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SALES STAFFS' PERCEPTION TOWARD CUSTOMER RELATIONSHIP MANAGEMENT: THE CASE OF ETHIO TELECOM

By:

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January, 2016

Addis Ababa, Ethiopia

St.Mary's University

School of Graduate Studies

MBA Program

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Thesis submitted for the school of graduate studies of Saint Mary's university in partial fulfillment of the requirement for Master of Business Administration.

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ENDORESEMENT

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DECLARATION

I, the undersigned, declare that, this research paper is my original work, prepared under the guidance of Dr. TemesgenBelayneh. All resources and materials used herein have been duly acknowledged. I further confirm that the thesis has never been presented either in part or in full to any other university for the purpose of earning any degree.

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List of acronyms and abbreviations

CRM Customer Relationship Management

RM Relationship Marketing

E-CRM Electronic Customer Relationship Management

IPA Importance and Performance Analysis

GTP Growth and Transformation Plan

CAAZ Central Addis Ababa Zone

SPSS Statistical Package for Social Sciences

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Abstract

ethio-telecom has been vigorously in action in pursue of the Growth and Transformation Plan that is an ambitious plan to attain a customer base of 93 million, 10 million & 10 million for mobile, fixed line & data & internet subscribers respectively for the coming five years. The purpose of this study was to assess the perception of ethio-telecom sales staffs' toward customer relationship management. The paper utilized a census study using questionnaire-based quantitative approach to assess the sales staffs' perception toward customer relationship management, the collected data were analyzed using SPSS version 20 software and Importance Performance Analysis matrix .The findings indicated that ethio-telecom sales staffs' have a strong positive perception towards customer relationship management and they are also significantly satisfied with their current relationship with customers, but the customers are not satisfied with their current relationship with ethio-telecom. The study suggested that ethio-telecom to work on customer service quality, it needs to customize service to suit the customer needs and a timely management of customer complaints to improve the company profitability and customer satisfaction. The study also suggested that in order to facilitate a continuous customer relationship management it needs to provide an intensive training for its sales force so as to improve employee commitment on interaction management.

Key words: Customer relationship management, Importance and performance, employee perception, employee satisfaction, ethio-telecom

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Customer relationship management (CRM) is based on the idea that developing a relationship with customers is the most excellent way to find them to become loyal and that loyal customers are more profitable than non-loyal customers. The objectives of CRM are to enhance profitability, income, and customer satisfaction. To attain CRM, a companywide set of tools, technologies, and procedures support the relationship with the customer to enhance sales. Therefore, CRM is mainly a strategic business and process issue rather than a technical issue (Dowling, 2002).

The significance of customer satisfaction cannot be dismissing while happy customers are like free advertising. It is necessary to put the customer at the center of the business according to its strategies, events and processes. In fact, it is easier and more profitable to sell to presented customers than to find new ones. Organizations are ever more setting themselves strategies to determine and make sure customer retention, and charging their employees to be more customer-focused and service-oriented Mohsan et al. (2011). As Baker (2003) indicates, all businesses have been affected to some degree of root and branch evolution which is happened in the global market place. Now, not only the organizations aim to satisfy the customers but they attempt to do this more efficiently and effectively than the other rivals in competitive market place to attain their goals (Kotler and Armstrong, 2011).

The most important goal that companies follow up is to maintain customer loyalty to the firm so they more focus on customer centric approach in their organizational and marketing strategies (Jain and Singh, 2002). Bowen and Chen (2001) said that having satisfied customers is not sufficient, there has to be really satisfied customers. This is because customer satisfaction has to direct to customer loyalty.

Sivadas and Baker-Prewitt (2000) said “there is a rising recognition that the last objective of customer satisfaction measurement should be customer loyalty”. Many organizations merely categorize customer satisfaction measurement as a type of “marketing intelligence” instead of using it as a management tool to build the customer into their quality improvement processes and increase profit. Companies often know the cost of providing good service but they seldom know the cost of providing bad service (Linnell, 2006).

1.2 Statement of the problem

Understanding the concepts of CRM is crucial for its successful operation and better performance. The lack of employees understanding on Customer Relationship Management is always an excuse for its failure in most service providing organization. It is known that CRM is important to provide quality customer services to most service providers, as a service provider ethio-telecom had applied technologically advanced CRM system to excel its customer service provision. As a government owned state company ethio-telecom has been vigorously in action in pursuit of the growth and transformation plan that is an ambitious plan to attain a customer base of 93 million, 10 million & 10 million for mobile, fixed line & data & internet respectively in the coming five years. As of today its performance lies well below the stated targets (GTP report, 2015).

Hence, ethio-telecom has planned to exhaustively use its marketing efforts in alignment with the robust network expansion projects to create a capacity and tap all the market potential with a satisfied customer in pursuit of the above mentioned targets. As far as the targets are concerned the most important variable on the ground is the customer relationship management that ethio-telecom has capitalized on. Engagement in action without physically and mentally well-armed sales force would be immature and fruitless (Market potential study, 2015).

However, customer satisfaction survey (2015) result shows that the overall perceptions of customers toward ethio-telecom product and services are highly deteriorated and rated badly. Customers perceived that they are not in receipt of enough information about new offers at a point of sales, they are mistreated during and after sale services, staffs at a point of sales are not providing clear and reliable information about products and services and the overall costs of products & services are rated badly.

CRM is entirely about people, technology and strategies to excel customer service provision, among them ethio-telecom had exerted a considerable resource on the two gears (strategy and technology), though seldom to exert substantial determination on the people element, since sales peoples are the primary and the major interface between ethio-telecom and its esteemed customers, a sales staffs' awareness toward customer relationship management will have a substantial impact on customer satisfaction and ethio-telecom productivity.

Therefore, the aim of this research was to examine ethio-telecom sales staffs' perception toward Customer Relationship Management.

1.3 Basic Research Questions

The research aimed to answer the following basic research questions:

1. What is the perception of ethio-telecom sales staffs' toward CRM concept?
2. What is the level of ethio-telecom sales staffs' satisfaction toward CRM system?
3. How ethio-telecom sales staffs perceive the importance and performance of CRM?
4. What is the relationship between ethio-telecom sales staffs' perception toward CRM and the sales staff demographics?
5. What is the relationship between ethio-telecom sales staffs' satisfaction toward CRM and the sales staff demographics?

1.4 Objectives of the Study

1.4.1 General objective:

The general objective of this research is to examine ethio-telecom sales staffs' perception toward Customer Relationship Management.

1.4.2 Specific objectives:

The followings are some of the specific objective that the research aims to achieve:

- 1 To evaluate the perception of ethio-telecom sales staffs' toward CRM concepts.
- 2 To evaluate ethio-telecom sales staffs' level of satisfaction toward CRM system.
- 3 To examine how ethio telecom sales staffs perceive the importance and performance of CRM.
- 4 To find out the relationship between ethio-telecom sales staffs' perception toward CRM and the sales staff demographics.
- 5 To find out the relationship between ethio-telecom sales staffs' satisfaction toward CRM and the sales staff demographics.

1.5 Scope of the study

It is noted that ethio-telecom is the sole telecom service provider company in Ethiopia. The company is reaching its clients through six zonal and twelve regional branch offices/liason offices. At the time of the study there were more than 214 owned sales shops all over the country. All of the six zones except the central Addis Ababa zone (CAAZ) were not purely operating in the capital, instead they covered different regions of the country (they are providing services in Addis Ababa as well as other parts of the country). Unlike the five zones and twelve regions, CAAZ was purely operating in Addis Ababa. It was also found very

difficult to including all the sales shops which were operating out of the central zone in this study because of time and financial constraints.

Therefore, the scope of the study was limited to the central Addis Ababa zone (Mexico, Ledeta, Olympia and Stadium) shops because of three reasons. The first reason for choosing central Addis Ababa zone was that it was operating purely in Addis Ababa. The second reason was that CAAZ is a place where ethio-telecom CRM system project was first implemented. The geographical suitability of CAAZ from the researcher's time and financial constraints was also considered as the third reason to delimit the study to the CAAZ. In addition to the above three reasons it is believed that the information gathered from CAAZ sales staffs can be consistent, reliable and they can be better informant about ethio-telecom CRM than other staffs'.

1.6 Significance of the Study

The study may have the following significances:

- May indicate probable solutions for customer dissatisfaction.
- Customers may have access to better and quality services from the company.
- Employees can also have improved conditions of service due to better organizational performance.
- Companies can gain in terms of superior performance.
- The research may also benefit the academia in terms of addition to knowledge.
- Government may also benefit through the achievement of transformation goal.

1.7 Organization of the study

This study is organized in five chapters. The first chapter covers an introduction part, which contains, background, statement of the problem, research question, objectives of the study, Definition of terms, Significance and scope of the study. The second chapter deals with review of related literatures. The third chapter presents methods of the study. The fourth chapter deals with results and discussions. And chapter five contains summary, conclusions and recommendations. At the end, References and some annexes had been attached.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 CRM Organization

First and foremost, to enhance service employees to conduct customer-oriented behaviors, organizations have to develop an appropriate working environment for service in work, for instance, providing staff with the modern tools, and technology, customer-satisfaction tracking and complaints management systems, inspirational leadership, and appropriate rewards systems. As a result of the previous supportive working conditions, organizations can ensure the required customer-oriented behaviors of their employees (Mechinda and Patterson, 2011)

Researchers (Sin et al., 2005; Yim et al., 2005) also argue that CRM cannot be successful even if the organizations enjoy the most advanced technology and adapt a customer-oriented approach, unless the project is completely integrated by them. Further, as a confirmation for this point Ku (2010) stress that CRM success does not only require technological quality or systems, but it also requires an effective service concept as well as suitable operation procedures. Thus, the success of CRM implementation relies on the active involvement of the employees in the organization itself (Boulding et al., 2005; Payne, 2006; Tamilarasan, 2011).

Therefore, we can say that CRM organization has to be an essential means through which firms effect fundamental changes in the way they organize their actual business processes for employees and customers (Sin et al 2005; Yim et al., 2005). Inevitably, all the organization resources (such as marketing capabilities, policies, culture, and organization structure) have to be integrated in order to implement CRM successfully and, in turn, to improve organizations performance. Previous studies also declare the positive impact of CRM organization on customer retention (Yim et al., 2005), financial and marketing performance (Akrouchet al., 2011; Sin et al., 2005).

It goes without saying that Knowledge about customers plays a vital role in CRM, taking into our consideration the fact that the main purpose behind collecting data about customers is to get a clear image about them from different perspectives (Sin et al., 2005). Therefore, organizations can authenticate such data to be able to establish and develop beneficial relationship with their customers (Zahay and Griffin, 2004).

2.2 Pieces of CRM

Pieces of CRM system includes: - Customer, relationship and management (Gray & Byun, 2001).

- **Customer:** No organization can sustain if they do not have customer base because the firm's present and future, its profit and growth both demand on customers, good firms always scared that customer is full of knowledge and competition can bring to anywhere else, therefore, smart customers are least dependent to one firm and they have more choices mostly. You some time never now your customer, because the actual buyer may not be actual user and there is always influence on customer on their decision making steps. CRM at this stage is highly effective and useful because it is completely the customer information base and customer priority can also be set and more profitable and less profitable customers.
- **Relationship:** The relationship with any one is based on trust, where ever the trust is deficit, no long relationship can work, therefore, there is the concept of long term and short term relationship. No firm in the world is willing to maintain short relationship with their customers. Relationship can be attitudinal or interactive and though you develop positive attitude with your customer, it is not the sign that he may longer go with you. All that the customer is required to have positive treatment and services fulfillment as long customer lifetime value have with customer, it may measure your relationship with customers.
- **Management:** CRM software itself is fully manage and effective, it is not limited to only collection of information but also to transform information in to getting competitive edge. It enables firms to acquire full information and knowledge and lead to plan all future activities accordingly.

2.3 Critical Elements of CRM

CRM have four critical elements, these elements are interaction management, relationship development, customer service and employees' behavior.

2.3.1 Interaction Management

According to the Brown and Gulycz (2002), if an organization willing to make a stable relationship with its customers, there are different ways to have an interaction with them

including interaction along touch points and distribution channels. The main purpose is to find out how and when the customers would like to interact with the organization (Prahalad and Ramaswamy, 2001). The interaction activities should be well customized and organized through the available touch points. The touch points provide in relation to the customers' profiles developed by data gathered from the former records of the customers. Peppers and Rogers (1997) stress that the touch points must be used for distribution of different products, services and communication with the customers.

According to the works of Lindgreen *et al.* (2006) and Peppers *et al.* (1999), interaction management is implemented by a few methods such as getting customers' feedback and increase the interaction with customers by attractive ways such as using social network.

2.3.2 Relationship Development

According to Ford (1980), the study of relationship development primarily involves research into structures and processing of the relationship between customer and supplier. Hakansson and Snehota (1995) argue that the relationship development process concerns an interaction where connections have been developed between two parties.

The most important activity to achieve relationship development is known as monitoring of the relationship management process such as service or complaint management (Brown and Gulycz, 2002). This relationship processes include procedures, mechanisms, schedules, and activities in which the products and services have been delivered to customers (Christopher *et al.*, 1991). The key performance indicators such as rate of retention, life time value of the customers, and customer satisfaction should be set by the organization (Brown and Gulycz, 2002).

According to the works of Hanley (2008) and Lindgreen *et al.* (2006), relationship development can be made through commitment to convince customers that their feedbacks are taken seriously.

2.3.3 Quality of Services

According to Gee *et al.* (2008) in an attempt to understand the factors that induce customer satisfaction, the concept of service quality is increasingly common in the literature. Studies show that service quality has a positive effect on consumer satisfaction and also has a significant relationship with customer loyalty, and the profitability of the firms. According to

the works of Hanley (2008), the quality of services could be implemented by a few methods such as:

- 1) Meeting customer expectation of good service level and having many varieties of products.
- 2) Provide good quality products with reasonable price.
- 3) To handle the customer complains about the products and services tactfully.

2.3.4 Behavior of the Employees

An employee that conforms to organization behavior and value is likely to strengthen the connection between the consumer and the firm. A reverse pattern of effects is to be expected when the employee act through his/her own behavior. In these cases, a consumer may think that the organization actually does not deliver the symbolic benefits that s/he had expected for and may evaluate the organization in a negative way. In other words, under circumstances such as the ones described, an employee will probably exert a strong impact on organization reputation and attitudes (Coulter, 2002). According to the works of Hanley (2008) and Coulter (2002), the effect of positive employees' behavior could be expressed by increasing speed of response to customer and ensure employees are friendly and respectful to customer.

2.4 Customer relationship management

Customer relationship management can be defined as the use of wide range techniques including pricing, communication, marketing and research to allow the company understands their customers, isolate the best customers to enable the Companies have long standing relationships, to create relationships stretching over time and involving multi interactions, manage that relationship to mutual advantage and finally seek to acquire more of the best customers. CRM is a business process, which integrates individual customer data from multiple sources in order to create a mutually valuable proposition Smith and Clark (2002).

There are two main types of customer relationship between an organization and its stakeholders, these include:

2.4.1 Transactional-Based Relationship In this type of relationship between an organization and its stakeholders, organization provides a product or service in exchange for money. The focus is on actual exchange. It builds a short-term profit for telecom Company. The main performance indicator is sales volume and so marketing decisions are primarily concerned with enhancing efficiency and effectiveness of that sale.

2.4.2 Relationship Marketing

Relationship marketing is to establish, maintain and enhance relationships with customers and other parties at profit so that the objectives of the parties involved are met. This is done by mutual exchange and fulfillment of promises Gronoos (1994). Morgan and Hunt (1994) also define relationship marketing as activities directed towards establishing and maintaining successful and relational exchanges. The customer should receive a consistent and appropriate behavior from their knowledge partners. The requirement for consistency means those who meet the customers share the responsibility for customer care. In relationship marketing, the sale of a product or service is not the end of the selling process but rather the start of an organizations relationship with those customers. Telecom sector needs to build a long term, trusting and win-win relationship with valued customers and other stakeholders. For instance, management in Telecom sector can track their customers regularly to know how well the network is helping them and offer advices where necessary. The reason of doing that is to know that the success of their company is in direct relationship with the growth of the network.

2.5 Defining Services

It was past concept that product only works, but now customers are more enthusiastic to avail services and services are valued more today, even manufacturing firms cannot survive without services in it. Everywhere whether it is government sector or private sector business is done with services or else firm stand nowhere in market (Kotler and Keller, 2006), services defined as “any act or performance that one party can offer to another that is essentially intangible and does not results in ownership of anything.”

2.5.1 Service quality and customer satisfaction

Customer satisfaction mostly considered being customer response to the state of implementation, and customer analyses to complete need (Oliver, 1997).

Company can gain many benefits once their customers are satisfied and customer satisfaction level is achieved, It does not only play vital role in increasing customer loyalty but also enable company to control customer churn, control the prices through trim down the cost of marketing, advertising and ultimately operating cost come down and number of customer increase and due to customer loyalty, customer shout for the company itself and play role to spread business more. (Fornell, 1992).

The concept of loyalty has been changed over the decades, in early era, marketers were considering and focusing to brand loyalty of products only, but now both the products and services have brand loyalty and customer loyalty (Cunningham, 1956; Day, 1969; Tucker, 1964). Brand loyalty is explain that the amount of acquire goods of a family dedicated to the brand it pay for most often (Cunningham 1956).

Brand loyalty has the different measures of analysis and focusing whether there is brand loyalty or not, earlier it use to have limited range of analyzing of brand loyalty. Cunningham (1961) there are different views of marketer to look the loyalty, today loyalty is not with the brand only, it is with the vendor, wholesaler and retailer, all has to be loyal with brand and customer is most important now a day, customer loyalty with product and services is vital concern for today business. (Oliver, 1997).

2.5.2 Customer Satisfaction Vs. Customer Loyalty

Customer satisfaction does not receive through the only factor of services, customers are satisfied with very minor action, and sometime does not satisfy with big change, customer loyalty is one of the factor of customer satisfaction, highly satisfied customer may have loyalty, and customer loyalty is derived through the favorable attributes of the products or services, operational activities and rapid purchase also. Like in any product which makes customers addicted. Hence, customer satisfaction lead to customer loyalty, customer does not become loyal at once, it takes very long time to make customer a loyal one, the time limit of the customer to be loyal with you cannot be measured and it is only depend upon the company that how longer they plan to go with their customers through their superior services quality, timely problem resolution, attending complaints and treating customers (Fornell, 1992).

2.5.3 Satisfaction Increases with Experience

With the increase of customer experience, the company products and services grows simultaneously and also give growth to performance of products with the customer experience and feedback. While the expectations of customers also increases with the as much they experience and get satisfaction from your product and services. As experience keeps on to raise and considerable past performance information gathered, expectations should enhance in both exactness and confidence (Johnson & Fornell 1991).

2.5.4 Service Failure

Once the customer experience the bad services of products and services, it create hype in market, and negative word of mouth spread so fast that every single bad experience customer will spoil your name to around customers, which will result to failure of your products and will lead to deficit in trust of your product, finally your services will be failure and the time will come, it will no more be existing into market anymore (Bolton 1998).

2.6 Previous Studies on customer relationship management (CRM)

Khaligh et al. (2012) investigated the impact of CRM in enhancement of customer loyalty and retention in telecom industry in Iran. The result collected from 200 Iranian telecom services users. Finding shows that, commitment and vision of the management system is highly required for a successful CRM implementation. The structure of the strategy should be based on flexibility and explicitly of the policies especially pricing policies. In fact, the mentioned factors are very important to increase customer loyalty and therefore to increase benefit of the firm (Khaligh et al. 2012).

According to the research have been done by Bhattacharya (2011), CRM, implemented in a firm or organization to reduce cost and increase company performance which means profitability result in customer loyalty. Indeed, in a successful CRM, data are collected from internal and external source of data sales department, customer service, marketing, after sales services, procurement, and so on to obtain a holistic view of each customer requirement in a real time system. This information could aid employees who are faced with customers in different area of the organization to make a fast and well informed decision from up and cross selling target market strategies to form the company in a competitive position in the market between rivals.

In fact, according to finding, this model believes to the customer perception to know more about their needs and treat each of the customers as they are only customer of the organization to solve the customer's problems. Then customer satisfaction and loyalty would be achieved through a successful CRM implementation. Therefore, organization should discover different requirements of the customer and adjust their policies according to the needs to increase the firm's profit.

According to the conceptual framework proposed by Faed (2010), customer relationship management amplifies the relationships of customers and competitors in a firm to increase the

share of the organization in marketplace by integrating technology, procedures and people. In fact, the aim of CRM is to maintain the customer and increase customer loyalty and organization profit result in strategies and business function transformation. Customer satisfaction and pleasing are two main elements in a successful CRM implementation for retaining customer's loyalty to a firm.

Kim *et al.*, (2003) stress that each perspective of the CRM framework is evaluated by a set of related metrics. In this regards, a case study has applied by Kim *et al.*, (2003) to a company identified a K company that is an online shopping company in south Korea that sales 30,000 products in 12 categories. This company ranked as 18th online shopping mall in South Korea.

Data collected through experts' interview, questionnaires and weblog analysis Kim *et al.*, (2003). Findings illustrates that, the factor which is very important to increasing customer satisfaction, customer loyalty and benefits of the firm is measurement of the performance as all the vagueness and implicit problems are exist in the top level strategic managements would be cleared, the single and explicit language would be provided in for accurate communication in the organization the speed of the change would be accelerated and facilitated.

Wang and Lo (2004) found that CRM model is based on two perspectives. The first one, measures the factors related to customer behavior such as: repurchasing, cross and up selling and customer acquisition rate, and the second one measures the relationship quality, such as customer satisfaction and customer loyalty (Wang and Lo, 2004). Data were collected from 400 randomly selected customers of two security china's company. According to the emphasizing customer equity-base view, findings explores that emotional and functional behavior of customers has positive impact on customer satisfaction and customer satisfaction has positive effect on customer behavior based CRM. Finally, the result of this study shows that customer behavior based CRM have a positive effect on customer and brand loyalty (Wang and Lo, 2004).

Zineldin, (2006) developed a triangle strategy between quality, CRM, and customer loyalty which is leading to companies competitiveness. This research was designed to measure satisfaction and loyalty of the customers based on two main conditions where the customer database information and strategy of CRM should be structured well, and the system should be enough capacity for data producing to accurate analysis. According to the findings of the research, any changes of the quality of the services or productions or any other segments in a

firm over time could be used as an indicator to find the level of customer loyalty through a well-structured CRM strategy. Also finding shows that, if the indicators of interaction, infrastructure, and atmosphere would be linked to the object and process quality it helps to the researchers to find what changes are required in CRM strategy to improve customer satisfaction and loyalty.

As Feinberg and Kadam (2002) indicated, transferring to online business rather than traditional way of business is necessary nowadays. So in this way, implementing the internet provide an opportunity for business to use it as a tool for customer relationship management.

However, there are a lot of evidences shows CRM affects customer satisfaction, profits and customer loyalty but there should be more research about the significant influence of CRM on customer satisfaction and loyalty. So in this regards, the relationship between CRM and customer satisfaction and loyalty is attempted to uncover. According to the finding of the research there are 42 different e-CRM features that retailers differ from.

The finding shows that there is significant relationship between CRM implementation on websites of the retailers and customer satisfaction which leads to customer loyalty. However all attributes of implemented CRM are not equal in terms of affecting the customer satisfaction and loyalty, some are more effective and some are less (Feinberg and Kadam , 2002).

2.7 Importance-Performance Analysis (IPA)

Importance-Performance Analysis was first proposed and introduced by Martilla and James (1977) as a means by which to measure client satisfaction with a product or service. The IPA approach recognizes satisfaction as the function of two components: the importance of a product or service to a client and the performance of a business in providing that service or product (Martilla & James, 1977). In this way, IPA examines not only the performance of an item, but also the importance of that item as a determining factor in satisfaction to the respondent (Silva & Fernandes, 2010). The combined client ratings for those two components then provide an overall view of satisfaction with clear directives for management and where to focus agency resources. This method has proven to be a generally applicable tool which is relatively easy to administer and interpret resulting in extensive use among researchers and managers in various fields, and is a way to promote the development of effective marketing programs, because it facilitates the interpretation of data and increases usefulness in making

strategic decisions (Slack, 1994; Matzler *et al.*, 2003; Kitcharoen, 2004; Abalo *et al.*, 2007; Silva & Fernandes, 2010).

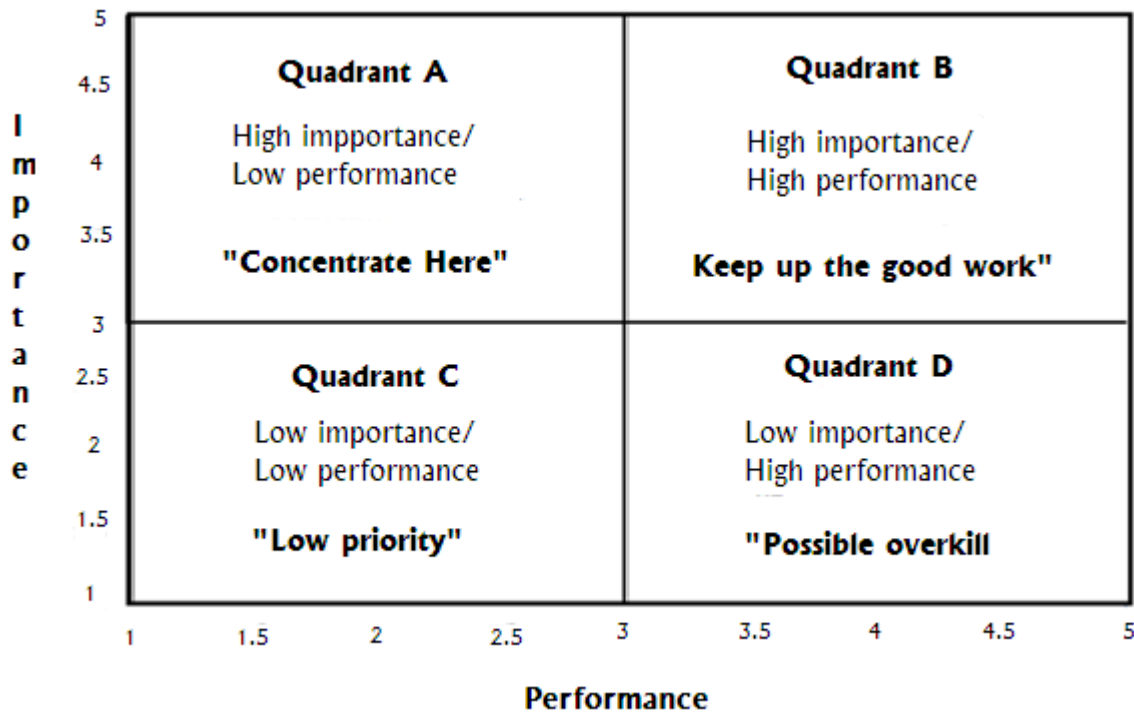


Fig. 1. Importance-Performance Matrix (Adapted from Martilla & James, 1977, p. 78).

The IPA consists of a pair of coordinate axis where the ‘importance’ (y-axis) and the ‘performance’ (x-axis) of the different elements involved in the service are compared (see Fig. 1). Each of the quadrants combines the importance and the performance assigned by the customers/user given element of the service and possesses a different value in terms of

Management and the respective mean of self-stated raw importance and attribute performance data is the original point of this IPA matrix (Martilla & James, 1977; Guadagnolo, 1985; Bacon, 2003; Matzler *et al.*, 2003; Zhang & Chow, 2004; Pike, 2004; Go & Zhang, 2008; Silva & Fernandes, 2010). Each quadrant suggests a different marketing strategy.

A. Concentrate here - high importance, low performance: requires immediate attention for improvement and are major weaknesses;

B. Keep up with the good work - high importance, high performance: indicate Opportunities for achieving or maintaining competitive advantage and are major strengths;

C. Low priority - low importance, low performance: are minor weaknesses and do not require additional effort;

D. Possible overkill - low importance, high performance: indicate that business resources committed to these attributes would be overkill and should be deployed elsewhere”.

2.8 Conceptual frame work

Conceptual framework reveals the process, directions and interrelationship among variables in the study. This study intends to measure the sales staff’s perception toward customer relationship management. The extent to which customers are satisfied by their current relationship with companies depends on different customer relationship management dimensions like: - employee awareness about customer relationship management, creating and maintaining good relationship with customers, providing a good quality of service, working to attract/retain customers and employee satisfaction on CRM. Since those dimensions are extracted from customer relationship management, they might directly or indirectly influence customer satisfaction.

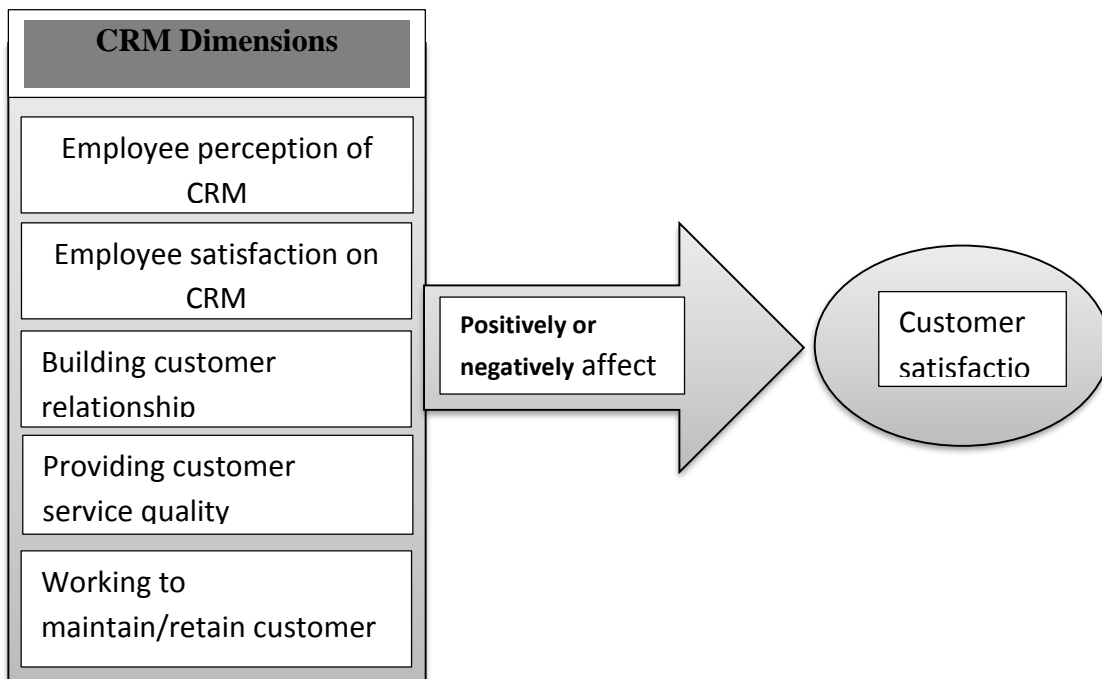


Fig. 2. Conceptual framework

CHAPTER-THREE

RESEARCH METHODOLOGY

3.1 Research Design

The design of the research is quantitative in nature. Quantitative business research is a research that addresses research objectives through empirical assessments. It involves numerical measurements and analysis approaches (Zikmund, 2010). In order to achieve the research objectives and to search answers for the basic research questions the researcher used a quantitative research design using questionnaire survey method so as to gather the perception of ethio-telecom employees about Customer Relationship Management.

3.2 Population of the study

Target population of the study was ethio-telecom central Addis Ababa zone sales division. The geographical area coverage of central Addis Ababa zone were Mexico, Lideta, Olympia and Stadium sales shops having 24,16,15,14 sales force respectively. The total target population of the study had been 69 sales staffs working in the stated point of sales. The researcher included all the target population under investigation. Therefore, census method had been applied during the study.

3.3 Data source

There are two types of data source, primary and secondary. Both primary and secondary data were used in this study, as follows:

3.3.1 Primary data

A questionnaire survey had been used for collecting primary data from the target population. The survey questionnaire accompanied with a cover letter explaining the purpose of the research consisted of six sections. The first section was to assess the ethio-telecom sales staff's demographic profile such as age, gender and education level. The second section included work related questions; Items related to sales staff's perception towards relationship marketing were included under section three. Items with a 5 point Likert scale responses - ranging from (1) strongly disagree to (5) strongly agree – were used to measure their perception toward CRM.

Items in the fourth section were used to assess the sales staffs' perception toward importance of CRM. A 5 point Likert-type scales were used ranging from (1) Very low to (5) Very high to

measure importance of CRM. The fifth section is to assess the sales staffs' perception toward performance of CRM. a 5 point Likert-type scales were used ranging from (1) Very low to (5) Very high to measure performance of CRM. The last section is to find out sales staffs' overall satisfaction level towards CRM and their likelihood of using CRM, recommending CRM and continuing use of CRM. Two sets 5 point Likert-type scales were used ranging from (1) very dissatisfied to (5) very satisfied to measure the sales staffs overall satisfaction towards CRM, and ranging from (1) very unlikely to (5) very likely to measure their likelihood of using CRM, likelihood of recommending CRM and likelihood of continuing use of CRM.

3.3.2 Secondary data

In this study secondary data had been collected from books and journals. The main advantage of secondary data is saving time and money since it is much less expensive to use secondary data than to collect the same.

3.4 Instruments for Data collection

In this research, questionnaire survey had been used as a tool to examine sales staff's perception toward CRM in ethio-telecom central Addis Ababa zone. The reason of using questioners is to insure completeness and consistency of information gathered; the result was used as input for statistical analysis. It was done through structured manner, where all of the interviewees had provide their perception through the questionnaires distributed to them, and it makes sure that no critical points are being left out.

The questionnaire was adopted from a former study Nevbhar H. (1995), conducted on the hotel industry and the researcher modified to align with the objective of this study.

3.5 Reliability and Validity of the instrument

In order to reduce the possibility of getting the answer wrong, attention was given for two particular research design; reliability and validity.

Reliability:

According to Saundra et al.,(2003),reliability refers to the degree to which data collection methods will yield consistent findings, similar observations would be made or conclusions reached by other researchers or transparency in how sense is added from collected data.

In order to prove the internal reliability, cronbach's Alpha test of reliability was performed. Applying this test specifies whether the items pertaining to each dimension are internally consistent and whether they can be used to measure the same construct or dimension of CRM.' According to Nunnally (1978) cronbach's Alpha coefficient should be 0.70 or above. But some studies also accept a coefficient of 0.60 as a standard (Gerrard,et al,2006). In this study the smallest value of Cronbach's Alpha coefficient is .753 which is greater than the standard value 0.7.thus it can be concluded that the measure used in this study are reliable.

Reliability statistics

Variables	Cronbach's Alpha	No. of items
Perception of CRM concept	.759	7
Customer Relationship	.753	7
Customer service quality	.915	3
Customer Retention	.846	3
Satisfaction on CRM	.955	4

Source: own survey result

Validity:

Validity is concerned with whether the findings are really about what they appear to be and validity is defined as the extent to which data collection method or methods accurately measure what they are intended to measure (Saunders et al., 2003). To assure the validity of the research, data were collected from the respondents who had better experience in using CRM system and the data collection instruments (questionnaire) was adopted from a former study Nevbhar H. (1995) and modified to align with the objective of this study. The questionnaire was also further evaluated to ensure the degree to which the outcome of the study accurately reflects the variables which is being measured.

3.6 Data Collection Procedures

A self-administered questionnaire had been developed based on the objective of the study, reviewed literatures and previous studies from various references, which deal with the research topic. The data were collected through a structured- undisguised questionnaire survey and CRM

attributes had been derived from literatures published. Once the questionnaire development completed, a pilot testing had been made before forwarding to the target population. The final questionnaires were distributed to the target population by the researcher in order to increase the response rate and explain some important points in person if any.

3.7 Data Analysis Techniques

To analyze the collected data Statistical Package for Social Sciences (SPSS) version 20 software had been used. Descriptive (mean, standard deviation, frequency distribution and correlation coefficient) and inferential statistics (one sample t-test and independent sample t-test) one sample t-test was used to determine the satisfaction level of ethio-telecom sales staffs' toward CRM and independent sample t-test was used to test the difference between perception of ethio-telecom sales staffs' toward CRM and their gender. In addition to the statistical package, Importance-Performance quadrant Analysis (IPA) was used as a supporting tool to analyze the data.

3.8 Ethical considerations

In relation to the research work, ethio-telecom was asked its consent with a supporting letter issued by saint Mary University, and ethio-telecom becomes volunteer for the research work. Respondents were informed the purpose of the research work and then asked them to give their opinion voluntarily with a privilege not to write their name, the gathered information from respondents is kept confidentially.

CHAPTER-FOUR

RESULTS AND DISCUSSION

5.1 Results of the study

The survey result of all the collected data had been analyzed using SPSS version 20 software is presented under this section:

5.1.1 Demographic characteristics of the respondent.

The demographic characteristics of ethio-telecom sales staffs are presented on the following table.

Table-1. Gender, age and education of the respondent.

	Variables	Frequency	Percent
Gender	Male	36	62.1
	Female	22	37.9
	Total	58	100
Age	18-24	5	8.6
	25-34	24	41.4
	35-44	25	43.1
	45-54	4	6.9
	Total	58	100
Education	TVET	1	1.7
	College Diploma	8	13.8
	Bachelor Degree	42	75.9
	Post Graduate	5	8.6
	Other	2	3.4
	Total	58	100

Source: own survey result

The demographic characteristic of respondent in table 4.1 shows that from the total respondents 62.1% were male and the rest (37.9%) were female. Regarding the ages of the respondents, 43.1%, 41.4%, 8.6% and 6.9% of sales staffs were in the age range of 35-44, 25-34, 18-24, and above 45 years respectively. As far as the educational background of the sales staff's is concerned, the majority of the respondents were Bachelor degree (75.9%) and College diploma (13.8%) holders. Only 8.6% of the sales staffs were post graduate. The majority of sales staffs held bachelor and college diploma holders (89.7%).

Table-2. The sales staffs' position and working experience.

Variables		Frequency	Percent
Respondent current Position	supervisor	5	8.6
	sales coordinator	2	3.4
	sales person	41	70.7
	technical advisor	2	3.4
	Other	8	13.8
	Total	58	100
How long you held this position	< 1 year	15	25.9
	1-5 year	29	50
	6-10 years	3	5.2
	> 11 years	11	19
	Total	58	100
How long have you work in ethio-telecom	< 1 year	5	8.6
	2-3 years	9	15.5
	> 3 years	44	75.9
	Total	58	100
Number of customers serving in a day	< 25 customers	23	39.7
	26-50 customers	17	29.3
	51-99 customers	11	19
	100-149 customers	5	8.6
	150-199 customers	1	1.7
	> 200 customers	1	1.7
	Total	58	100

Source: own survey result

The sales staff's position and working experience are presented in the above table. The result of the respondents for the first item in table 4.2 shows. Of the total respondents 70.7% and 13.8% or the vast majority of the respondents were working as a sales staffs and welcoming agents/cashiers respectively. The rest (15.5%) were working as sales supervisor, sales coordinator, and technical advisor.

25.9% of sales staffs were working on the present position for less than 1 year and 50% of sales staffs are working on the present position between 1 year and 5 years.24.2% of sales staffs were working on the current position for more than 5 years. Most of sales staffs (74.1%) were working on their present position for more than a year. In relation to the working experience in the company, the survey result showed that 75.9% of sales staffs are working in ethio-telecom for more than 3 years, 15.5% of sales staffs are worked in between 2 and 3 years. Only 8.6% of sales staffs are working in ethio-telecom for less than one year.

In terms of the number of customers serving per day, 39.7% of sales staffs serve less than 25 customers per day, 29.3% of sales staffs serve from 26 up to 50 customers per day.19% of staffs serve from 51 to 99 customers per day, 8.6% of sales staffs serve from 100 to 149 customers per day and only 3.4% of staffs serve more than 150 customers.

5.1.2 Sales staff’s perception toward CRM

The mean score of the sales staffs’ perceptions toward relationship marketing are listed in the following table.

Table-3. Sales staffs’ perception toward CRM.

Variables	N	Mean
Relationship marketing has a potential to provide a significant benefit for telecom	58	4.34
Relationship marketing can improve the efficiency of marketing processes	58	4.21
Forming long term relationship with customers is highly valued	58	4.19
Close relationship with customer bring improved competitive advantage	58	4.19
It is important to form close relationship with customers	58	4.00
Customer service quality enhances business relationships.	58	3.98
Customer trust & commitment enhance business relationship.	58	3.93
Valid N (listwise)	58	

Source: own survey result

According to the finding, ethio-telecom sales staffs’ were strongly agree that; “Relationship marketing has a potential to provide a significant benefit for telecom” (4.34), “Relationship marketing can improve the efficiency of marketing processes” (4.21), “Forming long term relationship with customers is highly valued” (4.19), “Close relationship with customer bring

improved competitive advantage” (4.19), “It is important to form close relationship with customers” (4.00). “Customer service quality enhances business relationships.”(3.98), and “Customer trust & commitment enhance business relationship.”(3.93).

5.1.3 Sales staffs’ level of satisfaction toward CRM

One sample t-test was used to determine the satisfaction of ethio-telecom sales staffs’ toward CRM.

$$Test\ value = \frac{Minimum + Maximum}{2} * Number\ of\ questions$$

$$Test\ value = \frac{1 + 5}{2} * 4$$

$$Test\ value = 12$$

Table-4. Sales staffs’ level of satisfaction toward CRM.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Satisfaction toward CRM	58	16.07	2.512	.330

One-Sample Test				
	Test Value = 12			
	t	df	Sig. (2-tailed)	Mean Difference
Satisfaction toward CRM	12.335	57	0	4.069

**Significant at 0.01 level

Source: own survey result

There was statistically significant difference between the test value and the observed mean, the sample mean (16.07) is tested against the standard test value (12) to verify the deviation statistically, as we can see, there is statistically significant difference between the mean of the group and the standard (t=12.335 and sig. <0.01) that means ethio-telecom sales staffs has a significant Level of satisfaction on CRM, the likely hood of using CRM, continuing to use

CRM and recommending CRM for other business. The positive mean difference (4.069) implies that ethio-telecom sales staffs have more Level of satisfaction on CRM.

5.1.4 Importance-performance analysis (IPA)

The four quadrants derived in the IPA grid are known as: “possible overkill” which the sales staffs consider these attributes to be performed well, but they are not important; “keep up the good work” which the sales staffs consider these attributes to be performed well and they are important; “low priority” which the sales staffs consider these attributes are not important and they are not performed well; and the most critical, “concentrate here” which the sales staffs consider these attributes are important but they are not performed well.

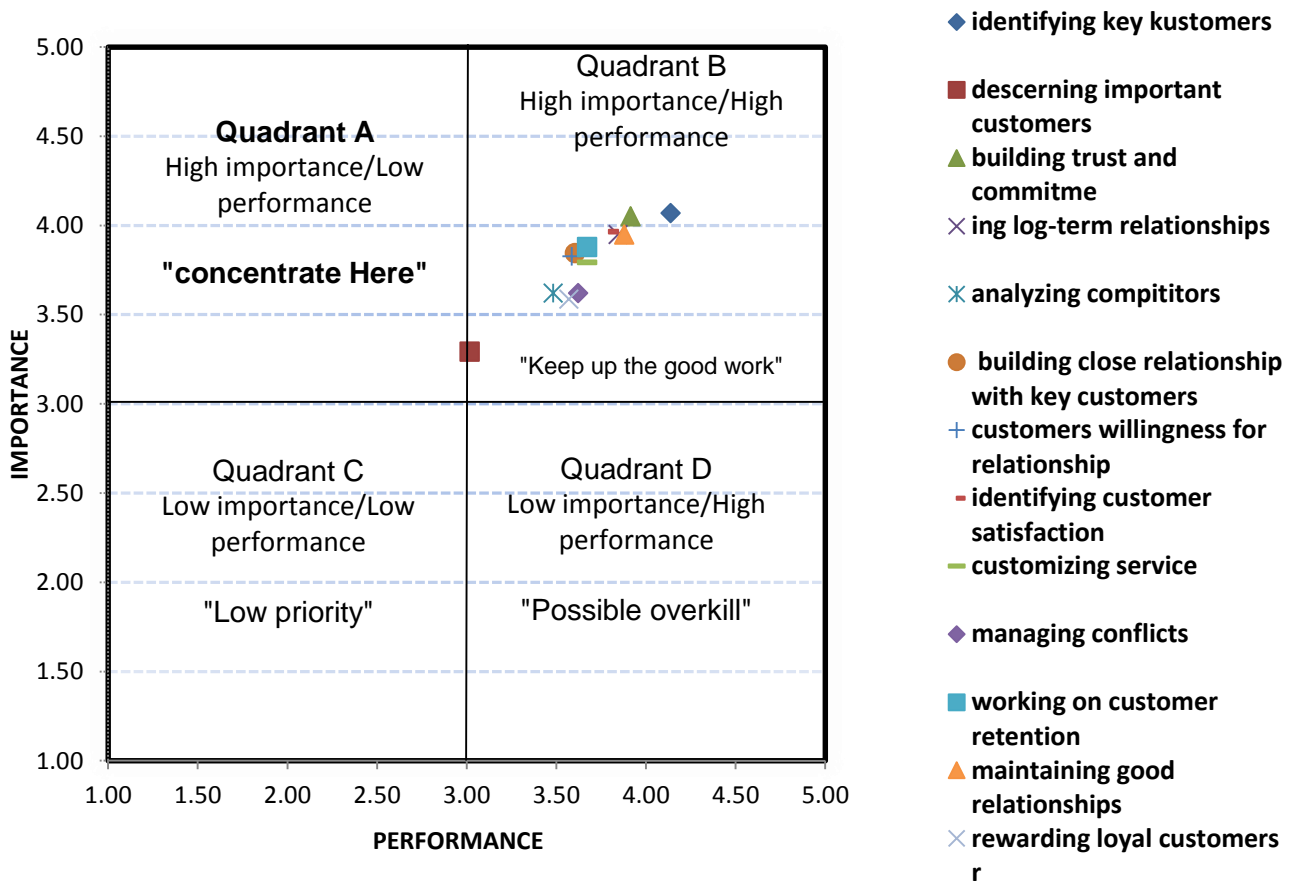


Figure -3. IPA quadrant analysis according to the mean value for the axis.

By using the mean values for the axis, vertical and horizontal lines were used to separate the derived factors into four quadrants. The graphical representation of the perceived importance and perceived performance ratings for the perceptions toward RM are shown on the above figure 3.

In this study, the mean scores of each of the 13 perceptions toward RM attributes and their importance and performance are presented on the following table.

Table-5. Importance-performance rating

Attributes	Importance		Performance	
	Mean	SD	Mean	SD
Identifying key customers for building better business relationships	4.14	.687	4.07	.722
Discerning important customers from not so important ones	3.02	1.084	3.29	1.026
Enhancing and building trust and commitment with customers	3.91	.923	4.05	.847
Initiating and implementing long-term relationships with customers for improved competitive advantage	3.84	.894	3.95	.867
Analyzing competitors relationships with their customers	3.48	.995	3.62	.914
Spending the resources required in building close relationship with key customers	3.60	.917	3.84	.745
Inquiring about customers willingness to form personal and close relationship	3.59	1.044	3.83	.775
Identifying customer satisfaction as the first priority	3.79	1.039	3.97	.936
Customizing service to suit the customer needs	3.67	.886	3.79	.894
Managing conflicts and resolving service conflicts with customers	3.62	.952	3.62	.933
Working on customer retention	3.67	.906	3.88	.919
Maintaining good relationships with customers to improve customer loyalty	3.88	.818	3.95	.867
Rewarding loyal customers to encourage expanded purchase behavior	3.57	.993	3.59	1.060

Source: own survey result

5.2 Relationship between perception and satisfaction toward CRM with sales staff demographics.

5.2.1 Perception of sales staffs' toward CRM and demography.

The perception of ethio-telecom sales staffs' toward CRM and their gender are presented on the following table.

Table-6. Perception of CRM concept and sales staffs' gender.

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Perception of CRM concepts	Equal variances assumed	0.849	0.361	-1.203	56	0.234	-1.422	1.182
	Equal variances not assumed			-1.321	55.452	0.192	-1.422	1.076

Source: own survey result

The significance value for the above Levene test is high (0.361) I can safely use the result that assumes equal variance for both groups. The value is not significant at 0.05 the sig. value for equal variance assumed is greater than 0.05 ($0.234 > 0.05$) the result implies that there is no significant difference between male and female sales staff on the understanding of CRM concepts. In short this there was no statistically significant relationship between the sales staffs' gender and their perception towards CRM. Therefore, gender didn't have relationship with perception towards CRM.

Table-7. Perception of CRM concept and sales staffs' age.

Correlations

Attributes		Perception of CRM concept	Age of the respondents
Perception of CRM concept CRM concepts	Pearson Correlation	1	-.343**
	Sig. (2-tailed)		0.008
	N	58	58
Age of the respondents	Pearson Correlation	-.343**	1
	Sig. (2-tailed)	0.008	
	N	58	58

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

* Correlation is significant at the 0.05 level (2-tailed).

Source: own survey result

These negative correlation coefficient ($R = -.343$ & $p < 0.01$) indicates that there is a strong negative linear relationship between perception toward CRM concepts and age of sales staffs'. That means the more the age a sales staffs have, the less the understanding of a CRM concepts.

Table-8. Perception of CRM concept and sales staffs' education.

Correlations

Attributes		Perception of CRM concept	Education of the respondents
Perception of CRM concept CRM concepts	Pearson Correlation	1	-0.065
	Sig. (2-tailed)		0.627
	N	58	58
Education of the respondents	Pearson Correlation	-0.065	1
	Sig. (2-tailed)	0.627	
	N	58	58

Source: own survey result

Pearson Correlation was used to assess whether the sales staffs' differed significantly in terms of their perception towards CRM and their education level. The relationship between sales staffs' perception towards CRM and their education level are shown on the above table. The table shows that, there was no statistically significant difference between ethio-telecom sales staffs' education level and their perception towards CRM (sig > 0.05). This is because the respondents were homogeneous education level; in other words all the respondents had college diploma and above.

5.2.2 Sales staffs' satisfaction level on CRM and demography.

Table-9. Satisfaction on CRM and sales staffs' gender

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Level of satisfaction on CRM	Equal variances assumed	.101	.752	-.372	56	.711	-.255	.685	-1.627	1.117
	Equal variances not assumed			-.390	51.018	.698	-.255	.654	-1.567	1.057

Source: own survey result

The significance value for the above Levene test is high (0.752) I can safely use the result that assumes equal variance for both groups. The value is not significant at 0.05 the sig. value for equal variance assumed is greater than 0.05 (0.711 > 0.05) the result implies that there is no statistically significant difference between gender of sales staffs and satisfaction on CRM. In short this there was no statistically significant relationship between the sales staffs' gender and their satisfaction on CRM. Therefore, gender didn't have relationship with satisfaction on CRM.

Table-10. Association between satisfaction variables, education and age.

Correlations

		how likely would you use CRM	What is your level of satisfaction toward CRM	How likely would you continue to use CRM	how likely would you recommend CRM for other business	Education of the respondents	Age of the respondents
how likely would you use CRM	Pearson Correlation	1	.790**	.625**	.372**	-.118	-.100
how likely would you use CRM	Sig. (2-tailed)		.000	.000	.004	.379	.453
how likely would you use CRM	N	58	58	58	58	58	58
What is your level of satisfaction toward CRM	Pearson Correlation	.790**	1	.647**	.550**	-.193	.035
What is your level of	Sig. (2-tailed)	.000		.000	.000	.146	.795
What is your level of	N	58	58	58	58	58	58
How likely would you continue to use CRM	Pearson Correlation	.625**	.647**	1	.522**	-.257	.171
How likely would you continue	Sig. (2-tailed)	.000	.000		.000	.051	.199
How likely would you continue	N	58	58	58	58	58	58
how likely would you recommend CRM for other	Pearson Correlation	.372**	.550**	.522**	1	-.158	.071
how likely would you	Sig. (2-tailed)	.004	.000	.000		.235	.596
how likely would you	N	58	58	58	58	58	58
Education of the respondents	Pearson Correlation	-.118	-.193	-.257	-.158	1	-.241
Education of the respondents	Sig. (2-tailed)	.379	.146	.051	.235		.069
Education of the respondents	N	58	58	58	58	58	58
Age of the respondents	Pearson Correlation	-.100	.035	.171	.071	-.241	1
Age of the respondents	Sig. (2-tailed)	.453	.795	.199	.596	.069	
Age of the respondents	N	58	58	58	58	58	58

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

Source: own survey result

5.2.3 Relationship between age and satisfaction toward CRM

The significance value for all the above variable is 0.453, .795, .199 and .596 all are greater than 0.05 which shows that the relationship between Level of satisfaction on CRM, the likely hood of using CRM, continuing to use CRM and recommending CRM and sales staffs' age is not statistically significant. Since sig. value is greater than 0.05 the result implies that there is no statistically significant relationship between age of sales staffs and satisfaction on CRM. Therefore, age didn't have relationship with satisfaction on CRM.

5.2.4 Relationship between education and satisfaction toward CRM

The significance value for all the above variable is 0.379, .146, .051 and .235 all are greater than 0.05 which shows that the relationship between Level of satisfaction on CRM, the likely hood of using CRM, continuing to use CRM and recommending CRM and sales staffs' education is not statistically significant. Since sig. value is greater than 0.05 the result implies that there is no statistically significant relationship between education of sales staffs and satisfaction on CRM. Therefore, education didn't have relationship with satisfaction on CRM.

5.3 Relationship between sales staffs' working experience with a sales staffs' perception toward CRM and satisfaction on CRM.

5.3.1 The perception of sales staffs' toward CRM and working experience.

Table-11. Association between experience variables and perception.

Correlations						
		Perception toward CRM	Respondent current position	How long you held this position	how long have you work in ethio-telecom	How many customers do you serve in a day
Perception toward CRM	Pearson Correlation	1	0.105	-0.013	-0.081	-0.219
	Sig. (2-tailed)		0.432	0.92	0.547	0.099
	N	58	58	58	58	58
Respondent current position	Pearson Correlation	0.105	1	-0.139	-0.071	-0.159
	Sig. (2-tailed)	0.432		0.298	0.595	0.232
	N	58	58	58	58	58
How long you held this position	Pearson Correlation	-0.013	-0.139	1	0.236	0.089
	Sig. (2-tailed)	0.92	0.298		0.075	0.506
	N	58	58	58	58	58
how long have you work in ethio-telecom	Pearson Correlation	-0.081	-0.071	0.236	1	-0.016
	Sig. (2-tailed)	0.547	0.595	0.075		0.906
	N	58	58	58	58	58
How many customers do you serve in a day	Pearson Correlation	-0.219	-0.159	0.089	-0.016	1
	Sig. (2-tailed)	0.099	0.232	0.506	0.906	
	N	58	58	58	58	58

Source: own survey result

Pearson Correlation was used to analyze the significance value for all the above variables. The result of correlation shows that there is no statistically significant relationship between sales staffs' position (.432), length of time holding the position (.920), total experience in the company (.547) and the number of customers serving in a day (.099) with a perception of CRM.

5.3.2 Sales staffs' working experience and level of satisfaction on CRM

Table-12 Association between experience variables and satisfaction

Correlations						
		satisfaction toward CRM	Respondent current position	How long you held this position	how long have you work in ethio-telecom	How many customers do you serve in a day
Satisfaction toward CRM	Pearson Correlation	1	0.231	-0.208	-0.257	0.117
	Sig. (2-tailed)		0.081	0.116	0.052	0.382
	N	58	58	58	58	58
Respondent current position	Pearson Correlation	0.231	1	-0.139	-0.071	-0.159
	Sig. (2-tailed)	0.081		0.298	0.595	0.232
	N	58	58	58	58	58
How long you held this position	Pearson Correlation	-0.208	-0.139	1	0.236	0.089
	Sig. (2-tailed)	0.116	0.298		0.075	0.506
	N	58	58	58	58	58
how long have you work in ethio-telecom	Pearson Correlation	-0.257	-0.071	0.236	1	-0.016
	Sig. (2-tailed)	0.052	0.595	0.075		0.906
	N	58	58	58	58	58
How many customers do you serve in a day	Pearson Correlation	0.117	-0.159	0.089	-0.016	1
	Sig. (2-tailed)	0.382	0.232	0.506	0.906	
	N	58	58	58	58	58

Source: own survey result

Pearson Correlation was used to analyze the significance value for all the above satisfaction variables. The sig. value result of correlation (greater than 0.05) shows that there is no statistically significant relationship between sales staffs' position (.081), length of time holding the position (.116), total experience in the company (.052) and the number of customers serving in a day (.382) with a perception of CRM.

5.4 DISCUSSION OF THE RESULT

The result of the study which was analyzed by SPSS version 20 software had been discussed under this section as follows.

5.4.1 Demography of respondents

The demographic result of the study implies that the sales staffs at ethio-telecom are almost homogeneous in terms of age and education. This can help the company easily to cope up with technological changes and better implement customer relationship management practice by resolving customer complaints, problems and conflicts. Simply by looking the age range and educational status of ethio-telecom sales staffs, one can generalize that the company have a better position in terms of work force capacity. Having a younger and more educated personnel can help the company to be innovative and better enhance a mutual understanding and tolerance among employees.

According to working experience of the sales staffs, most of the surveyed sales staffs' are working as a sales person, welcoming agent and cashier (84.5%) which have a strong day-to-day interaction with customers and CRM system. 50% of the respondent held their current position between 1 to 5 years and 91.4% of the respondent works in ethio-telecom for more than 2 years. This implies that respondents of this survey have an adequate knowledge of their current position and the company as well. 88% of the survey respondents interact with from 1 to 99 customers per day, which can make them better able to know about interaction management, customer relationship management and service quality.

5.4.2 Perception toward CRM

The overall mean with the level of agreement of ethio-telecom sales staffs' perceptions toward CRM was 4.12. In other words, they had a strong positive perception towards CRM. Knowledge about customers plays a vital role in CRM, taking into our consideration the fact that the main purpose behind collecting data about customers is to get a clear image about them from different perspectives (Sin et al., 2005). Therefore, organizations can authenticate such data to be able to establish and develop beneficial relationship with their customers (Zahay and Griffin, 2004).

Even though knowledge and understanding about customers have a critical role for the success of CRM implementation, customer service quality and satisfaction depends on the advanced

technology, adaptation of customer - oriented approach and active involvement of the employees in the organization itself (Boulding et al., 2005; Payne, 2006; Tamilarasan, 2011). Further, as a confirmation for this point Ku (2010) stress that CRM success does not only require technological quality or systems, but it also requires an effective service concept as well as suitable operation procedures.

5.4.3 Level of satisfaction toward CRM

ethio-telecom sales staffs has a significant level of satisfaction on CRM. The positive mean difference (4.069) implies that ethio-telecom sales staffs have a significant level of satisfaction on CRM. Contrary to the result of this research *ethio-telecom customer satisfaction survey (2015)* result shows that the overall perception of customers about ethio-telecom product and services is deteriorating. Companies often know the cost of providing good service but they seldom know the cost of providing bad service (Linnell, 2006).

It is observed that firm invest millions of money on software but still unable to manage their relationship with customers and still they are not in position to serve customer in positive manners (Kalkota & Robinson, 2001). Once the customer experience the bad services of products and services, it create hype in market, and negative word of mouth spread so fast that every single bad experience customer will spoil your name to around customers, which will result to failure of your products and will lead to deficit in trust of your product, finally your services will be failure and the time will come, it will no more be existing into market anymore (Bolton 1998). Bowen and Chen (2001) said that having satisfied customers is not sufficient, there has to be really satisfied customers.

According to the reviewed literature, Customer satisfaction and pleasing are two main elements in a successful CRM implementation for retaining customer's loyalty to a firm, Faed (2010). Many researches indicate that there is a strong logical relationship between employee satisfaction and customer satisfaction, a satisfied company employee have a better potential to satisfy company customers and vice versa. Therefore the result of this research shows illogical relationship between employee satisfaction and customer satisfaction.

Customer satisfaction does not receive through the only factor of services, customers are satisfied with very minor action, and sometime does not satisfy with big change, customer loyalty is one of the factor of customer satisfaction, highly satisfied customer may have loyalty, and customer loyalty is derived through the favorable attributes of the products or services,

operational activities and rapid purchase also. Like in any product which makes customers addicted. Hence, customer satisfaction lead to customer loyalty, customer does not become loyal at once, it takes very long time to make customer a loyal one, the time limit of the customer to be loyal with you cannot be measured and it is only depend upon the company that how longer they plan to go with their customers through their superior services quality, timely problem resolution, attending complaints and treating customers (Fornell, 1992).

To enhance employee's customer- oriented behavior, organizations have to develop an appropriate working environment for service in work, for instance, providing staff with the modern tools, and technology, customer-satisfaction tracking and complaints management systems, inspirational leadership, and appropriate rewards systems. As a result of the previous supportive working conditions, organizations can ensure the required customer -oriented behaviors of their employees (Mechinda and Patterson, 2011).

5.4.4 Importance-performance analysis (IPA)

The four quadrants derived in the IPA grid are known as: “possible overkill” which the sales staffs consider these attributes to be performed well, but they are not important; “keep up the good work” which the sales staffs consider these attributes to be performed well and they are important; “low priority” which the sales staffs consider these attributes are not important and they are not performed well; and the most critical, “concentrate here” which the sales staffs consider these attributes are important but they are not performed well.

Quadrant A: Concentrate Here ;This quadrant is the most critical one and shows the company weaknesses, but the quadrant analysis result shows that ethio-telecom sales staffs' perceived that there is no important attributes which they didn't performed well.

Quadrant B: Keep up the good work

The result shows that all the attributes were collected in the quadrant “B” Keep up with the good work - high importance, high performance. Sales staffs perceived that ethio-telecom CRM have an opportunity to succeed and customer relationship, customer service quality and customer retentions are the major strengths of ethio-telecom.

This quadrant gives a clear idea about the ethio-telecom strength since all the findings collected in this quadrant implies that, the sales staffs' considered these all thirteen attribute as important ones, and they believed perform well for those attributes. IPA examines not only the performance of an item, but also the importance of that item as a determining factor in

satisfaction to the respondent (Silva & Fernandes, 2010). The combined client ratings for those two components then provide an overall view of satisfaction with clear directives for management and where to focus agency resources. In our context the overall response of the survey result shows that relationship management, customer service quality and customer retention have a high importance and high performance at ethio-telecom.

Inevitably, all the organization resources (such as marketing capabilities, policies, culture, and organization structure) have to be integrated in order to improve organizations performance. Previous studies also declare the positive impact of CRM organization on customer retention (Yim et al., 2005), financial and marketing performance (Akrouchet al., 2011; Sin et al., 2005).

Quadrant C: Low Priority ;No attributes were captured in this quadrant, which implies that the sales staffs perceived that there is no attributes which are low important and low performance.

Quadrant D: Possible Overkill ; No any attribute were captured in this quadrant, which means ethio-telecom sales staffs perceived that there is no unimportant attribute performed well.

5.4.5 Perception and demography.

The survey result implies that there is no significant difference between male and female sales staff on the understanding of CRM concepts. In short there was no statistically significant relationship between the sales staffs' gender and their perception towards CRM. Therefore, gender didn't have relationship with perception towards CRM. The result also indicated that there was a strong negative linear relationship between perception toward CRM concepts and age of sales staffs'. That means the more the age a sales staffs have, the less the understanding of a CRM concepts.

Pearson Correlation was used to assess whether the sales staffs' perception towards CRM differed significantly in terms of their education level and experience. The result shows that, there was no statistically significant difference between ethio-telecom sales staffs' education level and experience with their perception towards CRM (sig > 0.05). This may probably because of the respondents were homogeneous education level; in other words all the respondents had college diploma and above.

5.4.6 Satisfaction and demography.

The survey result implies that there was no statistically significant difference between gender of sales staffs and satisfaction on CRM. In short there was no statistically significant relationship between the sales staffs' gender and their satisfaction on CRM. Therefore, gender

didn't have relationship with satisfaction on CRM. The significance value for age and satisfaction variables shows 0.453,795,199 and .596 all are greater than 0.05. Since sig. value is greater than 0.05 the result implies that there is no statistically significant relationship between age of sales staffs and satisfaction on CRM. Therefore, age didn't have relationship with satisfaction on CRM.

Pearson Correlation was used to analyze the significance value for sales staff's experience and satisfaction variables. The sig. value result of correlation (greater than 0.05) shows that there is no statistically significant relationship between sales staffs' working experience with a perception of CRM. The result also implies that there were no statistically significant relationship between education of sales staffs and satisfaction on CRM. Therefore, education didn't have relationship with satisfaction on CRM.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the major findings

- The overall mean of ethio-telecom sales staffs' perceptions toward CRM concepts were 4.12. In the other words, they had a strong positive perception towards CRM.
- ethio-telecom sales staffs have a significant level of satisfaction on CRM, Contrary to the result of this research *ethio-telecom customer satisfaction survey (2015)* result shows that the overall perception of customers about ethio-telecom product and services is deteriorated.
- Many researches indicate that there is a strong logical relationship between employee satisfaction and customer satisfaction, a satisfied company employee have a better potential to satisfy company customers and vice versa. unlikely the result of this research shows illogical relationship between employee satisfaction and customer satisfaction.
- The IPA analysis result shows that all the importance and performance attributes were collected in the quadrant “B” (Keep up with the good work - high importance, high performance). sales staffs perceived that ethio-telecom CRM have an opportunities to succeed and identifying key customers for building better business relationships, Discerning important customers from not so important ones, enhancing and building trust and commitment with customers, initiating and implementing long-term relationships with customers for improved competitive advantage, analyzing competitors relationships with their customers, spending the resources required in building close relationship with key customers, inquiring about customers willingness to form personal and close relationship, identifying customer satisfaction as the first priority, customizing service to suit the customer needs, managing conflicts and resolving service conflicts with customers, Working on customer retention, maintaining good relationships with customers to improve customer loyalty, rewarding loyal customers to encourage expanded purchase behavior are major strengths of ethio-telecom.
- The result indicated that there was a strong negative linear relationship between

perception toward CRM concepts and age of sales staffs'. That means the more the age a sales staffs have, the less the understanding of a CRM concepts.

- Pearson Correlation was used to assess whether the sales staffs' perception towards CRM differed significantly in terms of their education level and experience. The result shows that, there was no statistically significant difference between ethio-telecom sales staffs' education level and experience with their perception towards CRM.

5.2 CONCLUSIONS

The traditional notion of “learn from your mistakes as you go” is replaced with “do it right the first time and be absolutely consistent in doing it throughout”. The main ingredients of success in the telecom industry (as is the case in other service industries) have been to acquire and to retain customers. The acquisition and retention of customers require identification, understanding and utilization of their likes and dislikes, which can only be accomplished through building close, one-to-one relationships with them.

Demography:-The demographic result shows that majority of ethio-telecom sales staffs (84.4%) are young age ranging from 25 to 44 and educated 89.7% of the sales staffs have a diploma and bachelor degree . which implies that the sales staffs at ethio-telecom are almost homogeneous in terms of age and education. ethio-telecom have a better position in terms of work force capacity, having a younger and more educated personnel can help the company to better enhance customer relationship management.

Perception towards CRM: The overall mean with the level of agreement of ethio-telecom sales staffs’ perceptions toward CRM were 4.12. In the other words, they had a strong positive perception towards CRM

Level of satisfaction toward CRM: The sample mean (16.07) is tested against the standard test value of (12) to verify the mean deviation statistically and it shows that there is statistically significant difference between the mean of the group and the standard test value. That means ethio-telecom sales staffs has a significant level of satisfaction on CRM. Surprisingly, *ethio-telecom customer satisfaction survey (2015)* result shows that the overall perception of customers about ethio-telecom product and services is deteriorating. It is observed that ethio-telecom invest millions of money on software but still unable to manage its relationship with customers and still the company is not in a position to serve customers in a pretty way. Logically speaking, ethio-telecom satisfied sales staffs are producing dissatisfied customers. The company often knows the cost of providing good service, but not realizes the cost of providing bad service.

Many researches indicate that there is a strong logical relationship between employee satisfaction and customer satisfaction, a satisfied company employee have a better potential to satisfy company customers and vice versa. Unlikely the result of this research shows illogical relationship between employee satisfaction and customer satisfaction.

Importance-performance analysis: On IPA result of this research, all the attributes were collected in the quadrant “B” (Keep up with the good work - high importance, high performance). This quadrant gives a clear idea about the ethio-telecom strength since the findings are collected in this quadrant, suggested that the sales staffs’ considered these all thirteen attribute as important ones, and thought they perform well for those attributes.

Sales staffs perceived that ethio-telecom have an opportunities for achieving or maintaining competitive advantage and identifying key customers for building better business relationships, Discerning important customers from not so important ones, enhancing and building trust and commitment with customers, initiating and implementing long-term relationships with customers for improved competitive advantage, analyzing competitors relationships with their customers, spending the resources required in building close relationship with key customers, inquiring about customers willingness to form personal and close relationship, identifying customer satisfaction as the first priority, customizing service to suit the customer needs, managing conflicts and resolving service conflicts with customers, Working on customer retention, maintaining good relationships with customers to improve customer loyalty, rewarding loyal customers to encourage expanded purchase behavior have a high importance and high performance at ethio-telecom.

Relationship between perception toward CRM and demography: The significance value for gender sample test is high. This means there was no statistically significant relationship between the sales staffs’ gender and their perception towards CRM .therefore gender didn’t have relationship with perception towards CRM. Perception toward CRM concepts and age of sales staffs’ were negatively correlated which indicates that there is a strong negative linear relationship between perception toward CRM concepts and age of sales staffs’. In short, the more the age of sales staffs have, the less the perception of a CRM concepts and also there was no statistically significant difference between ethio-telecom sales staffs’ education level and experience with a perception towards CRM. sales staffs from different level of education and experience had similar perception towards CRM This is because of the respondents had homogeneous education level; in other words all the respondents had college diploma and above.

Relationship between satisfaction level toward CRM and demography: The significance value for the sample test was (0.752) for gender which is not significant at 0.05 it implies that there

were no statistically significant difference between gender of sales staffs and satisfaction on CRM. Therefore, gender didn't have relationship with satisfaction on CRM. The result also implies that there was no statistically significant relationship between age, education and experience of sales staffs with a satisfaction on CRM. Therefore, age education and experience didn't have relationship with satisfaction on CRM.

5.3 RECOMMENDATIONS

☞ **To ethio-telecom management:**

The researcher recommends that ethio-telecom better to work on customer relationship and customer service quality. Through tailoring the physical product and service delivery process to the needs and preferences of individual customers, to meet customer expectation of good service level through having many varieties of products and services, provide a good quality of products with reasonable price and handle customer complain about the products and services tactfully so as to improve customer satisfaction as well as the company profitability.

The researcher also recommend ethio-telecom to facilitate a continuous customer relationship management training for its sales force so as to improve employee commitment on interaction management, company profitability and customer satisfaction. In order to enhance the employee's customer- oriented behavior, it's also better to develop an appropriate working environment for service at work, for instance, providing staff with the modern tools, and technology, customer-satisfaction tracking and complaints management systems, inspirational leadership, and appropriate rewards systems. As a result of the previous supportive working conditions, ethio-telecom can ensure the required customer -oriented behaviors of its employees.

Since CRM covers the entire organization, lack of involvement, planning, training and overall leadership may result in failure, therefore the researcher recommend that ethio-telecom management to remember four basic tips that helps CRM to succeed.

First, sharing vision and training the employees are important factors for the success of CRM. Key leaders should discuss the corporate vision of how they want CRM to achieve goals. They should also train their employees and give them more decision-making power.

Second, planning on all levels to support and get perspective is another way to have successful CRM. Organizations should get feedback from the staff about their current interaction with customers and their future plans about delivering better service.

Third, using data to enhance ROI, which is the other tip for successful CRM, happens by enhancing the customer experience with CRM technology and leveraging marketing strategies.

Fourth and finally, measuring constantly and fine-tune strategies helps facilitate better business decisions with regards to CRM.

☞ **To further researchers:**

The field CRM is a new concept and strategy in today competitive market environment. The concept by itself is also very vast and could be implemented across manufacturing and service sectors. However; this study point out only the very limited aspect of the field and the specific segment of telecom sector in a very limited geographical area, which is central Addis Ababa zone. Therefore; numerous further researches could be done in the field in general and in ethio-telecom in particular. As the result of the study shows a contradictory relationship between employee satisfaction and customer satisfaction, further research can be done to find out the real cause of the contradictions.

Limitations of the study

The sample size of this research was small it would be great if the sample size was large. The accuracy of fill-out the survey particularly the perception toward importance and performance of CRM section had got some difficulties and also the sales staffs were also too busy to fill out the survey.

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Appendix- Questioner

To: Central Addis Ababa zone sales staff

Dear colleagues,

First of all I would like to thank you for taking part in my research on analyzing sales staffs Perception toward Customer Relationship Management (CRM) in ethio telecom central Addis Ababa zone. The purpose of this research is to analyze your perception towards Customer Relationship Management. Your participation on this study is absolutely voluntary and anonymous. The data collected through this research will be solely used for academic purpose only and will be kept strictly confidential.

If you have any further questions about this study, please contact me, *Anteneh Fantahunegn*, a Master of Business Administration in St. Mary's University, School of Business , Mobile # 0911-25-57-11, (e-mail: antefantahun@gmail.com).

Thank you for your time and cooperation.

If you need a brief summary of the survey results please contact me with the above address.

Sincerely,

Anteneh Fantahunegn

MBA Student

St. Mary's University

October, 2015

PART-1 General information.

The following set of questions is to get some background information about you. Please check the appropriate boxes for the following questions.

1. Gender: Male Female
2. Age: 18-24 25 to 34 35 to 44
 45 to 54 55 to 64 65 and above
3. Education: High school graduate TVET College diploma
 Bachelor Post graduate other (please indicate)

PART-2 Work related information.

The following set of questions is to get some information about your working background. Please fill in the blanks fields and/or check the appropriate boxes.

1) What is your current position in ethio-telecom?

- Manager Sales person
- Supervisor Technical advisor
- Sales coordinator other (please specify) _____

2) How long have you held this position?

- Under 1 year 2-3 years
- 1-2 years 3 years and above

3) For how long have you worked in ethio-telecom?

- Under 1 year 2-3 years
- 1-2 years 3 years and above

4) How many customers do you serve in a day?

- Less than 25 customers 26 to 50 customers
- 51 to 99 customers 100 to 149 customers
- 150 to 199 customers 200 and above customers

PART-3 To measure the perception of CRM concepts.

The following questions are to identify the level of agreement of your perceptions toward Customer Relationship management (CRM). Please put an X sign to your preference choice based on the following scales.

- 1.....**Strongly disagree (SD)**
- 2.....**Disagree(D)**
- 3.....**Neither disagree nor agree (N)**
- 4.....**Agree(A)**
- 5.....**Strongly agree (SA)**

	CRM concepts	1(SD)	2(D)	3(N)	4(A)	5(SA)
1.	Customer trust and commitment enhances business relationships.					
2.	Customer service quality enhances business relationships.					
3.	It is important to form close relationships with customers.					
4.	Close relationships with customers bring about improved competitive advantage.					
5.	Forming long-term relationships with customers is highly valued.					
6.	Relationship marketing can improve the efficiency of the marketing processes					
7.	Relationship marketing has potential to provide significant benefits for telecoms.					

PART-4 To measure perceived importance of CRM at ethio-telecom.

This section is to find out your opinion about importance of the enrolled Customer Relationship management (CRM) at ethio-telecom. Please enter the appropriate number for each statement by using the following scales.

Importance of each attributes

1. Very low
2. Low
3. Neutral
4. High
5. Very high

		Importance Level
	1. Customer Relationship	
1.1	Identifying key customers for building better business relationships.	
1.2	Discerning important customers from not so important ones.	
1.3	Enhancing and building trust and commitment with customers.	
1.4	Initiating and implementing long-term relationships with customers for improved competitive advantage.	
1.5	Analyzing competitors' relationships with their customers.	
1.6	Spending the resources required in building close relationships with key customers.	
1.7	Inquiring about customers' willingness to form personal and close relationships.	
	2. Customer Service Quality	
2.1	Identifying customer satisfaction as the first priority.	
2.2	Customizing service to suite the customers' needs.	
2.3	Managing conflicts and resolving service conflicts with customers.	
	3. Customer Retention	
3.1	Working on customer retention.	
3.2	Maintaining good relationships with customers to improve customer loyalty.	
3.3	Rewarding loyal customers to encourage expanded purchase behavior.	

PART-5 To measure perceived performance of CRM at ethio-telecom.

This section is to find out your opinion about the performance of the enrolled Customer Relationship management (CRM) at ethio-telecom. Please enter the appropriate number for each statement by using the following scales.

Performance of each attribute

1. Very low
2. Low
3. Neutral
4. High
5. Very high

		Performance Level
	1. Customer Relationship	
1.1	Identifying key customers for building better business relationships.	
1.2	Discerning important customers from not so important ones.	
1.3	Enhancing and building trust and commitment with customers.	
1.4	Initiating and implementing long-term relationships with customers for improved competitive advantage.	
1.5	Analyzing competitors' relationships with their customers.	
1.6	Spending the resources required in building close relationships with key customers.	
1.7	Inquiring about customers' willingness to form personal and close relationships.	
	2. Customer Service Quality	
2.1	Identifying customer satisfaction as the first priority.	
2.2	Customizing service to suite the customers' needs.	
2.3	Managing conflicts and resolving service conflicts with customers.	
	3. Customer Retention	
3.1	Working on customer retention.	
3.2	Maintaining good relationships with customers to improve customer loyalty.	
3.3	Rewarding loyal customers to encourage expanded purchase behavior.	

PART-6 To measure the level of satisfaction toward CRM.

The following questions are to find out your level of satisfaction, the likelihood of using, recommending and continuing to use Customer Relationship management (CRM). Please check the appropriate box for the following question.

1. How likely would you use CRM?

Very unlikely

Unlikely

Less likely

Likely

Very likely

2. What is your level of satisfaction towards CRM?

Very dissatisfied

Dissatisfied

Neutral

Satisfied

Very satisfied

3. How likely would you continue to use CRM?

Very unlikely

Un-likely

Less likely

Likely

Very likely

4. How likely would you recommend CRM for other business?

Very
unlikely

Unlikely

Less
Likely

Likely

Very likely

Thank you for taking your valuable time to respond this questionnaire!!