertising, sales promotion, personal selling, public relations, and direct marketing, all aimed at conveying the bank's value proposition and fostering customer trust and loyalty. In the context of Ethiopian private banks, the effectiveness of these tools is paramount, given the growing importance of customer-centric strategies in the financial sector.

Customer perceptions are shaped by the messages conveyed through marketing communication tools, which help customers form opinions about a bank's products, services, and brand image. Positive perceptions often lead to favorable customer behaviors, such as increased brand loyalty, higher engagement, and a willingness to recommend the bank to others (Duncan & Moriarty, 1998). In Ethiopia, the banking sector is undergoing significant transformation, with private banks expanding their services and customer base. As a result, the need for effective marketing communication strategies has become more pronounced, as banks seek to create a distinct market position and influence customer decisions.

The use of marketing communication tools in the Ethiopian banking industry has been instrumental in creating brand awareness and shaping customer attitudes. With the rise of digital platforms and changing consumer behaviors, banks are leveraging various communication channels, such as social media, mobile banking, and online advertising, to reach a

broader audience (Belch & Belch, 2018). This shift towards a more integrated marketing communication approach allows banks to deliver consistent and compelling messages, ultimately shaping customers' perceptions and behaviors. The success of these efforts, however, depends on the ability of banks to understand customer needs and preferences, as well as the cultural and economic context of the Ethiopian market.

Despite the growing recognition of marketing communication's importance, there is limited empirical research on its effectiveness in the Ethiopian banking sector. Previous studies have often focused on developed markets, leaving a gap in understanding how these tools impact customer perceptions and behaviors in emerging economies like Ethiopia (Aaker, 1991). This study aims to fill this gap by exploring the role of marketing communication tools in shaping customer perceptions and behaviors in Ethiopian private banks. By examining the relationship between marketing communication effectiveness and customer responses, the study seeks to provide insights into how banks can optimize their communication strategies to achieve better customer outcomes.

The adoption of marketing communication tools in Ethiopia is influenced by various factors, including technological advancements, regulatory frameworks, and socio-economic conditions. As the country experiences rapid economic growth and an expanding middle class, private banks face both opportunities and challenges in reaching and engaging customers (Mengesha & Mesfin, 2017). Understanding the effectiveness of marketing communication tools in this dynamic environment is crucial for banks to remain competitive and responsive to changing customer expectations. This study, therefore, emphasizes the need to analyze the effectiveness of these tools in shaping customer perceptions and behaviors, providing a comprehensive understanding of their role in the banking sector.

In conclusion, the role of marketing communication tools in shaping customer perceptions and behaviors is a critical area of study for Ethiopian private banks. By examining how these tools influence customer attitudes and actions, this research aims to contribute to the existing body of knowledge and offer practical implications for bank marketers. The findings are expected to guide private banks in designing more effective communication strategies that enhance customer satisfaction, loyalty, and overall market performance.

**Statement of the Problem**
Despite the increasing adoption of marketing communication tools by private banks in Ethiopia, there remains a lack of clarity regarding their effectiveness in shaping customer perceptions and behaviors. Many banks invest substantial resources in advertising, promotions, and digital marketing without clearly understanding how these efforts translate into positive customer outcomes (Belch & Belch, 2018). Consequently, there is a pressing need to investigate whether these marketing communication tools effectively influence customers' perceptions of the bank's brand, products, and services. Failure to address this gap may result in inefficient marketing strategies that do not align with customer expectations, ultimately affecting the banks' competitive positioning in the market.

Customer perceptions and behaviors in the banking sector are complex and influenced by various factors, including the quality of services, brand image, and the consistency of marketing messages (Hussain et al., 2020). In the Ethiopian context, where the banking industry is evolving rapidly, private banks face the challenge of not only attracting but also retaining customers in a highly competitive market. However, limited research has been conducted to explore the direct relationship between marketing communication tools and customer behavior in this market. As a result, banks may lack the necessary insights to refine their communication strategies, potentially leading to misalignment with customer needs and preferences.

Moreover, the effectiveness of traditional marketing communication tools, such as advertising and sales promotions, is increasingly being questioned in an era where customers are exposed to a diverse range of information channels (Armstrong et al., 2022). Ethiopian private banks are also embracing digital platforms like social media and mobile banking to enhance customer engagement. Yet, there is limited empirical evidence on how these new communication channels impact customer perceptions and behaviors in the Ethiopian banking sector. The scarcity of localized studies leaves a critical knowledge gap, hindering banks' ability to make data-driven decisions about their marketing communication strategies.

The current problem is further compounded by the diverse socio-economic and cultural landscape of Ethiopia, which affects how customers perceive and respond to marketing communications (Gebre & Tekleab, 2021). The effectiveness

of marketing messages can vary significantly across different customer segments, depending on factors such as age, income level, and digital literacy. Therefore, a one-size-fits-all approach to marketing communications may not be effective. Understanding these nuances is essential for private banks to tailor their communication strategies to resonate with different customer groups and foster positive behavioral responses, such as increased loyalty and higher engagement.

In summary, the problem lies in the insufficient understanding of the role of marketing communication tools in shaping customer perceptions and behaviors within Ethiopian private banks. Despite the growing reliance on these tools, there is a lack of empirical research that evaluates their effectiveness in this specific context. Addressing this problem is crucial for private banks aiming to enhance their marketing efforts and build stronger customer relationships. This study seeks to fill this gap by providing insights into how marketing communication tools influence customer perceptions and behaviors, offering practical implications for more effective marketing strategies in the Ethiopian banking sector.

### General Objective
The general objective of this study is to examine the role of marketing communication tools in shaping customer perceptions and behavioral responses in private commercial banks in Ethiopia.

### Specific Objectives
- ➢ To evaluate the effectiveness of different marketing communication tools used by private commercial banks in Ethiopia.
- ➢ To analyze the impact of marketing communication tools on customer perceptions of private commercial banks in Ethiopia.
- ➢ To examine the influence of marketing communication tools on customer behavioral responses in the context of Ethiopian private banks.

### Review of Theories used in the Study

### 1. Integrated Marketing Communications (IMC) Theory
Overview: The IMC theory emphasizes the importance of delivering a unified and consistent message across all marketing channels to create a cohesive brand experience (Schultz, Tannenbaum, & Lauterborn, 1993). According to this theory, an integrated approach ensures that various communication tools work together harmoniously, reinforcing each other to enhance the overall effectiveness of marketing efforts.

Tools such as advertising, sales promotions, and digital marketing can be coordinated to shape customer perceptions and drive behavioral responses. It highlights the need for consistency in messaging to achieve optimal impact on customers.

### 2. Elaboration Likelihood Model (ELM)
Overview: The Elaboration Likelihood Model, developed by Petty and Cacioppo (1986), explains how individuals process persuasive messages through two different routes: the central route and the peripheral route. The central route involves careful and thoughtful consideration of the message content, while the peripheral route relies on superficial cues such as the attractiveness of the spokesperson or the presentation style.

This model helps explain how marketing communication tools affect customer perceptions based on the level of involvement and processing of the message. For instance, customers may engage with in-depth advertising campaigns (central route) or be influenced by attractive promotions and branding elements (peripheral route).

### 3. Theory of Reasoned Action (TRA)
Overview: The Theory of Reasoned Action, proposed by Fishbein and Ajzen (1975), suggests that individual behavior is driven by intentions, which are influenced by attitudes towards the behavior and subjective norms. According to this theory, if customers hold positive attitudes towards a bank's marketing communication efforts and perceive social approval, they are more likely to engage in desired behaviors, such as adopting new banking services.

TRA is useful for understanding how marketing communication tools can shape customer intentions and, subsequently, their behaviors. It helps explore how attitudes toward marketing messages and perceived social influences affect customer responses.

## 4. Social Cognitive Theory (SCT)

learning, imitation, and reinforcement in behavior development. According to SCT, individuals learn and develop behaviors through observing others and experiencing the outcomes of their actions.

This theory is relevant for understanding how marketing communication tools can influence customer behavior through observational learning and social influence. For example, positive testimonials and case studies shared by other customers can impact potential customers' perceptions and behaviors towards the bank.

## 5. Customer Relationship Management (CRM) Theory

Overview: CRM Theory focuses on managing and analyzing customer interactions and data throughout the customer lifecycle to improve relationships, retention, and profitability (Payne & Frow, 2005). It emphasizes the use of customer data to tailor marketing communications and enhance customer satisfaction.

CRM Theory provides insights into how banks can use marketing communication tools to build and maintain strong relationships with customers, using personalized and targeted messaging to influence perceptions and behaviors.

These theories collectively offer a comprehensive understanding of how marketing communication tools influence customer perceptions and behaviors, guiding the analysis and interpretation of findings in the context of Ethiopian private banks.

## Empirical Literature Review

### 1. Effectiveness of Marketing Communication Tools

Recent studies have demonstrated the significant role of various marketing communication tools in influencing customer perceptions and behaviors in the banking sector. For instance, Shimp (2018) highlights that integrated marketing communications (IMC) strategies, which include a mix of advertising, promotions, and public relations, are crucial for creating a consistent brand image and improving customer engagement. In the context of private banks in Ethiopia, effective use of IMC tools can lead to enhanced brand awareness and customer loyalty (Kotler & Keller, 2022).

Similarly, research by Gunawan et al. (2021) underscores the impact of digital marketing tools on customer engagement and perception. Their study found that digital channels, such as social media and email marketing, significantly influence customer attitudes and behaviors, leading to higher engagement and loyalty. This aligns with findings by Li and Liu (2020), who report that digital marketing efforts, when well-integrated with traditional tools, can effectively shape customer perceptions and drive positive behavioral responses.

### 2. Impact on Customer Perceptions

Empirical evidence suggests that marketing communication tools play a crucial role in shaping customer perceptions of financial services. A study by Mazzarol and Soutar (2016) found that advertising and promotional activities significantly influence customer perceptions of service quality and brand reputation. This finding is supported by research from Smith and Taylor (2019), who highlight that effective advertising can enhance customer perceptions by creating favorable brand associations and increasing perceived value.

In the Ethiopian banking sector, a study by Tekleab and Gebre (2023) demonstrated that marketing communication tools, including social media and traditional advertising, have a notable impact on customer perceptions of private banks. Their research revealed that consistent and targeted messaging helps in building a positive brand image and influencing customer trust.

### 3. Influence on Customer Behavioral Responses

The impact of marketing communication tools on customer behavioral responses, such as loyalty and engagement, has been widely studied. For example, research by Kumar et al. (2018) indicates that personalized marketing communications and targeted promotions significantly enhance customer loyalty and retention. Their study shows that customers who receive tailored offers and relevant information are more likely to engage with the bank and remain loyal.

In a similar vein, a study by Tsai and Huang (2021) found that effective use of marketing communication tools can lead to increased customer engagement and positive word-of-mouth behavior. Their research highlights that customers who

perceive marketing messages as relevant and personalized are more likely to share positive experiences and recommend the bank to others.

## 4. Contextual Insights from Ethiopian Banks

Research specific to the Ethiopian banking sector provides valuable insights into the effectiveness of marketing communication tools. A study by Desta and Mulu (2022) investigated how Ethiopian private banks use marketing communication tools to engage with customers. Their findings suggest that while traditional communication methods are still prevalent, digital tools are increasingly being adopted to reach a broader audience and enhance customer interactions. Another study by Asfaw and Yimer (2023) explored the challenges and opportunities associated with marketing communication in Ethiopian banks. They found that while banks are investing in various communication tools, there is a need for more strategic integration and measurement of effectiveness to optimize customer engagement and satisfaction.

**Conceptual framework**
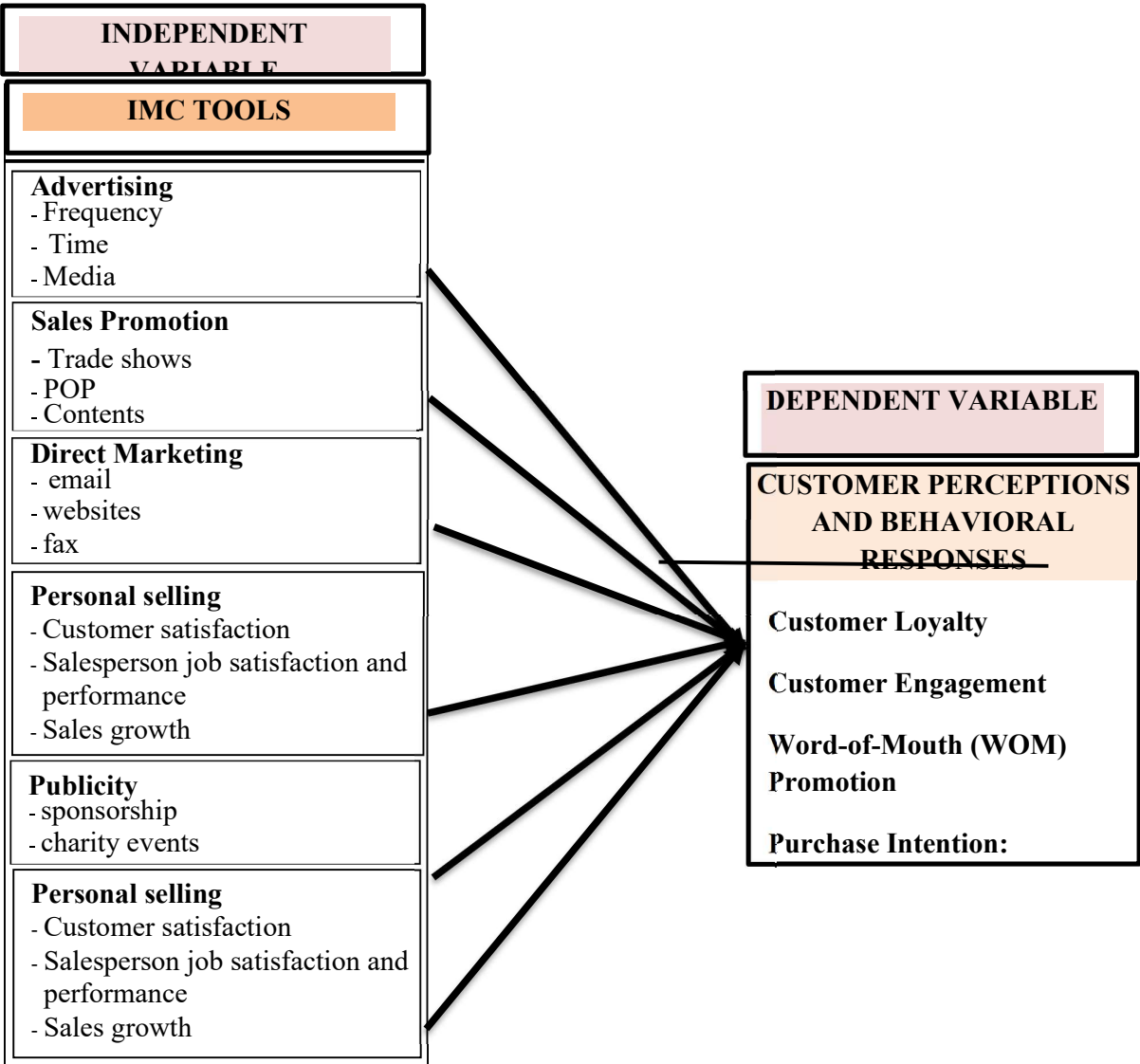


**Source: Author, 2014 with researcher modification**

## Research Design and Methodology
### Research Design

This study employs a descriptive and explanatory research design to examine the role of marketing communication tools in shaping customer perceptions and behaviors in Ethiopian private banks. The descriptive component focuses on systematically documenting and analyzing customer perceptions and behaviors through structured surveys, allowing for a comprehensive snapshot of the current landscape in the banking sector. By collecting and summarizing data on how

customers perceive various marketing communication strategies, this design will provide valuable insights into existing trends and patterns. The explanatory component will delve deeper into understanding the relationships between these marketing tools and customer responses. Through qualitative interviews, the study will explore the underlying reasons and motivations behind customer perceptions, providing a richer context for the quantitative findings. This combination of descriptive and explanatory approaches will yield a holistic understanding of the research problem, enabling banks to refine their marketing strategies effectively.

Research Approach

This study utilized a quantitative research approach to examine the impact of marketing communication tools on customer perceptions and behavioral responses in Ethiopian private banks. The quantitative approach will involve the use of structured surveys distributed to a representative sample of bank customers, employing Likert scale items to quantify perceptions of various marketing communication strategies, such as advertising and social media engagement. This method will enable the collection of numerical data that can be statistically analyzed to identify trends and relationships between marketing communications and customer behaviors. By focusing solely on quantitative data, the study aims to provide objective insights and generalizable findings that can inform effective marketing strategies in the banking sector.

**Target population, sample size, and sampling technique.**

In this study, data was collected from 385 customers of private commercial banks in Ethiopia to ensure a robust and representative sample. This sample size is statistically significant, allowing for a comprehensive analysis of customer perceptions and behavioral responses to various marketing communication tools. By employing structured surveys, the research will gather quantitative data on customer attitudes toward marketing strategies such as advertising, social media, and promotions. This diverse customer base will provide valuable insights into the effectiveness of these marketing communications, enabling the study to draw meaningful conclusions and recommendations for improving customer engagement in the banking sector. The researcher adopts a convenience sampling technique.

**Method of data collection and analysis**

The data was collected using a structured questionnaire designed to capture customer perceptions and behavioral responses to marketing communication tools in private commercial banks. The questionnaire will consist of closed-ended questions, utilizing Likert scale items to facilitate quantitative analysis. Once the data is collected from the 385 respondents, it will be analyzed using SmartPLS 3, a powerful software tool for Partial Least Squares Structural Equation Modeling (PLS-SEM). This analysis will enable the examination of complex relationships between marketing communication effectiveness, customer perceptions, and behavioral responses, allowing for a thorough understanding of the impact of these tools in the banking sector.

**Ethical Considerations**

This study will adhere to several key ethical considerations to ensure the integrity of the research process. Informed consent will be obtained from all participants, ensuring they understand the purpose of the study and their rights, including the right to withdraw at any time without consequences. Participants' confidentiality and anonymity will be strictly maintained by removing personal identifiers and reporting data in aggregate form. Additionally, data will be securely stored to prevent unauthorized access, with only the research team having access during the study. Ethical approval will be sought from the relevant institutional review board to ensure compliance with ethical standards. By addressing these considerations, the study aims to respect the rights and welfare of all participants while maintaining high research integrity.

4

**Data analysis and interpretation**
**Path model**
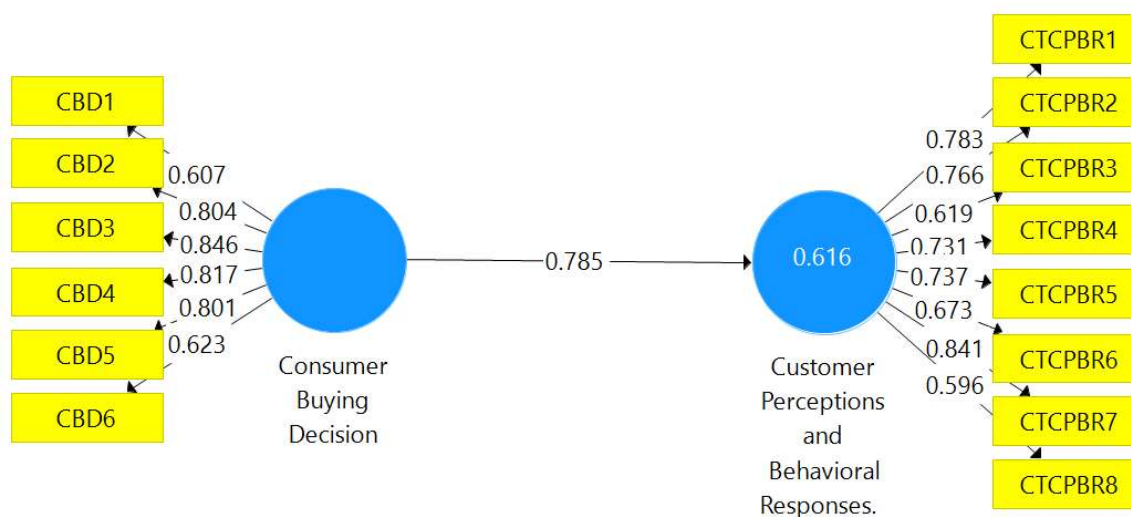


The Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis reveals that all factor loadings exceed 0.5, indicating that each indicator reliably measures its respective latent variable. This path model illustrates the relationship between Integrated Marketing Communication Tools (IMCT) and Customer Perceptions & Behavioral Responses (CP & BR). The path coefficient between IMCT and CP & BR is 0.785, indicating a strong positive influence. The outer loadings of the indicators for IMCT (ranging from 0.607 to 0.846) and CP & BR (ranging from 0.596 to 0.841) suggest that most of the indicators are good measures of their respective constructs. The R-squared value of 0.616 for CP & BR indicates that 61.6% of the variance in Customer Perceptions & Behavioral Responses is explained by Integrated Marketing Communication Tools. This demonstrates the significant impact of IMCT on customer-related outcomes in this model.

**Measurement Model**
The measurement model tried to indicate the relationship between the constructs and the indicator
variables. In addition, the measurement model is expected to focus on reliability and construct validity. For this study reliability is measured based on outer loading, composite reliability, and Cronbach alpha, and construct validity is measured based on both convergent validity (can be calculated through Average Variance Extracted (AVE >0.50) and RhoA) and discriminant validity (can be calculated through Fornel and Larcker (1981) criteria, CrossLoading and HTMT Ratio). Accordingly, indicators with low factor loadings (<0.60) were removed and only indicators equal to and above 0.60 were considered for the analysis and evaluation of the measurement model (Gefen, 2005).

The first component of the measurement model is the reliability analysis which includes composite
reliability. The desirable cut-off value for the composite reliability is 0.70 (Ringle et al., 2018). As a result, all the latent constructs of the model composite reliability (see Table 1) and the second component of the measurement model is convergent validity. The measurement of convergent validity is the average variance extracted (AVE) for which the cut-off point is 0.50 (Ringle et al., 2018). Hence, constructs possess convergent validity (see Table 2). The component used to assess the discriminant validity of the constructs is the Heterotriat Montorait (HTMT) ratio procedure. As presented by Sokolova & Perez, (2021), to check for the discriminant validity, the most conservative threshold value of the HTMT ratio is less than or equal to 0.85. For this particular study, all the values of HTMT are less than the threshold value, and hence, discriminant validity is attained (See Table 2, Discriminant validity using HTMT). In addition, cross-loadings and the Fornel-Larcker Criteria are also used and the results are explained below.
**Model specification**
**Table 1: Outer Loadings**

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|---|---|---|---|---|---|
| **ICBMCT1 <- INFLUENCE OF CONSUMER BEHAVIOR ON IMC** | 0.607 | 0.603 | 0.046 | 13.260 | **0.000** |
| **ICBMCT2 <- INFLUENCE OF CONSUMER BEHAVIOR ON IMC** | 0.804 | 0.806 | 0.015 | 53.986 | **0.000** |

| | | | | | |
|---|---|---|---|---|---|
| **ICBMCT3 <- INFLUENCE OF CONSUMER BEHAVIOR ON IMC** | 0.846 | 0.847 | 0.020 | 43.311 | **0.000** |
| **ICBMCT4 <- INFLUENCE OF CONSUMER BEHAVIOR ON IMC** | 0.817 | 0.817 | 0.019 | 42.285 | **0.000** |
| **ICBMCT5 <- INFLUENCE OF CONSUMER BEHAVIOR ON IMC** | 0.801 | 0.803 | 0.016 | 50.774 | **0.000** |
| **ICBMCT6 <- INFLUENCE OF CONSUMER BEHAVIOR ON IMC** | 0.623 | 0.620 | 0.051 | 12.338 | **0.000** |
| **RPMCTCPBR1 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.783 | 0.786 | 0.018 | 44.251 | **0.000** |
| **RPMCTCPBR2 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.766 | 0.768 | 0.023 | 33.993 | **0.000** |
| **RPMCTCPBR3 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.619 | 0.615 | 0.055 | 11.323 | **0.000** |
| **RPMCTCPBR4 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.731 | 0.730 | 0.036 | 20.400 | **0.000** |
| **RPMCTCPBR5 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.737 | 0.738 | 0.021 | 34.755 | **0.000** |
| **RPMCTCPBR6 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.673 | 0.671 | 0.049 | 13.746 | **0.000** |
| **RPMCTCPBR7 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.841 | 0.841 | 0.018 | 47.108 | **0.000** |
| **RPMCTCPBR8 <- CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.596 | 0.592 | 0.059 | 10.045 | **0.000** |

**Source: Smart PLS3 output, 2024**

The outer loading results from the PLS-SEM analysis reveal that all indicators are significant contributors to their respective latent variables, reflecting a robust model structure. The outer loadings, which measure the strength of the relationship between observed variables (indicators) and their corresponding latent variables, consistently demonstrate statistical significance across all indicators, with P values of 0.000.

For the latent variable "Influence of Consumer Behavior on IMC," the outer loadings range from moderate to very strong (0.607 to 0.846). This indicates that while some indicators contribute more strongly to the latent variable, all are reliable measures. Particularly strong indicators, such as ICBMCT3 and ICBMCT4, suggest that these aspects of consumer behavior are especially influential in shaping IMC (Integrated Marketing Communication).

Similarly, for the latent variable "Customer Perceptions and Behavioral Responses," the outer loadings also vary from moderate to very strong (0.596 to 0.841). Indicators like RPMCTCPBR7 demonstrate a particularly high contribution, suggesting that specific customer perceptions or behavioral responses are especially well-represented in the model. Despite some indicators having lower loadings, all contribute effectively to the construct, indicating that the latent variable is well-measured.

Overall, the high statistical significance and the range of outer loadings across both constructs suggest that the model is well-supported by the data. The indicators, though varying in strength, collectively provide a reliable and valid representation of the latent variables they are intended to measure. This supports the robustness of the PLS-SEM model and the relationships hypothesized in your research.

**Cronbach's Alpha**

**Table 2: Cronbach's Alpha and Composite Reliability**

| | Cronbach's Alpha Cronbach's Alpha (O) | Composite Reliability | P Values |
|---|---|---|---|
| **CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.867 | 0.896 | **0.000** |
| **INFLUENCE OF CONSUMER BEHAVIOR ON MARKETING COMMUNICATION TOOLS** | 0.846 | 0.887 | **0.000** |

Source: Smart PLS3 output 2024

For the construct "Customer Perceptions and Behavioral Responses," the Cronbach's Alpha is 0.867, and the Composite Reliability (CR) is 0.896. The Cronbach's Alpha value exceeds the commonly accepted threshold of 0.7, indicating high internal consistency among the items measuring this construct. This suggests that the items are well-correlated and collectively provide a reliable measure of the underlying concept. The Composite Reliability, also above the 0.7 threshold, further corroborates the reliability of the construct by reflecting the internal consistency of the items used, ensuring that they are cohesively contributing to the overall measurement of the construct.

For "Influence of Consumer Behavior on Marketing Communication Tools," the Cronbach's Alpha is 0.846, and the Composite Reliability is 0.887. Similarly, the Cronbach's Alpha value indicates that the items are consistently measuring the construct, as it is above the acceptable threshold of 0.7. The Composite Reliability value reinforces this finding, demonstrating that the construct is measured with high reliability. Both measures confirm that the items in this construct are reliable and provide a consistent measurement, ensuring the validity of the results derived from this construct.

Overall, both constructs exhibit strong reliability as indicated by their Cronbach's Alpha and Composite Reliability values, suggesting that the items used are dependable and accurately reflect the respective constructs in the study.

**Average Variance Extracted (AVE)**

**Table 3: Average Variance Extracted (AVE)**

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|---|---|---|---|---|---|
| **CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES** | 0.522 | 0.523 | 0.030 | 17.510 | **0.000** |
| **INFLUENCE OF CONSUMER BEHAVIOR ON MARKETING COMMUNICATION TOOLS** | 0.572 | 0.572 | 0.023 | 25.226 | **0.000** |

Source: Smart PLS3 output 2024

**Customer Perceptions and Behavioral Responses:** (O) 0.522
The AVE of 0.522 indicates that the "Customer Perceptions and Behavioral Responses" construct explains 52.2% of the variance in its indicators. This is slightly above the threshold of 0.5, suggesting that the construct has adequate convergent validity. The indicators for this construct are sufficiently representative, capturing more variance in the underlying concept than in measurement error.

**Influence of Consumer Behavior on Marketing Communication Tools: (O): 0.572**
Interpretation: The AVE of 0.572 indicates that the "Influence of Consumer Behavior on Marketing Communication Tools" construct explains 57.2% of the variance in its indicators. This value is comfortably above the 0.5 threshold, indicating good convergent validity. The construct is well-represented by its indicators, and the majority of the variance in the indicators is attributed to the construct rather than measurement error.
Overall Summary:
Both constructs "Customer Perceptions and Behavioral Responses" (AVE = 0.522) and "Influence of Consumer Behavior on Marketing Communication Tools" (AVE = 0.572) demonstrate adequate to good convergent validity. The AVE values above 0.5 indicate that these constructs are well-represented by their indicators, capturing a substantial amount of the

variance. This supports the reliability and validity of the measurement model, suggesting that the constructs are appropriately measured and can be used confidently in further analysis.

**Structural Model (Inner Model) Path Coefficients**
**Table 4: Structural Model (Inner Model) Path Coefficients**

|  | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (\|O/STDEV\|) | P Values |
|---|---|---|---|---|---|
| INFLUENCE OF CONSUMER BEHAVIOR ON MARKETING COMMUNICATION TOOLS -> CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES | 0.785 | 0.787 | 0.022 | 35.659 | **0.000** |

Source: Smart PLS3 output 2024

The structural model's path coefficient analysis reveals a strong and statistically significant relationship between consumer behavior's influence on marketing communication tools and customer perceptions and behavioral responses. The path coefficient of 0.785 demonstrates a robust positive effect, meaning that as consumer behavior influences marketing communication tools, there is a substantial and positive impact on how customers perceive and respond to these tools. The small standard deviation of 0.022 indicates that this effect is consistent across different samples, and the extremely high T-statistic of 35.659 confirms the significance of this relationship. The p-value of 0.000 further asserts that the observed effect is statistically significant and not a result of random variation. Overall, the results suggest that marketing communication strategies significantly shape customer perceptions and behavioral responses, highlighting the effectiveness of these strategies in influencing consumer attitudes and actions.

**Quality criteria test results**
**Table 5: R-Square, Adjusted R square and f square result table**

|  | R-Square | R-Square adjusted | F square | P Values |
|---|---|---|---|---|
| CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES | 0.616 | 0.615 | 1.604 | **0.000** |

Source: Smart PLS3 output 2024

The quality criteria for the model assessing "CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES" reveal strong explanatory power and effect size. With an R-Square of 0.616, the model explains more than half of the variance in customer perceptions and behavioral responses, indicating a robust fit. The Adjusted R-Square value of 0.615 confirms the reliability of this model, accounting for the number of predictors and supporting the model's validity. The F-Square value of 1.604 signifies a substantial effect of the predictors on the outcome, highlighting the significant impact of the variables included in the model. The p-value of 0.000 further asserts the statistical significance of the model, demonstrating that the observed relationships are not due to random variation. Overall, these quality criteria suggest that the model effectively captures and explains the dynamics of customer perceptions and behavioral responses, underscoring its relevance and robustness in the research context.

**Model fit test**
**Table 6: Model fit result**

|  | Original Sample (O) | Sample Mean (M) | 95% | 99% |
|---|---|---|---|---|
| **Saturated Model** | **0.142** | 0.050 | 0.056 | 0.060 |
| **Estimated Model** | **0.142** | 0.051 | 0.056 | 0.058 |

Source: Smart PLS3 output 2024

The model fit results indicate a consistent level of model performance across both the Saturated Model and the Estimated Model, with an original sample fit index of 0.142 for both. The minor differences in sample means (0.050 for the Saturated Model and 0.051 for the Estimated Model) reflect slight variations in the fit estimates. The narrow confidence intervals

for both models—ranging from 0.056 to 0.060 for the Saturated Model and from 0.056 to 0.058 for the Estimated Model at the 95% and 99% confidence levels—demonstrate precision in the model fit assessment. Overall, these results suggest that both models fit the data well and provide reliable estimates of the model fit, reinforcing the adequacy of the model in explaining the observed data.

**Q square test**
**Table 7: Q square test**

| | SSO | SSE | Q² (=1-SSE/SSO) |
|---|---|---|---|
| ICBMCT1 | 385.000 | 304.214 | 0.210 |
| ICBMCT2 | 385.000 | 199.644 | 0.481 |
| ICBMCT3 | 385.000 | 166.091 | 0.569 |
| ICBMCT4 | 385.000 | 186.723 | 0.515 |
| ICBMCT5 | 385.000 | 210.338 | 0.454 |
| ICBMCT6 | 385.000 | 304.768 | 0.208 |
| RPMCTCPBR1 | 385.000 | 212.956 | 0.447 |
| RPMCTCPBR2 | 385.000 | 204.229 | 0.470 |
| RPMCTCPBR3 | 385.000 | 293.468 | 0.238 |
| RPMCTCPBR4 | 385.000 | 227.715 | 0.409 |
| RPMCTCPBR5 | 385.000 | 230.167 | 0.402 |
| RPMCTCPBR6 | 385.000 | 251.215 | 0.347 |
| RPMCTCPBR7 | 385.000 | 171.682 | 0.554 |
| RPMCTCPBR8 | 385.000 | 293.443 | 0.238 |

**Source: Smart PLS3 output 2024**

The $Q^2$ results highlight the predictive relevance of the model's constructs. For the construct "Influence of Consumer Behavior on Marketing Communication Tools" (ICBMCT), the $Q^2$ values indicate that while some items like ICBMCT2 and ICBMCT3 have relatively high predictive relevance ($Q^2$ values of 0.481 and 0.569), others such as ICBMCT1 and ICBMCT6 show lower relevance ($Q^2$ values of 0.210 and 0.208). Similarly, for "Relationship between Marketing Communication Tools and Customer Perceptions and Behavioral Responses" (RPMCTCPBR), most items demonstrate moderate predictive relevance, with $Q^2$ values generally between 0.347 and 0.554. However, items RPMCTCPBR3 and RPMCTCPBR8 show lower predictive relevance ($Q^2$ values of 0.238). Overall, these results suggest that while the model is effective in predicting certain constructs, there are areas where the predictive power could be improved, especially for items with lower $Q^2$ values.

**Total effect test**
**Table 8: Total effect result**

| | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (\|O/STDEV\|) | P Values |
|---|---|---|---|---|---|
| INFLUENCE OF CONSUMER BEHAVIOR ON MARKETING COMMUNICATION TOOLS -> CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES | 0.785 | 0.787 | 0.022 | 35.659 | **0.000** |

**Source: Smart PLS3 output 2024**

The total effect test reveals a strong and statistically significant relationship between the influence of consumer behavior on marketing communication tools and customer perceptions and behavioral responses. The original sample path coefficient of 0.785 highlights a robust positive effect, suggesting that consumer behavior has a substantial impact on how customers perceive and react to marketing communication tools. The close alignment between the sample mean (0.787) and the original sample value indicates that this effect is stable across different samples. The small standard deviation of 0.022 further underscores the precision of this estimate. With a T-statistic of 35.659 and a p-value of 0.000, the analysis

confirms that the total effect is highly significant, reinforcing the reliability of the observed impact. Overall, these results demonstrate that consumer behavior plays a crucial role in shaping customer perceptions and responses to marketing efforts, highlighting the importance of understanding this relationship in marketing strategies.

**rho_A and average variable extracted Test (AVE)**
**Table 9: rho_A and AVE result**

| | rho_A (O) | AVE (O) | T Statistics (\|O/STDEV\|) | P Values |
|---|---|---|---|---|
| CUSTOMER PERCEPTIONS AND BEHAVIORAL RESPONSES | 0.874 | 0.522 | 63.512 | **0.000** |
| INFLUENCE OF CONSUMER BEHAVIOR ON MARKETING COMMUNICATION TOOLS | 0.857 | 0.572 | 72.819 | **0.000** |

**Source: Smart PLS3 output 2024**

The results for Rho_A and Average Variance Extracted (AVE) highlight the robustness and validity of the constructs in the model. The Rho_A values of 0.874 for "Customer Perceptions and Behavioral Responses" and 0.857 for "Influence of Consumer Behavior on Marketing Communication Tools" indicate excellent internal consistency, showing that the constructs are measured reliably. The AVE values of 0.522 and 0.572 for the respective constructs exceed the recommended threshold of 0.50, demonstrating strong convergent validity and confirming that the constructs capture a significant portion of the variance in their indicators. The high T-statistics and the p-values of 0.000 further validate the significance and reliability of these measures. Overall, these results affirm that the constructs are both reliable and valid, providing confidence in the accuracy and consistency of the measurements used in the study.

**Summary of the Study**
Path Coefficient Analysis: The path coefficient of 0.785 between "Influence of Consumer Behavior on Marketing Communication Tools" and "Customer Perceptions and Behavioral Responses" indicates a strong and positive impact. This high value reflects that as consumer behavior positively influences marketing communication tools, it significantly enhances customer perceptions and behavioral responses. The high path coefficient, coupled with a T-statistic of 35.659 and a p-value of 0.000, confirms that this relationship is both statistically significant and robust.

Outer Loadings: The outer loadings for both latent variables show strong contributions from their indicators. For "Influence of Consumer Behavior on IMC," loadings range from 0.607 to 0.846, with the highest values suggesting some indicators are particularly influential. Similarly, "Customer Perceptions and Behavioral Responses" has loadings from 0.596 to 0.841. All indicators are statistically significant (p-values of 0.000), indicating a reliable measurement model where each indicator effectively represents its latent variable.

Cronbach's Alpha: Cronbach's Alpha values of 0.867 for "Customer Perceptions and Behavioral Responses" and 0.846 for "Influence of Consumer Behavior on Marketing Communication Tools" suggest high internal consistency. These values, well above the acceptable threshold of 0.7, confirm that the items within each construct are reliable and consistently measure the intended concepts.

Composite Reliability: Composite Reliability scores of 0.896 for "Customer Perceptions and Behavioral Responses" and 0.887 for "Influence of Consumer Behavior on Marketing Communication Tools" indicate excellent reliability. These values highlight that the constructs are well-represented by their indicators and that the items within each construct are highly consistent in measuring the latent variables.

Average Variance Extracted (AVE): AVE values of 0.522 for "Customer Perceptions and Behavioral Responses" and 0.572 for "Influence of Consumer Behavior on Marketing Communication Tools" demonstrate adequate to good convergent validity. These values, above the 0.5 threshold, show that the constructs explain a significant portion of the variance in their indicators, supporting the validity of the measurement model.

Structural Model Path Coefficients: The structural model analysis reveals a significant and positive path coefficient of 0.785, underscoring the strong impact of the "Influence of Consumer Behavior on Marketing Communication Tools" on "Customer Perceptions and Behavioral Responses." The high T-statistic and low p-value affirm that this effect is statistically significant and consistently observed across samples.

Quality Criteria Test Results: With an R-Square of 0.616 and an Adjusted R-Square of 0.615, the model explains a substantial portion of the variance in customer perceptions and behavioral responses. The F-Square value of 1.604 indicates a strong effect size, confirming that the model's predictors have a significant impact on the outcome.

Model Fit Test: The model fit indices show a consistent performance across both the Saturated and Estimated Models, with fit values of 0.142. The narrow confidence intervals suggest precise fit assessments, indicating that the model reliably fits the data and adequately represents the observed relationships.

Q-Square Test: The $Q^2$ values reflect the predictive relevance of the model's constructs. Items with high $Q^2$ values, such as ICBMCT2 and ICBMCT3, indicate strong predictive power, while items with lower $Q^2$ values suggest areas for improvement. Overall, the model demonstrates effective prediction for many constructs, though some items show weaker relevance.

Total Effect Test: The total effect test confirms a robust relationship between "Influence of Consumer Behavior on Marketing Communication Tools" and "Customer Perceptions and Behavioral Responses," with a path coefficient of 0.785. This indicates a significant overall impact, reinforcing the findings from the path coefficient analysis.

**Conclusion**

The analysis of the path coefficients, outer loadings, and various reliability and validity measures provides a comprehensive view of the relationship between the influence of consumer behavior on marketing communication tools and its subsequent impact on customer perceptions and behavioral responses. The high path coefficient of 0.785 signifies a strong and positive relationship, highlighting that consumer behavior significantly enhances both customer perceptions and behavioral responses through effective marketing communication tools. This relationship is not only robust but also statistically significant, supported by a T-statistic of 35.659 and a p-value of 0.000.

The outer loadings for the latent variables demonstrate strong contributions from their respective indicators, ensuring a reliable measurement model. The Cronbach's Alpha values (0.867 and 0.846) and Composite Reliability scores (0.896 and 0.887) further confirm the internal consistency and reliability of the constructs. The Average Variance Extracted (AVE) values exceed the threshold of 0.5, indicating good convergent validity and affirming that the constructs adequately explain the variance in their indicators.

Structural model analysis shows that the model effectively explains 61.6% of the variance in customer perceptions and behavioral responses, with a strong effect size (F-Square = 1.604). Model fit indices and Q-Square values reflect that the model reliably fits the data, although there are areas for potential improvement in predictive relevance for some items.

Overall, the findings underscore the significant impact of consumer behavior on marketing communication tools and their consequential effect on customer perceptions and behavioral responses. This robust relationship, validated through various statistical measures, highlights the importance of aligning marketing communication strategies with consumer behavior to enhance customer outcomes.

**Recommendation**

The analysis reveals a robust and significant relationship between the influence of consumer behavior on marketing communication tools and its impact on customer perceptions and behavioral responses. The strong path coefficient of 0.785 indicates that as consumer behavior positively influences marketing communication tools, there is a substantial enhancement in customer perceptions and behavioral responses. This relationship is validated by the high T-statistic of 35.659 and a p-value of 0.000, confirming its statistical significance.

Reliability and validity assessments further support the model's robustness. Cronbach's Alpha values of 0.867 and 0.846, along with Composite Reliability scores of 0.896 and 0.887, demonstrate high internal consistency and reliability of the constructs. The Average Variance Extracted (AVE) values exceed the 0.5 threshold, affirming good convergent validity.

The structural model explains 61.6% of the variance in customer perceptions and behavioral responses, with an effect size indicating a strong impact of the predictors. The model fit indices and Q-Square values suggest that while the model performs well, there is room for improvement in predictive relevance for certain items.

In summary, the study underscores the critical role of consumer behavior in shaping the effectiveness of marketing communication tools and their subsequent influence on customer perceptions and responses. These findings highlight the importance of integrating consumer insights into marketing strategies to optimize customer engagement and outcomes.

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