# Effect Of Digital Marketing On Competitiveness Of Automobile Companies In Addis Ababa

**[1]Biruk Tessema,[2]Swati Prasad**

[1]PhD Candidate in Management, Department of Management, Parul Institute of Business Administration, Parul University, Vadodara Gujarat, e-mail: biruktessema04@gmail.com
[2]PhD, Assistant Professor of Management, Parul Institute of Business Administration, Parul University, Vadodara Gujarat, e-mail: swati.prasad23971@paruluniversity.ac.in

*ABSTRACT*

*This research examined the Effect of Digital Marketing on the Competitiveness of Automobile Companies in Addis Ababa. To achieve the objectives of this study explanatory research design was used. Data was collected through questionnaires from 108 staff working in the sales and marketing departments at the head offices of 12 major established motor vehicle dealers in Addis Ababa. The data collected from the questionnaire were analyzed using STATA (Version 14) for descriptive statistics frequency and percentage using inferential statistics for correlation, multiple regression analysis, and Preliminary tests like Multicollinearity, Homoscedasticity, and Omitted Variable Test. The results of this study indicate that factors affecting digital marketing practice dimensions (social media marketing, email advertising, and social media advertising) have a positive and significant relationship with digital marketing. The results also indicate that, unlike social media advertising, the two factors of digital marketing dimensions (search engine marketing and email marketing) have positive and significant effects on digital marketing. The aforementioned factors of digital marketing dimensions significantly contribute 46.5% of the variance to digital marketing. The researchers believe organizations should start analyzing social media advertising based on the study's findings. Finally, Automobile Companies in Addis Ababa must reassess their digital marketing as much as possible to be competitive in their business.*

*Keywords: Digital Marketing, Search Engine Marketing, Email Advertising, Social Media Advertising and Competitiveness.*

## INTRODUCTION

The world is undergoing rapid transformation, with technology deeply embedded in societal shifts and influencing economic and social dynamics, as well as organizational behavior and individual mindsets (Sheth, 2018a). Information technology has reshaped how people, companies, and governments operate, thereby influencing economic and social interactions (Yasmin, Tasneem, & Fatema, 2015b). The competitive landscape increasingly hinges on how well companies respond to customer needs. In particular, automotive companies are transforming their communication strategies with customers. Although digital media has been around for over 25 years since Sir Tim Berners-

Lee's invention of the World Wide Web, the medium has evolved significantly, offering businesses new ways to engage with customers across the entire lifecycle (DIGITAL MARKETING, n.d.).

With over 3 billion global users engaging online for a range of purposes—including shopping, entertainment, and socializing—consumer behavior and marketing strategies have radically shifted to accommodate this digital landscape (DIGITAL MARKETING, n.d.). Digital marketing, which involves promoting products or services through internet-based channels, mobile devices, and other digital platforms, has become integral to business strategies (DIGITAL MARKETING, n.d.). The automotive sector in Addis Ababa, like other industries, is increasingly adopting digital marketing technologies. Digital marketing channels are now crucial components for many companies' strategies, allowing even small businesses to market cost-effectively (Yasmin, Tasneem, & Fatema, 2015a). Given the challenges posed by globalization and more informed consumers, automotive companies must continuously adapt to remain competitive, leveraging digital marketing to enhance reach and engagement.

The 20th century saw the dawn of new advertising mediums, starting with radio and television, followed by the internet, which transitioned from being a niche tool to a mainstream communication and business platform. The proliferation of the Internet of Things (IoT) has further expanded digital marketing's potential (Tran, Lan, & Pham, 2016). While both digital and traditional marketing aim to attract customers and build brand recognition, they differ in approach, with digital marketing offering unique advantages in speed and reach (Sudha, Lawrence, et al., 2018). Advances in technology have facilitated this shift, enabling faster delivery of products or services to customers and prompt feedback (Schutte & Chauke, 2022). In this environment, building a solid digital marketing framework from the ground up is essential, as merely adapting traditional strategies falls short of achieving competitiveness (Sawicki, 2016).

Ethiopia's automotive sector, primarily focused on vehicle sales and supply, includes prominent companies such as Motor & Engineering Company S.C. (MOENCO), Nyala Motors, and others. Ethiopia remains one of the lowest motorized nations, with only two cars per 1,000 residents in 2015, and approximately 210,000 vehicles in use by 2022. The market comprises 84% passenger and 16% commercial vehicles, with around 18,000 vehicles imported annually (Auto Parts Africa, n.d.). This study examines the impact of digital marketing on the competitive edge of automotive companies in Addis Ababa.

The automotive industry often revisits marketing strategies to maximize profitability and expand market share, with literature highlighting the significance of aligning marketing efforts with company performance (Kotler, 2012, n.d.). According to Mandal (2017), digital channels are now indispensable in marketing strategies, offering accessible and affordable means of promotion. Digital marketing allows companies to use various devices (e.g., smartphones, tablets) and channels (e.g., social media, SEO, email) to advertise their offerings without geographic limitations.

In the automotive context of Addis Ababa, little research has focused on digital marketing's impact on competitive advantage. This study, therefore, seeks to address this gap by investigating how digital marketing strategies like search engine marketing, email advertising, and social media campaigns influence the competitiveness of automotive companies in Addis Ababa. The findings aim to contribute to the industry, governmental policy, and academic discourse by providing insights into digital marketing's role in enhancing competitiveness in Ethiopia's automotive sector.

## RELATED LITERATURES
### Theoretical Literature Review
### SEM Marketing and Competitiveness of Automobile Companies
Increasing competition in the world has led to a growing interest in organizational strategies to gain and maintain a competitive advantage. There are two different classic perspectives that try to define competitiveness. In general, the macroeconomic perspective is known as the perspective that

identifies what international competitiveness is in terms of price-based factors. Search engine marketing (SEM) is a form of Internet marketing that promotes a website by increasing its visibility on search engine results pages (such as Google, Yahoo, and MSN) primarily through pay-per-click advertising (Minasyan, 2012)

According to (Minasyan, 2012) search engine marketing serves as a connecting term for two broad disciplines: search engine optimization and paid search advertising. SEM is a process for promoting products, services and digital content through search engines. The process starts with search engine optimization and could end with paid search advertising. The goal of SEM is to attract search traffic that can later be converted into customers. This can be achieved through search engine optimization and/or paid search engine advertising.

**E-mail Advertising and Competitiveness of Automobile Companies**

Email marketing has found wide application in direct online marketing, especially to strengthen customer loyalty to leverage cross and up-selling potential.(Păvăloaia, Anastasiei and Fotache, 2020) The ability to adapt the company's digital marketing strategy to the current market is a mandatory skill. In the current market, change is different from previous developments, and adjusting marketing strategies alone does not guarantee the company's competitiveness. The email marketing model must be redesigned from the ground up, because anything else puts a company in a position to catch up with the market leaders.

Email advertising refers to the use of email to send promotional messages to Internet users and is considered to be one of the more effective methods of online advertising and marketing ('Dave Chaffey - Total E-Mail Marketing-', no date). In email advertising, businesses use email marketing software to send mailings to consumers. Recipients of e-mail marketing must have opted-in to receive such e-mails. Businesses also often purchase lists of email addresses from third parties who have compiled email address data, for example, from contests, surveys, or registrations for various types of services,

where the consumer consents to the use of the email addresses for has given marketing purposes.

The success of email marketing campaigns is typically measured on three dimensions: number of people who open the email, number of people who read the message and click on it to go to the corporate campaign landing page, and number of these people who ultimately buy or register as a result of email (Goliger, 2014) . These dimensions are known as email open rate (OR), click-through rate (CTR), and conversion rate (CR), respectively.

**Online Advertising and Competitiveness of Automobile Companies**

Online advertising has become an increasingly important tool for automobile companies to reach and engage with consumers. Several studies have examined the effects of online advertising on automobile sales and competitiveness.

(Peng *et al.,* 2014) explored the effects of online advertising spending on automobile sales through both search and non-search advertising. The study collected sales data for the top 52 vehicle models in China over two consecutive years, along with advertising spending data from a leading consulting company and a major search engine company. The results showed that both search and non-search online advertising had significant positive effects on automobile sales.

(Bagga and Gupta, 2014) conducted a statistical study on the use of Internet marketing by different automobile manufacturers in India. They compared the online promotional activities of three automobile companies with different origins - Volkswagen (German), Hyundai (South Korean), and Renault (French). The study found that all three companies were actively using social media sites like Facebook, Twitter, and Google+ for sales and promotions.

(Nath Sahdeo and Ranjan Srivastava, no date) investigated consumer attitudes towards digital advertising in the Indian automobile sector. Using the Theory of Planned Behavior as a framework, the study found that people had positive attitudes towards various aspects of digital advertising and marketing, but remained skeptical about the technicality and authenticity of information available online. The authors noted that digital advertising provides consumers with an easy way to compare variables across competitors.

(Bajracharya and Radovich, 2014) analyzed trends in automobile advertisements in American magazines from 1960 to 2013. They found that the total number of car advertisements per magazine peaked in the late 1990s, with differences across magazine genres. The number of advertisements for American-made cars peaked in the mid-1990s, while the number of foreign car advertisements, particularly Japanese models, significantly increased after 1975.

## Social Media Marketing and Competitiveness of Automobile Companies

Technological developments not only pose threats to automotive companies operating in these markets, but have also created new opportunities to engage in profitable new ventures and businesses. In maintaining competitiveness, automotive companies face many constraints and constraints due to their limited financial resources, skilled workforce and advanced technologies that need to move with the changing environment and especially markets and customers (Pergelova, Prior and Rialp, 2010) The current business environment has forced companies to adopt social media marketing not as a cost but as an opportunity to increase the bottom line in terms of competitive advantage.

Social media marketing involves encouraging customer communication on the company's own website or through its social presence ('(5) Chaffey, Dave & Smith, PR - Digital Marketing Excellence, 5th edition (2017)', no date). This is an important technique in digital marketing as it allows companies to distribute their messages to their target audience via social media without paying for the publishers or distributors characteristic of traditional marketing. Smart business owners use Twitter for both promotions and real-time response to customer complaints. With 4 billion daily page views, YouTube has brought business owners to the attention of this free advertising platform.

In today's contemporary societies, social media channels often serve to connect people through the internet. From a marketing and business perspective, social media marketing offers a variety of new opportunities for companies to promote their brand, products, and services (Laroche *et al.*, 2012). This is encouraged by the personal autonomy and freedom that the internet offers as people actively connect and talk about their experiences, sharing their opinions about products and services they have tried or just heard about. Social networks and social media are enjoying growing popularity around the world. Social media networks have fundamentally changed the way information is disseminated by making it incredibly easy to share and process information on the internet(Ziyadin *et al.*, 2019) .

## Review of Empirical Literature

In this empirical literature review, the studies on the effect of digital marketing on the competitiveness of automotive companies were reviewed. Since digital marketing is still in an early stage of development, totally there is no any study specifically in this area conducted. Therefore, only a few relevant studies for the empirical analysis are discussed here on the digital marketing.

(Sharma, no date) Study on Digital Marketing as an Effective Promotional Tool in India. The study states that digital marketing is a very promising advertising tool in developed countries, where Internet penetration is almost as deep as 80% of the population size. The conclusions of the study show that while digital marketing is definitely a promising tool for effective marketing and advertising and its popularity is gaining momentum, its applicability in the Indian market is still not fully realized given the distinctive characteristics and traditional way of thinking of Indian consumers Potential. The study states that digital advertising enables better business growth. Finally, the study concluded that digital platforms offer companies a huge playground in which to experiment and reach millions of people, but it should be done with a great marketing strategy as a starting point.

(Mcom, 2022)Study on the influence of digital marketing components on the buying behavior of automobiles in the Indian market with a special focus on selected brands. It concluded that digital media is the best platform to transform a product into a brand. From this it is concluded that the automotive companies need to choose the right digital media to reach the target customers. The content of the information must be educational and attractive. It must influence customers to buy the brand and products and be an effective brand reminder. Finally, to suggest the study: the company's SEO process must help the brand easily search for the different customers, the SEO marketing helps the customers to analyze the top ten brands to buy effectively, the SEO Marketing needs to reach the

potential customers at the right time to influence them in the right way, and social media advertising needs to allow viewers to see other reviews and comments to influence them to buy.

Impact of digital marketing on MSMES performance in Kenya studied by (Kimathi and Zhang, 2019). The results of the study showed that digital marketing accounted for 38.8% of micro, small and medium-sized enterprises (MSME) performance fluctuations. The study also showed a strong positive correlation between digital marketing and the performance of micro, small and medium-sized enterprises (MSMEs). In conclusion, the study recommends that micro, small and medium-sized enterprise (MSME) owners/managers in Kenya should use digital marketing as a strategy to improve performance.

(Hachimi, Lhassan and Belamhitou, 2021),explain that digital marketing is revolutionizing organizational structures, offering companies, especially Moroccan companies, a multitude of opportunities to evolve the classic business model to innovate products and services while establishing a direct and personalized relationship with customers. According to the empirical study by Ikram El Hachimi et al. found that digital marketing has a positive impact on the performance of companies in the northern region of Morocco.
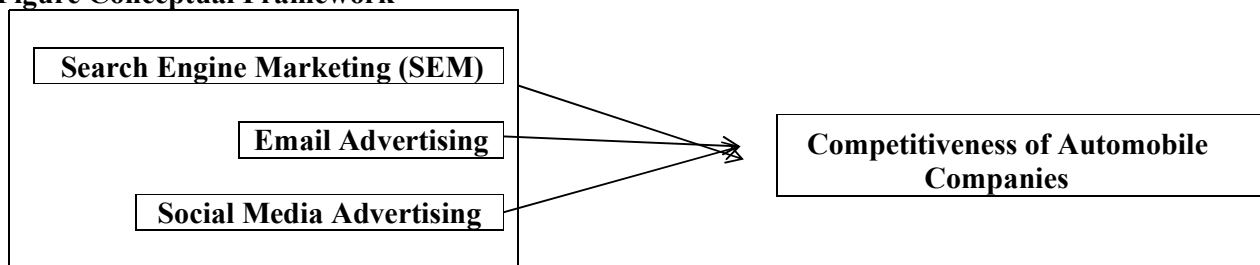
**Research gap**

Referring to the empirical review above, almost no research has been found that focuses on the impact of digital marketing on the competitiveness of automotive companies. Based on the researchers' empirical review, the effect of digital marketing on different sectors has been studied by different researchers, but the studies are insufficient. Reviewing various empirical studies has shown that several studies have been conducted that have focused on various digital marketing issues and have shown a positive relationship. However, for the most part, the studies did not focus on automotive companies and did not consider aspects such as search engine marketing, email advertising, online advertising and social media marketing, hence the need for the current research filling this empirical gap.

The above studies were important because they formed the basis of this study and provided direction. However, the studies were not conducted within the Addis Ababa automotive companies, and none of them focused on the four digital marketing which the current study seeks to examine. Researchers closed this gap by attempting to study the impact of digital marketing on the competitiveness of automotive companies in Addis Ababa.

**Conceptual Framework**

**Figure Conceptual Framework**



*Source: Developed by the researchers, 2024*

**Research hypothesis**

In light of the objectives articulated and the conceptual framework the following four research hypothesis are developed.

**Ha1:** Search Engine Marketing has positive and significant influence on competitiveness.

**Ha2:** E-mail advertising has positive and significant influence on competitiveness.

**Ha3:** Social media advertising has positive and significant influence on competitiveness.

## RESEARCH METHODOLOGY

### Research Design

The authors aim to examine the effect of digital marketing on competitiveness by gathering information from a sample of respondents with survey questionnaires .Thus ,the authors used explanatory type of research design in order to explain the relationship between the independent variables and dependent variable, and how the digital marketing affect competitiveness of automobile companies in Addis Ababa.

### Research approach

This research adopts quantitative research methods to reach an end goal.

### Target Population

The term population describes the entirety of the items about which information is desired (Kothari, 2004). The target groups of this study were employees of the marketing and sales departments in the head offices of 12 large established motor vehicle dealers in Addis Ababa Table 3.1 shows the population distribution acquired from HR departments. The target populations of this study are 108 marketing staffs. These are Motor & Engineering Company S.C (MOENCO)( 20 staffs), Nyala Motors S.C,(12 staffs) Belayab Motors S.C( 11 staffs), Abay Technical and Trading S.C( 2 staffs) , Marathon Motors Engineering (2 staffs), Ries Engineering S.C (7 staffs), Elauto Engineering Business Group( 12 staffs) , Equatorial Business Group P.L.C( 8 staffs), Tamrin International Trading P.L.C( 10 staffs) , Ultimate Motors (5 staffs), Orbis Trading( 12 staffs) and Green Tech Africa ( 7 staffs).

### Sampling Frame

The sampling frame is a list of items to be sampled from (Kothari, 2004) in this case purposely selected twelve (12) automotive companies in Addis Ababa. The sampling frame was determined based on the researcher's survey in Addis Ababa. The criteria used by the researchers to select the companies are: based on their exclusive dealership, based on the vehicle they sell in this case automobile and based on their location in this case Addis Ababa. Since the number of employees in the marketing and sales departments of companies is small and the companies are located in Addis Ababa, it is possible to access them through a questionnaire, so the study used the complete questionnaire of the marketing and sales staff departments of the companies for the research.

### Instruments

The researchers used closed-ended questionnaires. The main database for realizing the research objectives and testing the hypothesis is to be fetched through the index. Different questionnaires (indexed) were prepared and administered for the primary sources. Automobile companies in Addis Ababa, the effect of SEM marketing, e-mail advertising, social medial marketing and competitiveness with 35 items that are believed to be judged by respondents. Responses to the question where measure on a five Likert rating scale such as: Strongly agree (SA) = 5; Agree (A) = 4; Not Sure (NS) = 3; Disagree (D) = 2; Strongly disagree (1). The use of Likert scale is to make it easier for respondent to answer the questions in a simple way.

One of the main phases of a research study is data collection, which allows the researchers to find answers to research questions. Data collection is the process of collecting data with the aim of gaining insights about the research topic (Taherdoost, 2021) . Pilot testing is the most appropriate tool and plays an indispensable role in conducting large-scale surveys to increase the reliability, validity and practicability of the questionnaire, especially in the fields of management, social sciences and education (Wadood, Akbar and Ullah, no date) . The researchers select a pilot group of 5 employees from Tamrin International Trading P.L.C to participate in the pilot test. The pilot study helped refine the questionnaire, improving its readability and minimizing the chance of misinterpretation of the questions. Pilot testing also ensured the reliability and validity of the questionnaires.

(Kothari, 2004) shows that data analysis is a practice of reviewing, cleaning, modifying, and displaying information with the aim of highlighting valuable data, recommending conclusions, and supporting basic guidance. STATA (version 14) is used to analyze data and information. The collected data was changed and interpreted in to meaningful information, and statement.

### Model Specification

$$Y = \beta_0 + \beta 1x_1 + \beta 2x_2 + \beta 3x_3 \dots \beta nXn + e_i \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\text{ (1)}$$

Where:

Y = predicted variable, β0 =Constant, β1, β2, β3 ... $β_n$=parameters of the x predictor $x_1 - x_9$ : are the dependent variables of the mode and $e_i$= error term.

## Data Analysis

## Descriptive Statistics

On December 26, 2023, the researchers delivered 108 questionnaires, and 98 respondents filled out and responded to the question, for a return rate of 90%. Thus, the response rate for this research was above 90%, which is ideal for accurately responding the entire population.

## Descriptive Statistics on Search Engine Marketing (SEM)

Table 1 shows the descriptive statistics for the effect of search engine marketing on competitiveness of automobile companies in Addis Ababa, the average response of respondents to the degree of Search Engine Marketing (SEM) is 3.274 (NS= 0.793) on the scale of 5 points. The result show that the respondents are averagely they are not sure about the Search Engine Marketing (SEM) effect on competitiveness of automobile companies. In this case, low standard deviation indicates that the data points are not distant from the mean (i.e. the mean is an accurate representative of the data). Hence, low standard deviation means that the data are not wide feast, which means that customers scored low deviation means that customers express close opinion. Therefore, the Search Engine Marketing (SEM) deviation is below 1. Thus, it is possible to conclude that the respondent's perceptions are homogenous.

## Descriptive Statistics on E-mail Advertising

The results for the effect of e-mail advertising in table 2, the average response of respondents to the degree of E-mail Advertising is 3.452 (NS= 1.061) on the scale of 5 points. The result show that the respondents are averagely they are not sure about the E-mail advertising effect on competitiveness of automobile companies. In this case, high standard deviation indicates that the data points are distant from the mean (i.e. the mean is an accurate representative of the data). Hence, high standard deviation means that the data are wide feast, which means that customers scored high deviation, means that customer's express diversifying opinion. Therefore, the E-mail advertising deviation is above 1. Thus, it is possible to conclude that the respondent's perception is heterogonous.

## Descriptive Statistics on Social Media Advertising

The result from table 3 shows that the average response of respondents to the degree of Socila Media Marketing is 3.221 (NS= 0.852) on the scale of 5 points. The result show that the respondents are averagely they are not sure about the Social Media Advertising effect on competitiveness of automobile companies. In this case, low standard deviation indicates that the data points are not distant from the mean (i.e. the mean is an accurate representative of the data). Hence, low standard deviation means that the data are not wide feast, which means that customers scored low deviation means that customers express close opinion. Therefore, the Social Media Marketing deviation is below 1. Thus, it is possible to conclude that the respondent's perceptions are homogenous.

## Descriptive Statistics on Competitiveness of Automobile Companies

Table 4 shows, the average response of respondents to the degree of competitiveness of automobile companies is 3.147 (NS= 1.179) on the scale of 5 points. The result show that the respondents are averagely they are not sure about the competitiveness of automobile companies. In this case, high standard deviation indicates that the data points are distant from the mean (i.e. the mean is an accurate representative of the data). Hence, high standard deviation means that the data are wide feast, which means that customers scored high deviation, means that customer's express diversifying opinion. Therefore, the competitiveness of automobile companies' deviation is above 1. Thus, it is possible to conclude that the respondent's perception is heterogonous.

## Inferential Analysis

## Correlation Analysis of the Study Variables

Correlation analysis is primarily concerned with finding out whether a significant relationship exists between two variables. It is used to describe the strength and direction of the linear relationship between two variables. Pearson correlation (commonly called Pearson Correlation Coefficient) is used

for the study to investigate a relationship between independent and dependent variable. The value of Pearson product-moment correlation coefficient (r) normally varies between -1 to +1. The sign indicates whether there is a positive correlation (as one variable increase, other also increase) or negative correlation (as one variable increase, other decrease).

A coefficient(r) of +1 indicates a perfect positive relationship while -1 indicates a negative relationship. Breaking down the strength of the relationship, values of r= ±0.1 to ± .29 represent a weak relationship while r= ±0.3 to ±0.49 represent a medium relationship while r= ±0.5 to ± 1.0 indicate a strong relationship. The results of correlation analysis between factors of digital marketing (Search Engine Marketing, Email Advertising and Social Media Advertising) and competitiveness of automobile companies are depicted in the following tables.

**Table  Correlation Analysis**

| Correlation | | | | | |
|---|---|---|---|---|---|
| | | Search Engine Marketing (SEM) | Email Advertising | Social Media Marketing | Competitive ness of Automobile Companies |
| Search Engine Marketing (SEM) | Pearson Correlation | 1 | | | |
| | Sig. (2-tailed) | | | | |
| Email Advertising | Pearson Correlation | 0.590** | 1 | | |
| | Sig. (2-tailed) | .000 | | | |
| Social Media Marketing | Pearson Correlation | 0.531** | 0.619** | 1 | |
| | Sig. (2-tailed) | .000 | 0.000 | | |
| Competitiven ess of Automobile Companies | Pearson Correlation | 0.548** | 0.636** | 0.528** | 1 |
| | Sig. (2-tailed) | .000 | 0.000 | 0.000 | |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | | |

*Source: own survey result, 2024*

Based on the survey correlation results of independent and dependent variables discussed in the table above it is possible to deduce the following statements.

Concerning the relationship between the Search Engine Marketing and Competitiveness of Automobile Companies, Pearson correlation analysis reported that it has .548** at a significance level of 0.01. This stipulates Search Engine Marketing has a strong and positive relationship with Competitiveness of Automobile Companies. Hence, it is possible to conclude that Search Engine Marketing have a linear relationship with Competitiveness of Automobile Companies.

Concerning the relationship between the Email Advertising and Competitiveness of Automobile Companies, Pearson correlation analysis reported that it has .636** at a significance level of 0.01. This stipulates Email Advertising has a strong and positive relationship with and Competitiveness of Automobile Companies. Hence, it is possible to conclude that Email Advertising have a linear relationship with Competitiveness of Automobile Companies.

Concerning the relationship between the Social Media Advertising and Competitiveness of Automobile Companies, Pearson correlation analysis reported that it has .528** at a significance level of 0.01. This stipulates Social Media Advertising has a strong and positive relationship with and Competitiveness of Automobile Companies. Hence, it is possible to conclude that Social Media Marketing have a linear relationship with Competitiveness of Automobile Companies.

## Multi Collinearity Test

Multicollinearity refers to the situation in which the independent variables are highly correlated in a way that has undesirable implication on the outcome of regression analysis. Table 4.12 the result indicated that the independent variables have a variance inflation factor of 1.77, which is below 10 indicating that multicollinearity was not a serious problem

**Table Multicollinearity Test**

| Variable | VIF | 1/VIF (Tolerance) |
|---|---|---|
| Email Advertising | 1.92 | 0.521 |
| Social Media Advertising | 1.74 | 0.574 |
| Search Engine Marketing (SEM) | 1.65 | 0.606 |
| Mean VIF | 1.77 | |

*Source: own survey result, 2024*

## Homoscedasticity Test

Homoscedasticity is used to measure if dependent variables exhibit simultaneous level of variance relative to different values for independent variable.

Using the Breusch-Pagan test to assess homoscedasticity the result show that Prob >chi2=0.3125 since the p value is >0.05 this led us to accept the null hypothesis of homoscedasticity.

## Regression analysis
## Multiple regression analysis

Number of obs   =       98
F(3, 94)        =   27.31
Prob > F        = 0.0000
R-squared       =0.4657
Adj R-squared  = 0.4486
Root MSE        = .87611

**Table  Model Summary**

| Model | Coef. | Std. Err. | t | P>|t| | [95% Conf. |
|---|---|---|---|---|---|
| Search Engine Marketing (SEM) | .3344812 | .1439105 | 2.32 | 0.022 | .0487436 |
| Email Advertising | .451385 | .1160521 | 3.89 | 0.000 | .2209609 |
| Social Media Advertising | .2182669 | .1376156 | 1.59 | 0.116 | -.0549722 |
| cons | -.2094238 | .412916 | -0.51 | 0.613 | -1.029278 |
| Predictors (Constant): Search Engine Marketing (SEM), Email Advertising and Social Media Marketing Dependent Variable: competitiveness | | | | | |

*Source: own survey result, 2024*

The above table show the variation of variables used in the analysis. R-square which is the coefficient of factors is telling that how much variation is taking place in competitiveness of automobile companies (dependent variable) due to Search Engine Marketing (SEM), Email Advertising and Social Media Advertising (independent variables). When the table is analyzed, it is seen that the value of R-square shows 46.57% change taking place in competitiveness of automobile companies due to the Search Engine Marketing (SEM), Email Advertising and Social Media Advertising.

Among the three independent variables two independent variables (Search Engine Marketing (SEM) and Email Advertising) show significant values whereas, the rest one independent variable (Social Media Advertising) shows insignificance values of > 0.05, from the result we can conclude that the two independent variables make a significant unique contribution to competitiveness of automobile companies.

The larger value of Beta coefficient that an independent variable has brings the more supports to the independent variable as the more important determinant in predicting the dependent variable. Hence, for the two independent variables making positive and significant contributions, Search Engine

Marketing (SEM) and Email Advertising the beta values were 0.334 and 0.451 respectively (All the measures are statistically significant). This indicated that the biggest unique contribution to Competitiveness of Automobile Companies has made by Search Engine Marketing (SEM) and Email Advertising. Whereas, the social media advertising has a positive but insignificant value has scored (.218, $p>0.05$). The general values of $p<0.05$ which is 0.000 this value show that Search Engine Marketing (SEM), Email Advertising and social media advertising together significantly affect or contribute the value of Competitiveness of Automobile Companies.

**Table Analysis of Variance (ANOVA)**

| | Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 62.886 | 3 | 20.962 | 27.31 | 0.000 |
| | Residual | 72.151 | 94 | .767 | | |
| | Total | 135.038 | 97 | 1.392 | | |
| Predictors (Constant): Search Engine Marketing (SEM), Email Advertising and Social Media Marketing | | | | | | |
| Dependent Variable: competitiveness | | | | | | |

*Source: own survey result, 2024*

According to table 4.14 the analysis of variance (ANOVA) for these data, the F-statistic of the independent variables is 27.31 respectively, which is more than 3 this indicates that the model is overall good fit and significant at $p< 0.01$. This result indicates that there is less than a 0.1% chance that an F-ratio this large would happen, if the directional hypothesis proposed about F-ratio were true. Therefore, it can be concluded that the regression model overall predicts competitiveness significantly well.

**Interpretation in Terms of Research Hypotheses**

**Table  Hypothesis Summary**

| Hypothesis | Analytical Model | Outcome | Reason |
|---|---|---|---|
| **H1:** Search Engine Marketing has positive and significant influence on competitiveness. | Regression analysis | Supported directional hypothesis | $\beta = .334$ P > 0.05 |
| **H1:** E-mail advertising has positive and significant influence on competitiveness. | Regression analysis | Supported directional hypothesis | $\beta = .451$ P > 0.05 |
| **H1:** Social media advertising has positive and significant influence on competitiveness. | Regression analysis | Rejected directional hypothesis | B= .218 P < 0.05 |

*Source: own survey result, 2023*

**Conclusions**

Therefore, the conclusions were drawn based on the summary of finding in the analysis and as shown below:-

➢ The descriptive statistics analysis proved that most of the respondents in automobile companies in Addis Ababa were not sure on the four dimensions such as search engine marketing, email advertising and social advertising. Therefore, the digital marketing dimension in Addis Ababa automobile companies was not implemented well.

➢ The correlation analysis study result found that digital marketing tools such as search engine marketing and email advertising are the most important factors for digital marketing and companies' competitiveness while social media advertising is the least and insignificant to digital marketing and companies competitiveness. But all together search engine marketing, email advertising and social media marketing are significant to digital marketing and company's competitiveness.

> ➤ To utilize the Internet and digital channels is important for most of the companies in the study; it is seen as a competitive advantage if it is utilized correctly. It can be concluded that the higher competition that a company is exposed for the higher adoption of digital channels.

## Recommendations

> ➤ Any businesses need appropriate infrastructure to work properly. Therefore, the Automobile companies in Addis Ababa should improve their search engine marketing, email advertising and social media advertising to effectively utilize digital marketing system and compete with their competitors.
>
> ➤ The managements of automobile companies in Addis Ababa should give due emphasis on working towards search engine marketing in order to present its web page on top of search engines.
>
> ➤ Automobile companies should be using social media tools to promote their products and services and to respond to their customers' concerns and complaints in any time. This will make their customers feel valued which would increase customer loyalty. The companies could also use the feedback and responses they receive from these platforms to develop their organization strategy which would ultimately enhance their performance, profits, and growth.

## Recommendations for Further Studies

This study sought to examine the effect of digital marketing on competitiveness of automobile companies in Addis Ababa. The study covered only Exclusive agents of the automobile companies within Addis Ababa and not including the opinion of company's customer. So, the study suggests that further studies could also explore on the non-exclusive automobile companies on the area of the effect of digital marketing on competitiveness of automobile companies by including the opinion of company's customer.

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