Innovations

The Mediating Effect of Customer Satisfaction on The Relationships Between Promotional Strategy and Firms' Sales Performance

Getachew Etana Eticha, **Zerihun Ayenew Birbirsa****, **Misganu Getahun *****

*PhD Candidate in Management at Wollega University, Ethiopia
**Associate professor of Management, Jima University, Jimma, Ethiopia
*** Assistant professor of Management, Wollega University, Ethiopia
Corresponding Author**: Getachew Etana Eticha**

Abstract

This paper presents a study on the Mediating Effect of Customer Satisfaction on The Relationships Between Promotional Strategy and Firms' Sales Performance. For the study, an explanatory research design is used to investigate the direct and indirect relationship between Promotional Strategy, Customer Satisfaction, and firms' sales performances. Both primary and secondary sources of data are exploited. Stratified and simple random sampling techniques are also employed to select the respondents from the target population of the study. The structural Equation Model was used to analyze the data. Respectively, the data were analyzed using AMOS software. The study result showed that the direct effect of Promotional Strategy on firm sales performance is 0.067, with a P-Value less than 0.05. this shows that, when Promotional Strategy goes by, 1, firm sales performance goes up by 0.067 with T-value greater than 1.96 and p -a value less than 0.05. On the other hand, the study revealed that the indirect effect of Promotional strategy on firm sales performance is 1.86; with P-Value is less than 0.05. This shows that the firm sales performance is improved when customer satisfaction is mediating the relationship between Promotional Strategy and Firm sales performance in the Ethiopian banking industry. thus, it is recommended that the banking industry should focus on satisfying their customer. Additionally, the top management of the banking industry should encourage the team of the industry to set a clear strategy for customer satisfaction.

*<u>**Keywords**</u>: **1.**Promotional Strategy, 2.Customers Satisfaction, 3. Firm Sales Performance*

Introduction

various studies have been conducted by different researchers to show the many benefits of relationship marketing which include the development of customer loyalty in the service industry, particularly in the banking sector. Accordingly, numerous factors influence relationship marketing success towards customer loyalty such as trust, commitment, competence, equity, empathy, conflict handling, and communication or sharing of confidences (Shanka, 2012; Aderaw G. and Manjit S, 2016).

Another study was conducted by Mukhiddin. et al (2012) showed that customer loyalty is influenced by empathy, commitment, trust, perceived value, perceived service quality, and conflict handling in the context of retail banking in northern Malaysia. While communication and conflict-handling aspects were found to be the significant drivers of overall customer satisfaction. this was confirmed by Mihir D. and Vineetha. (2013),

Halimi, A.B, et al (2011). Similarly, in the study of Wijekoon and Dharmadasa (2011), commitment acted as a strong determinant of customer loyalty in the Sri Lankan banking sector.

Thus, the origins of most of the current banking services can be traced down to the civilizations characterized by the dynamic development of trade and culture. According to Jeton et al., (2017) development of institutional reform, defining ownership and privatization, the market structure and competitors, and the conversion of corporate governance from the previous system have been indispensable to increasing banking efficiency for all the transition countries. Additionally, Jeton et al., (2017) revealed that the banking system is experiencing an expansionary and stable cycle, which is justified by the responsibility of the state institutions and the clients' behavior on one side and the high difference between the loan and deposit rates including the low level of bad debt.

On the other hand, the research conducted by Paul Kwame (2015) showed that the banking sector in Africa and the rest of the developing world has experienced a major transformation in its operating environment. In several countries, financial sector reforms have been implemented. Especially, in less monetized countries, like Ethiopia, even as the financial sector is dominated by the banking industry, effective and efficient functioning of the banking industry has a significant role in accelerating economic growth. Besides, Zerayehu (2019, stated that to enhance the role of banks in an economy, competition is an important driving force; without competition, it is improbable to bring about efficiency and foster financial sector development.

Hence, Kagnew et al., (2019) declared that intensive competition may lead to excessive risk-taking by banks, which would result in the deterioration of the quality of banks' lending portfolios and balance sheets. If banks suffer deterioration in their balance sheets and so have a substantial contraction in their capital, they will have fewer resources to lend, hence a decline in investment spending, and slower economic activity. In addition, the research conducted by Tekatel. et al., (2019) confirmed that, if the deterioration in bank balance sheets is severe enough, banks will start to fail, and fear can spread from one bank to another. Depositors, fearing for the safety of their deposits and not knowing the quality of banks' loan portfolios, withdraw their deposits to the point that multiple bank failures occur, whose ultimate consequence would be a severe contraction in economic activity).

However, In Ethiopia, there is no foreign bank involved in the financial markets. As a result, currently, the banking sector is characterized by little and insufficient competition and perhaps can be distinguished by its market concentration towards the big government commercial banks and having an undiversified ownership structure (Zerayehu,2019)**.** Further, in the Ethiopian banking sector, regardless of the series of changes and liberalization measures undertaken, which are expected to change the ownership structure, concentration, profitability, and in general its performance of the sector as compared to the situations prevalent before the reform period, currently the country's banking sector is characterized by the existence of high concentration (low competition) and operational inefficiencies; which is a clear sign of unimpressive performance of the sector (Zerayehun, 2019)

Recently, more than ever before, the emergency of strong competition, Fragmentation of markets, short life cycles of products, and increasing customer awareness and complexity, caused companies to use relationship marketing strategies to create, maintain, and enhance strong relationships with their customers to secure their loyalty (Mohammad et al.,2018). Several studies have been conducted on banks" selling performance in many countries around the world. For instance, the study conducted by ZunarniKosim (2016) found that in Malaysia Globalization, deregulation, technology, competition, and new customers' needs influence the banks to adopt a marketing approach in promoting their products and services to generate income. In this aspect, personal selling which focuses on the selling skills of banking employees becomes a very important banking function. Accordingly, the study revealed that the practices of staff teamwork in a banking Industry highly enhance the sales performance of the bank.

In Ethiopia, different research had conducted on the performance of the banking sector. Respectively,

compared to other world countries, the banking sector in Ethiopia, according to Admassu and Asayehgn, (2014) is undeveloped and delicate. They furthermore stated that the sector is very limited, relatively weak, closed, and characterized by a large share of state ownership. Specifically, the results reveal that the extent of financial repression has negatively affected savings, capital formation, and financial development.

For instance, a study conducted by Deepak &Abebaw (2016) on the title of financial performance and ownership structure of Ethiopian commercial banks indicated that even if, after 1994 financial liberalization the number of banks in the industry (particularly private banks) increased and the performance progress of the sector is better than the past. However, the study conducted by Belayneh (2017) indicated that, in Ethiopia, still the bank's selling Performance is weak and is much less booming than its neighbors.

The empirical study conducted by Danbobi Note (2020) revealed that the sales performance of the banking sector in Ethiopia is not satisfactory, compared to other countries. Because it is: small relatively undeveloped, closed, and characterized by a large share of state ownership.

Therefore, to the knowledge of the researcher, no research explores the mediating effect of Customer satisfaction on the relationship between Promotional strategy and Firm sales Performance in the Ethiopian banking industry. Thus, the study addressed these gaps. Respectively, based on the above-mentioned research gap, the following research hypothesis was proposed.

The Objective of The Study

This study focused on assessing The Mediating Effect of Customer Satisfaction on The Relationships Between Promotional Strategy and Firms' Sales Performance.

Literature review

Promotional Strategy

Lusaka and Alphonse (2012) have categorized promotional tools into five major elements. Such as Advertising, sales promotion, personal selling, public relations, and direct marketing. Moreover, with the growing importance of the financial sector, pressures are escalating for more effective marketing management of financial services. Despite the recent recessions, the financial services sector is continuing to grow in terms of turnover and profits and thus, has a supreme impact on the other spheres of the economy. Consequently, there is a growing interest in applying marketing techniques and tools in financial services (Fredrick OnyangoAila and Patrick B. Ojera, 2013)

Furthermore, Arvin Lucy, A.O. (2012) found that at the heart of the business, nowadays, is the competition to attract consumers' attention toward products or services. Correspondingly, each producer needs to build a more attractive strategy and action plan than its competitors. Thus, one prominent tool for attracting consumers' attention toward products is promotion. According to Mohd, Z.M., &Wannur, S.I. (2012), Promotion is one of the key factors in the marketing mix and has a key role in market success.

However, Joe Choon et al., (2015) argued that Marketing promotions are quite different from mass communication, in which an organization addresses a largely undifferentiated mass audience for non-commercial purposes by such means as press editorials, radio news, and television. Accordingly, under marketing promotions, an organization would be aiming at a deliberately differentiated audience for a commercial purpose and would employ such means as advertising, personal selling, sales promotion, publicity, and public relations. Moreover, Promotion involves disseminating information about a product, product line, brand, or company (Adesoga Dada Adefulu,2015).

Therefore, a Promotion strategy can be considered as a process whereby information about the organization's products or services is encoded into a promotional message for delivery to the customer. (Adesoga Dada, 2015) In effect, firms have a variety of alternative information delivery systems available

to them, which can be used to construct an appropriate promotional mix strategy. This portfolio of alternative delivery mechanisms includes majorly; advertising, personal selling, public relations, publicity, direct marketing, and sales promotions (Caroline Mwangi, 2017). On the hand, one study conducted by Victor Lusala Aliata et al., (2016) found that in Kenya there was a positive relationship between the promotional strategies and sales performances of the banking industry. Because the costs of the promotional strategies increased so did the sales performance of the bank.

On the other hand, Customer satisfaction and formulation of marketing strategies to attract more and more customers to the banks are now becoming a key issue to survive in the competitive banking industry for every bank (Man deep Kaur, 2012). The study conducted by Singh, S.P. &Khurana, S. (2016) showed that delivering customer satisfaction is at the heart of modern marketing, which is a post-purchase judgment of the consumers. The analysis of responses reveals that there exists a significant perceptual difference among customers regarding overall service quality with their respective banks.

Customer Satisfaction

According to Rosenberg &Czepiel (2017), Customer satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with the good or service over time. With marketing, customer satisfaction also comes along with it which means it ascertains the expectation of the customer on how the goods and services are being facilitated by the companies. Actionable information on how to make customers further satisfied is, therefore, a crucial outcome (Tao, F., 2014) Moreover, Huang, K. H. (2015) showed that customer satisfaction is a crucial component of a business strategy as well as customer retention and product repurchase. To maximize customer satisfaction companies should sell ideas and methods after the completion of all the necessary documents.

However, the product and its features, functions, reliability, sales activity, and customer support are the most important topics required to meet or exceed the satisfaction of the customers. Satisfied customers usually rebound and buy more. Besides buying more they also work as a network to reach other potential customers by sharing experiences (Rosenberg &Czepiel, 2017). From the above literature, it is possible to understand that the value of keeping a customer is only one-tenth of winning a new one. When the organization wins a customer, it should continue to build up a good relationship with the client. Therefore, providing quality goods and services in the 20th century is not only to satisfy the customers but also to have a safe position. Indeed, this has benefited the customers significantly in consuming qualitative products.

Customer satisfaction is influenced by specific product or service features and perceptions of quality. Satisfaction is also influenced by customers' emotional responses, their attributions, and their perception of equity. Increased customer satisfaction can provide company benefits like customer loyalty, extending the life cycle of a customer expanding the life of merchandise the customer purchase, and increasing customers' positive word-of-mouth communication. When the customer is satisfied with the product or service of the company, it can make the customer purchase frequently and recommend products or services to potential customers. A business organization can't grow up in case the company ignores or disregards the needs of customers (Tao, 2014.)

Until now measurement has been part of service quality. As Edvardsson and Thomasson (2013) say: Customer Satisfaction Measurement (CSM) works! In other words, CSM is related to important business variables such as repeat purchases, customer retention, and profitability. It is logical to suppose that if customers are satisfied, they will return. They will be less inclined to switch to another company. Almost by definition, we would expect customer satisfaction to relate to loyalty and profitability. If customer satisfaction does not accomplish these, then from a business point of view, there would be little point in tracking it. Lam and Zhang, 1999 claim that viewing from a marketing perspective, customer satisfaction is achieved when the customer's needs and wants are fulfilled. According to Hesamuddin (2008), the

objective of managing satisfaction is to obtain a higher rate of customer retention and to improve a company's market share and profits.

Measuring things, the wrong way is one of the common problems in trying to measure customer satisfaction. As Bergman &Klefsjö, (2010) says, measuring the performance of a company versus the competitor will be inconsistent or insensitive in detecting differences. Using metrics that are not tested for their validity and reliability can also provide misleading measurements of customer satisfaction. Social measurements can be as precise as physical measurements. To have an idea about the physical measurements some questions must be asked is the metric sensitive enough to detect the differences in service quality offered by the two companie.

CSM is not an isolated research activity but a key management tool providing direction to the company's quality improvement activities. Objectives are also necessary to keep the CSM program from wandering into other areas of customer research that are best left to the marketing department. (Mitra (2003) shows 10 steps to measure customer satisfaction. In this methodology the first three steps are the conceiving steps, the next three are the developing steps and the last ones are the interpretation and tracking steps. such steps are: Gathering background data, Choosing the attributes to measure, Choose the right audience to be measured, decide on the basic CSM question components, Choose the right metric, Make Analysis Action Oriented, Consider Segmenting Customers, Interpreting the measures correctly, using results cautiously and create a tracking system.

Firm's sales performance in the banking industry

According to Kosile et al., (2012), the real purpose of business is to create and sustain mutually beneficial relationships, especially with selected customers. The main proposition assumes that successful relationships are the two-way flow of value. A positive relationship has been established between relationship marketing and organizational performance. Ismail, S. T. (2009) revealed that Relationship marketing usually results in strong economic, technical and social ties among the stakeholders' parties thereby reducing their transactions costs and increasing exchange efficiencies included in relationship marketing which are not only buyers or seller's exchanges but also business partnerships, strategic alliances, and cooperative marketing networks. The relationship typically involves seller-customer exchange, but it could involve any stakeholder's relationship.

Additionally, Ismail (2009) showed that relationship marketing emphasizes that relationships are partnerships with an emphasis on social bonding, cooperation, and joint problem-solving, sharing resources and activities, and basing relationships on common goals. Specifically, He, however, challenged that the benefit should be relational and dyadic too. Most of the studies have been emphasizing the effect of relationship marketing on organization performance neglecting customer benefits. Moreover, relationship marketing emphasizes that long-term relationships are mutually beneficial. In any genuine relationship, both parties involved should be beneficiaries of the outcome of such relationship.

The research conducted by Bregma (2010) the finding reveals a positive and significant relationship between Relationship Marketing and Bank Performance indicators. The Relationship Quality and Relation Benefits were found to be positive and significant determinants of Bank performance.

Yemen, Mulugeta, and Adane (2018) studied the relationship between advertising effectiveness, customer perceived value, and customer loyalty in the Ethiopian banking sector, particularly in commercial banks of Ethiopia. According to scholars, there is a positive and significant relationship between advertising effectiveness and customer loyalty. The study also revealed that customer-perceived value partially mediates with the relationship between advertising effectiveness and customer loyalty. In addition, the work claims that effective advertising contributed to developing loyal customers, and hence, to improve loyalty, banks should work on performance marketing strategies that improve the effectiveness of advertising.

Abebe et al. (2019) conducted a comparative analysis of customer satisfaction among state-owned and private banks found in Axum town. The study concluded that private bank customers have shown to be more satisfied than their counterpart customers. It further recommended that, as both, private and state-owned, banks are too behind in creating a responsive bank to their customers and hence need to work on improving their employees' responsiveness towards their customers.

Teshale (2017) studied determinants and outcomes of customer satisfaction at the Commercial Bank of Ethiopia by taking evidence from Addis Ababa which is the capital city of Ethiopia. The study investigated major factors that influence customer satisfaction and examined the effect on customers' future behavioral intentions. Accordingly, the study put service quality, service features, and customer complaint handling as major determinants of customer satisfaction in the commercial banks of Ethiopia. It further found that there is a significant and positive relationship between the aforementioned three factors and customer satisfaction.

Methodology Used

The research design chosen for the study was an Explanatory research design. According to Kothari (2004) Explanatory research design is used to explain the cause and e-and-effect relationship of the phenomenon. Therefore, an Explanatory research design was employed to examine the causal relationship between the independent variable (Promotional Strategy), Mediating Variable (Customer Satisfaction), and dependent variable (Firm Sales Performance) at Ethiopian banking industry. Both qualitative and quantitative research approaches were employed in the study. Because mixed method research helps for utilization of the strength of both qualitative and quantitative and tackle of disadvantages of both designs.

Both Probability and none probability sampling techniques were used in the study. Stratified sampling techniques were used to select the respondents. Respectively, Ethiopian commercial Bank, Nib International Bank, Awash International Bank and Oromia bank were selected purposively. The reason behind selecting those banks was the annual report of Ethiopian National bank 2019/2020. According to this annual report, those the abovementioned banks were listed a top-performing commercial banks in Ethiopia. The report revealed that those banks were categorized as top five performer in that Annual year. This has initiated the researcher to choose those banks purposively. Accordingly, those banks were selected purposively based on their financial capacity and their Accessibility to the customer.

The study used structural equation modeling as a data analysis method aided by SPSS AMOS statistical software version 23 as a data analysis tool. In this study, the collinearity of the measurement scales was tested with the recommended standard of tolerance < 0.01 and VIF > 10.

Data Analysis and discussion

The following Amos output shows the result of the mediating effect of customer satisfaction on the relationships between relationship marketing and firms' sales performance.
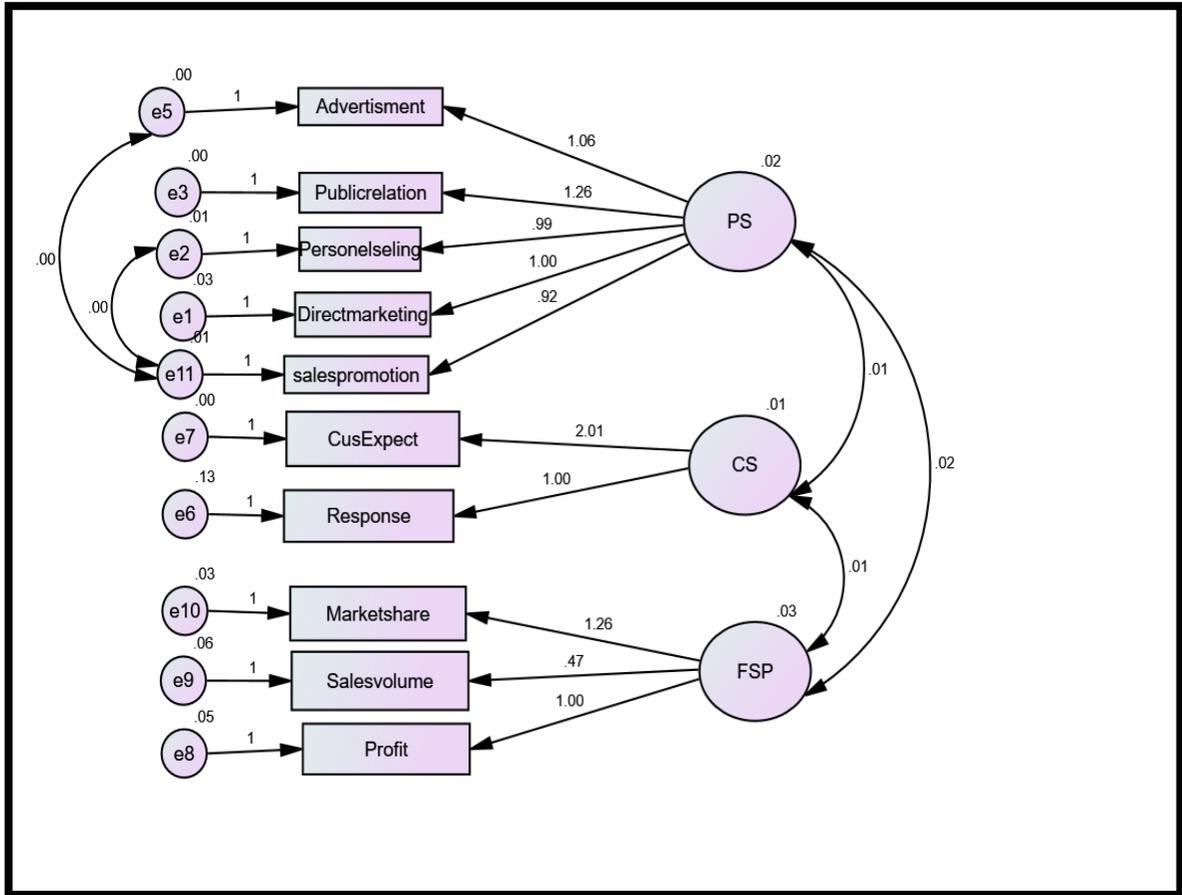
Figure1: AMOS Output
source: researchers' survey, 2022

Reliability test
According to Diamantopoulos, Sarstedt, Fuchs, Wilczynski, & Kaiser, (2012), the rule of thumb for composite reliability should be higher than 0.70. additionally, according to those Authors, the value of composite reliability which is available between 0.60 to 0.70 is considered acceptable. Consider Cronbach's alpha as the lower bound and composite reliability as the upper bound of internal consistency reliability.Based on the above-mentioned rule of thumb, the researcher conducted the composite reliability test. Respectively the following table clearly shows the result.

Table1 :Reliability Test

		Standardized Loading	Square Of Standardized Loading(A)	Measurement Error (1-A)	Sum of Measurement Error	Sum of Standardized Loading	Sum Square of Standardized Loading (C)	C+ME	Composite Reliability C/C+ME
Direct Marketing	PS	1	1	0					
Personnel Seling	PS	0.988	0.97	0.0238					
Public relation	PS	1.264	1.59	-0.597					
Sales promotion	PS	0.922	0.85	0.1499					
Advertisement	PS	1.058	1.11	-0.1196	-0.5432	5.232	27.373	26.83	1.0202
Response	CS	1	1						
Customer Expectation expect	CS	2.005	4.0	-3.0200	-3.0200	3.005	9.0300	6.01	1.5025
Profit	FSP	1	1						
Sales volume	FSP	0.471	0.22	0.778					
Market share	FSP	1.263	1.59	-0.595	0.1829	2.734	7.474	7.657	0.9761

Source: researchers' survey, 2022

The above table shows that the result of composite reliability for Promotional Strategy is 1.02024 and the result of composite reliability for Customer Satisfaction is 1.5025. and finally, the result of composite reliability for Firm sales performance is 0.9761. this indicates that the data is reliable and enables the researcher to run the analysis.

Test of Validity

Convergent validity

reflects the extent to which two measures capture a common construct. Alternative measures that provide less-than-perfect convergent validity introduce ambiguities that interfere with the development of meaningful interpretations of findings within and across studies. Early recommendations to researchers on appropriate levels of convergent validity offered only broad guidelines. Campbell and Fiske (1959). Therefore, the following table shows the result of the convergent validity test.

Table2: Convergent validity

		standardized loading	square of standardized Loading(A)	Sum of Standardized loading	Number of Indicators	AVA
Direct marketing	PS	1	1			
Personnel selling	PS	0.988	0.976144			
Publicrelation	PS	1.264	1.597696			
sales promotion	PS	0.922	0.850084			
Advertisement	PS	1.058	1.119364	5.232	5	1.0464

Response	CS	1	1			
Customer Expectation	CS	2.005	4.020025	3.005	2	1.5025
Profit	FSP	1	1			
Sales volume	FSP	0.471	0.221841			
Market share	FSP	1.263	1.595169	2.734	3	0.9113

Source: Amos Output, 2022

According to Bagozzi & Yi, (1988), Fornell & Larcker, (1981), and Dibbern & Chin, (2005) the best method of examining convergent validity is to examine the average variance extracted (AVE) To be valid, the AVE should achieve the threshold of 0.5 and above. Therefore, from the above-mentioned table, the result of the average variance extracted (AVE) for Promotion Strategy is 1.0464, the result of the average variance extracted (AVE) for Customer satisfaction is 1.5025 and the result of the average variance extracted (AVE) for Firms Sales Performance is 0.9113. thus, according to the rule of thumb, there is no convergent Validity issue in the study. This allows the researcher to run the data analysis.

Discriminant Validity

Gefen & Straub, (2005) found that Discriminant validity demands a strong correlation between an indicator and its associated construct was a weak correlation with all other constructs. Correspondingly, these Authors also mentioned that the two procedures used to assess discriminant validity are (1) item cross-loadings; and (2) the ratio of the square root of the AVE of each construct to the correlations of this construct to all other constructs.

Table 3: Discriminant Validity

		standardized loading	square of standardized Loading(A)	Sum of Standardized loading	Number of Indicators	AVA	Square root of AVA
Direct marketing	PS	1	1				
Personnel selling	PS	0.988	0.976144				
Public relation	PS	1.264	1.597696				
sales promotion	PS	0.922	0.850084				
Advertisement	PS	1.058	1.119364	5.232	5	1.046	1.0229
Response	CS	1	1				
Customer Expectation	CS	2.005	4.020025	3.005	2	1.502	1.2257
Profit	FSP	1	1				
Sales volume	FSP	0.471	0.221841				
Market share	FSP	1.263	1.595169	2.734	3	0.911	0.9546

Source: own survey, 2022

according to Gefen & Straub, (2005), if the result of the square root of AVE is greater than the result of cross Correlation. Therefore, the validity test analysis revealed that the value of the result of the square root of the AVE for Promotional Strategy is 1.02293, the square root of the AVE for Customer Satisfaction is 1.2257 and the AVE for Firm Sales Performance is 0.9546. this means the square root of the AVE for three variables is greater than the result of cross correlation. therefore, there is no Discriminant Validity issue.

Model Fitness Test

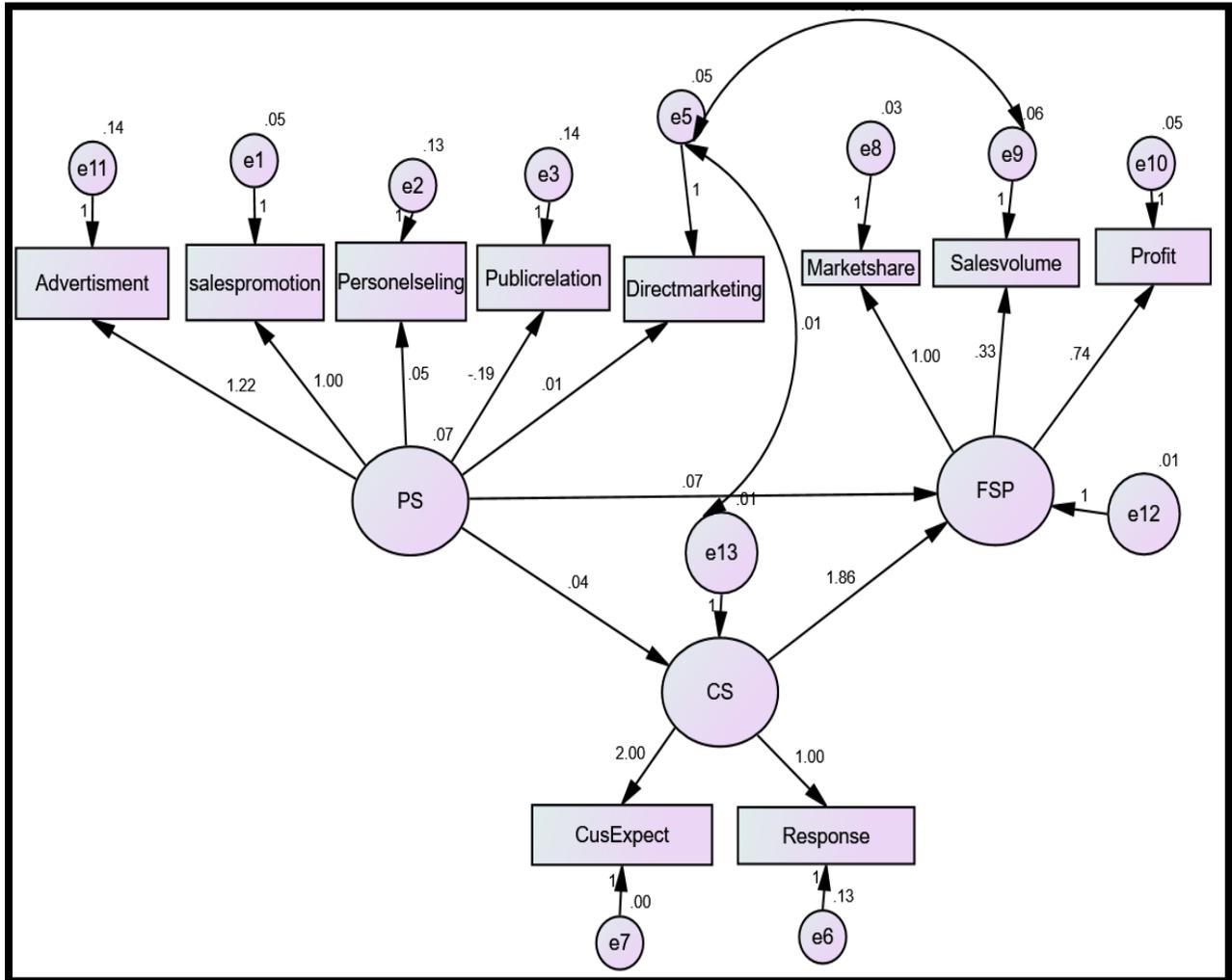The model Fitness test was made based on the following figure

Figure 2: AMOS Out Put
Source: researcher own survey, 2022

Goodness for fit
A structural Equation model generated through AMOS was used to test the relationship between Promotional Strategy, Customer Satisfaction, and Firms' Sales Performance. Accordingly, hair et al, (2010) revealed that A good fitting model is accepted if the value of the **CMN/DF is < 5.**

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	25	54.073	30	.005	1.802
Saturated model	55	.000	0		
Independence model	10	624.958	45	.000	13.888

Source: researcher own survey, 2022

Accordingly, the above tablerevealed that the value of CMN/DF is 1.802, which is less than 5. Therefore, this is the best indicator for a good fitting model. Additionally, Tucker and lewis (1973) and hair et al, (2010) stated that to confirm the good fitting model the result of the goodness of fit indices (GFI), the taker and lewis (TLI), Confirmatory Fit index (CFI) should be Greater than 0.9. additionally, the result of Standardized root means square residual (RMR) should be less than 0.05(**< 0.05.**). respectively the following table shows the AMOS result. The following output shows the result of the model fitness test.

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.006	.969	.943	.528
Saturated model	.000	1.000		
Independence model	.018	.689	.620	.563

Source: researchers' survey, 2022

Accordingly, the above table**.** revealed that the value of RMR is 0.006, which is less than 5. Therefore, this is the best indicator for a good fitting model. Additionally, the above table revealed that the result of GFI is 0.969. this is greater than 0.9. again, this is the best indicator of goodness for fit.

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.913	.870	.960	.938	.958
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.049	.027	.070	.498
Independence model	.197	.183	.211	.000

Source: researcher own survey, 2022

Generally, A Structural Equation model generated through AMOS was used to test the causal relationship between Independent Variables, Mediating Variables, and Firm Sales Performance. Thus, A good fitting is accepted if the value of the CMIN/df is < 5, the goodness of fit (GFI) indices (hair et. al,.2010); the tucker and lewis (173), indices (TLI); the confirmatory fit index (CFI)(Bentler,1990), is >0.9(hair et al.). In addition, an adequate fitting model was accepted if the AMOS computed value of standardized root mean square residual (RMR) < 0.05, and the root means square Error Approximation (RMSEA) is between 0.05-0.08(hair et

al.,2010). the fit indices for the model shown in this study showed that within the acceptable range:CMIN/DF=1.802, GFI =.969, RMR=.002, TLI =0.938, RMSEA = 0.049. Therefore, the tested model was as per the standard and it allows the researcher to run Amos Analysis based on the Preferred Model.

Squared Multiple Correlations: (Group number 1 - Default model)

		Estimate
Customer Satisfaction		0.013
Firm Sales Performance		0.716
Advertisement		0.422
Profit		0.344
Sales volume		0.088
Market share		0.627
Customer Expectation		0.957
Response		0.076
Direct marketing		0.000
Public relation		0.017
Personal selling		0.001
Sales promotion		0.587

Source: researcher own survey, 2022

As can be seen from the above table, Squared Multiple Correlations for Customer satisfaction is 13%, for firms' sales performance 71.6 %, for Advertisement, 42.2 %, and Profit 34. 4%, for Sales Volume 8.8 %, Market Share 62.7 %, response 7.6 % for public relations 1.7 %, Personnel selling 0.1%, and sales Promotion 58.7% is accounted by the mediating effect of customer satisfaction on the relationships between relationship marketing and firms' sales performance.

Direct Effects (Group number 1 - Default model)

	PS	CS	FSP
CS	.044	.000	.000
FSP	.067	1.863	.000
Advertisement	1.216	.000	.000
Profit	.000	.000	.742
Sales volume	.000	.000	.328
Market share	.000	.000	1.000
Customer Expectation	.000	2.003	.000
Response	.000	1.000	.000
Direct marketing	.013	.000	.000
Public relation	-.194	.000	.000
Personnel selling	.047	.000	.000
sales promotion	1.000	.000	.000

Source: researcher own survey, 2022

The above table depicts the direct effect of Promotional marketing on Firm sales performance. Accordingly, the direct effect of Promotional Strategy on firm sales performance is 0.067(6.7%). This shows that, when

Promotional Strategy goes by, 1, firm sales performance goes up by 6.7% with T-value greater than 1.96 and a p-value less than 0.05.

Indirect Effects (Group number 1 - Default model)

	PS	CS	FSP
CS	.000	.000	.000
FSP	.081	.000	.000
Advertisement	.000	.000	.000
Profit	.110	1.383	.000
Sales volume	.049	.612	.000
Market share	.148	1.863	.000
Customer Expectation	.088	.000	.000
Response	.044	.000	.000
Direct marketing	.000	.000	.000
Public relation	.000	.000	.000
Personnel selling	.000	.000	.000
Sales promotion	.000	.000	.000

Source: researcher own survey,2022

The above table depicts the indirect effect of Promotional Strategy on Firm sales performance. Respectively the indirect effect of Promotional Strategy on firm sales performance is 1.86; with P-Value is less than 0.05). this shows that the firm sales performance is improved when customer satisfaction is mediating the relationship between Promotional strategy and Firm sales performance in the Ethiopian banking industry. this is evidenced by the result of the data analysis. Promotional Strategy alone can improve the firm sales performance by 0.06. however, when customer satisfaction is used as mediating, the firm sales performance is improved by 1.86.

Conclusion and Recommendation
Both the direct effect and indirect effect of Promotional Strategy on Firm sales performance were analyzed using Amos software. Thus, according to the result of the study, the direct effect of Promotional Strategy on firm sales performance is 0.067, with P-Value is less than 0.05. this shows that, when Promotional Strategy goes by, 1, firm sales performance goes up by 0.067 with T-value greater than 1.96 and p -a value less than 0.05.

On the other hand, the study revealed that the indirect effect of Promotional strategy on firm sales performance is 1.86; with P-Value is less than 0.05). this shows that the firm sales performance is improved when customer satisfaction is mediating the relationship between Promotional Strategy and Firm sales performance in the Ethiopian banking industry. this is evidenced by the result of the data analysis. Promotional Strategy alone can improve the firm sales performance by 0.069. however, when customer satisfaction is used as mediating, the firm sales performance is improved by 1.86. that means, when the firms focus on customer satisfaction, the firm can increase its sales performance by 1.8. This indicates that customer satisfaction has a positive mediating effect on the relationship between Promotional Strategy and firm sales performance of the Ethiopian banking industry. Therefore, it is recommended that the banking industry should focus on satisfying their customer. Additionally, the top management of the banking industry should encourage the team of the industry to set a clear strategy for customer satisfaction.

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