



**SAINT MARY'S UNIVERSITY SCHOOL OF GRADUATE
STUDIES**

**THE IMPACT OF RELATIONSHIP MARKETING ON
CUSTOMER LOYALTY THE CASE OF EURO CABLE PLC:
CUSTOMERS' PERSPECTIVE**

BY

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MAY 2017

ADDIS ABABA, ETHIOPIA

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of my advisor. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any degree.

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ACRONYMS

- ANOVA = Analysis of variances
- CRM = Customer relationship marketing
- CSL = Customer satisfaction level
- DCL = Degree of customer loyalty
- MR = Multiple Regression
- PLC = Private limited company
- RM = Relationship marketing
- SPSS = Statistical package for social sciences
- VIF = variances of inflation factors

ABSTRACT

The purpose of this paper is to find out the impact of relationship marketing on customer loyalty within the Euro cable plc. By analyzing the relationship of every construct in the conceptual framework of the paper. This study employed more of quantitative approach with case study method to answer the research questions. The study use cross sectional study design; the research method to collect primary data, structured questionnaire was designed and collected from total censuses technique from customers of the company. Structured questionnaires were distributed to 107 customers, only 103 (96.3%) complete responses were returned from the customers. The SPSS version 20 was used to process the primary data which is collected through questionnaire. Analysis of data in this research was done by using statistical tools like regression and correlation models. The finding indicates except length of time the customers work with the company and customers' loyalty is positively correlated but others demographic factors are negatively correlated. Regarding to relationship marketing dimensions (the independent variables) such, trust, commitment, communication and responsiveness are positively correlated with customer loyalty; and customers' loyalty also explained relationship marketing dimensions particularly in Euro cable PLC. Therefore, it is pointed out that 49% of relationship marketing can explain the dependent variable that is customers' loyalty. Each independent variable is also regressed against customers' loyalty and the result shows that all the independent variables can explain the dependent variable i.e. customer loyalty. The findings also support the view points that relationship marketing dimensions can enhance the quality of a buyer-seller relationship and in turn increase customer loyalty. Finally the researcher concludes that in the case of Euro cable the elements of relationship marketing have a significant impact on customer's loyalty.

Key words: *Relationship Marketing, Empathy, Trust, Responsiveness Commitment, Customer's satisfaction and customer's loyalty*

CHAPTER ONE

INTRODUCTION

1.1. Back ground of the study

In today's highly competitive business environment, companies are unable to longer survive with a transactional attitude towards customers. Customer relationship marketing is the biggest paradigmatic shift in marketing theory and practice in recent decades. It is taking back to its roots (Gronroos, 1996). In industries and service markets, customer relationship marketing is becoming a necessity in order to survive. The main goal of the relationship marketing is to build mutually satisfactory long- term relationship with key constituents in order to gain and maintain their business (Gummesson, E, 2008).

Firm's success depends upon getting customers but keeping customers is crucial. Loyal customer is challenging than acquiring customer. Successful firms keep long term relationship with customers, Relationship marketing focused on Interaction with customers over a long time period. A Sale is not the end of marketing process but beginning of relationship with customer. Establishing relationship increases long term sales and reduce marketing cost. Firm must focus on both getting and keeping customers.

In order to determine the success of a product within the context of customer relationship marketing (CRM), three main factors need to be observed. These factors can be defined as: Customer Satisfaction Level (CSL), Customer Loyalty Probability (CLP) and the Degrees of Customer Loyalty (DCL). In recent years there have been substantial literature dedicated to evaluating CSL. Similarly, CLP and DCL experts have produced substantial research into these subjects (Hansemark and Albinsson 2004). However, there seems to be a lack in comprehensive and practical solutions to relate CSL with CRP and DCL.

Customer service is crucial to the growth of any business. It doesn't matter whether you are a product or a service oriented company. It doesn't matter if you are targeting consumers or businesses. If customer do not get the service that they desire they will go for ever.

Significant of study are this study tries to disclose the impact of relationship marketing on customers' loyalty on a case of Euro Cable Private Ltd. Com: The Customer's Perspective. This study is intended to help them to formulate more rational strategies aimed at attracting and loyal consumers. This study is able to articulate appropriate path to enhance the customer relationship marketing and customers' loyalties.

1.2 Background of the company

Euro Cable Private Limited Company (Euro Cable PLC) is the first Ethio-Turkish joint venture established to manufacture and distribute electrical and related cables. It aims to become, the leading Ethiopian – based firm in its sector. At the start the focus will be the domestic market. However, eventually the company expects also to begin export activities. Initial international market penetration points will be regional. A group of established, but still enterprising, international and domestic investors established Euro Cable PLC on the 20th day of May 2007.

They were Demes Kablo Sanayi Ve Ticaret Limited Sirketi, a leading Turkish manufacturer of power and data cables: two nationally renowned businessmen; a foreign national, and two minority local investors. During the start of production operation, The Company employs four foreign experts for the transfer of technological knowhow to the Ethiopian professionals employed from the Renowned Universities in Ethiopia and abroad.

Now the technology has been fully transferred to the Ethiopian professionals working in the company. It has also about 65 permanent and temporary workers, engaging in the production, quality control, administration, Finance and marketing Departments. The initial capital was Birr 50 million, since further upgraded to Birr 55 million. Euro Cable PLC had already started full manufacturing operations by the beginning of August 2008. The company can produce about 300 types of different sized wires power cables and telephone wires.

Since Euro Cable PLC was one of the pioneers of electric cable business, through its long lasting business practices, it had collected a significant number of customers over time, but it did not manage them very well. Now the target and systematic effort of rivals are to shift such customers to their premises. Because of the above reason the issue of relationship marketing and its impact

on customer's loyalty is a must to be focal point. Accordingly different relationship dimensions were used by researcher in order to see their impact customer's loyalty status of the company.

1.3 Statements of the problem

Over the past five years Electric cable industry is growing tremendously because of this the competition also becoming strong from time to time. When the company join this business there was only two companies which directly compete with, those are both from Ethio- plastic and Elsewedy Cables, but right now the no. of competitors become triples so, the application of relationship marketing is crucial in these days. Because a fierce competition all over the industries and the effect of globalization, being reluctant to accept relationship marketing will cost the organization a big deal of lose in many directions; losing a potential customers and market share, letting down the reputation of the organization, lagging behind industry leaders, shortage of information from customers that could give big advantage, failure of employees to understand customers, nicely and many more will be the negative impact.

To deal with the above mentioned issues, organizations need some mechanisms that could increase customer loyalty in a coordinate and change oriented bases. One of the mechanisms that can give such benefit is relationship marketing. Relationship marketing is the process that organizations has to understand the customers like or/and dislike and serve the customers according to their desire to anchor them for continuous relationship (Kotler & Armstrong, 2010). It is done by gathering related information of customers,in an organized manner, analyzing and interpret it so that it can help the organization to fulfill the need of its customers.

With loyal customers companies can maximize their profit. Loyal customers are willing to (1) purchase more frequently (price insensitive) ,(2) try the firms new product or services (repurchase intention) , (3) recommend the product and services to others (word of mouth) and (4) give the companies suggestion (compliant behavior) (Reich heldsasser , 1990. As cited by (Mei lien and Robert (2005)

Sustainable and continuous survival of an organization mainly depends on its business relation with its customers. When business firms direct their resources and all their efforts for better

accomplishment of their intended purposes, growth and profitability is entirely influenced by the quality and reliability of their product and services. These could be done through delivering a product and service that could increase the acceptance of the organization in the face of the customers.

Usually when the competition is increased in the specific industries the customers barraging power will also increase as well. To fight this problem and retaining existing customers for long period of time relationship marketing program is a mandatory.

In general, lack of strong RM strategy could possibly resulted in loss of loyal customers and profitability so Euro cable PLC need to have a good understanding of its customers behavior so that appropriate marketing strategies directed towards relationship building and customers retention can be developed. Considering the problem at hand , the very purpose of this research paper was to assess the impact of relationship marketing on customers loyalty in cable industries in the case of Euro cable PLC; customer's perspectives.

1.4 Research question

The research tried to give answers to the following research questions.

- Does relationship marketing influence customers' loyalty towards Euro cable PLC?
- Does trust influence customers' loyalty towards Euro cable PLC?
- Does commitment influence customers' loyalty towards Euro cable PLC?
- Does communication influence customers' loyalty towards Euro cable PLC?
- Does empathy influence customers' loyalty towards Euro cable PLC?
- Does customers' satisfaction influence customers' loyalty towards Euro cable PLC?
- Does responsiveness influence customers' loyalty towards Euro cable PLC?

1.5 Objective of the study

1.5.1 General objective

The general objective of this study was to explore the impact of relationship marketing on customer loyalty within the Euro cable plc, by analyzing the relationship of every construct in the conceptual framework.

1.5.2 Specific objectives

In assuring that the above general objectives can be achieved, there are few specific objectives that need to be accomplished in the case of Euro cable plc. These specific objectives were the following.

- Investigate the impact of trust dimension of relationship marketing on customer's loyalty in the case of Euro cable PLC.
- Investigate the impact of commitment dimension of relationship marketing on customer's loyalty in the case of Euro cable PLC
- Investigate the impact of empathy dimension of relationship marketing on customer's loyalty in the case of Euro cable PLC
- Investigate the impact of responsiveness dimension of relationship marketing on customer's loyalty in the case of Euro cable PLC
- Investigate the impact of communication dimension of relationship marketing on customer's loyalty in the case of Euro cable PLC
- Finally to determine the influences of relationship marketing in general on customer's loyalty in the case of Euro cable PLC.

1.6 Significant of the study

This study has a benefits and interest not only to Euro cable PLC, but it will be valuable to other similar sectors in Ethiopia as a whole. The study helps to use as source of secondary data to other research who wish to conduct studies on related issues. It will again act as mainstream for generating, keeping and maintaining customers.

1.7 Scope of the study

This study is limited to an assessment of relationship marketing practices of Euro cable private limited company operating in Ethiopia: on customers' perspective. It excludes other electric cable manufacturing operating in Ethiopia. The management responses and reaction is not included; it's only focused on customers' perspective. In addressing the issue, related literature has been assessed and included. The practice of relationship marketing and the product and services the company hands over to the customers are clearly mentioned.

1.8 Limitation of the study

The customer who is considered in this study is only a customer's which are found around Lideta sub City area; others customer which are found both other parts of Addis Ababa and Regional state customers did not participate in this study. The management responses and reaction is not also included in this research. In addition to those financial limitation one of the big constraint to go further.

1.9 Organization of the paper

The paper is structured into five chapters. The first chapter deals with the introduction of the Topic and the second chapter deals with related literature review about relationship marketing and customer loyalty ladder .The third chapter presents research methodology, design, samples methods, sources of data, research instruments, data analysis methods, reliability and ethical considerations. The fourth chapter deals with data presentation and analysis of the questionnaires . The final, the fifth chapter presents the conclusion and recommendations of the research.

CHAPTER TWO

OVERVIEW OF RM RELATED LITERATURE

The first “Relationship Marketing” term was used by the Berry in 1983. It noticed that, in early stage, tried to develop general theory about marketing which already exist in relationship perspective. Relationship marketing was not important in early stage what has gained today, because environmental factor was so weak on that period than today. There was two ways to develop relationship marketing. The first, relationship marketing was realized in service marketing then in industrial marketing.(Toivo, 1996)

Berry (1983, p.14) said that “Relationship Marketing is a strategy to attract, maintain and enhance relationship with customer”. But Gronroos (1994) not only emphasize on customer, he said that the basic objective of Relationship Marketing is to establish, maintain and increase relationship with customer as well as other stakeholder, at a profit so that the objective of different stakeholder are fulfilled.

The definition for relationship marketing according to the chartered institute of marketing is “...the process of getting closer to the customer by developing a long-term relationship through careful attention to service needs and their quality delivery”. Relationship marketing is the ongoing process of engaging in cooperative and collaborative activities and programs with immediate and end-user customers to create or enhance mutual economic value at reduced cost (Sheth and Parvatiyar 2000.)

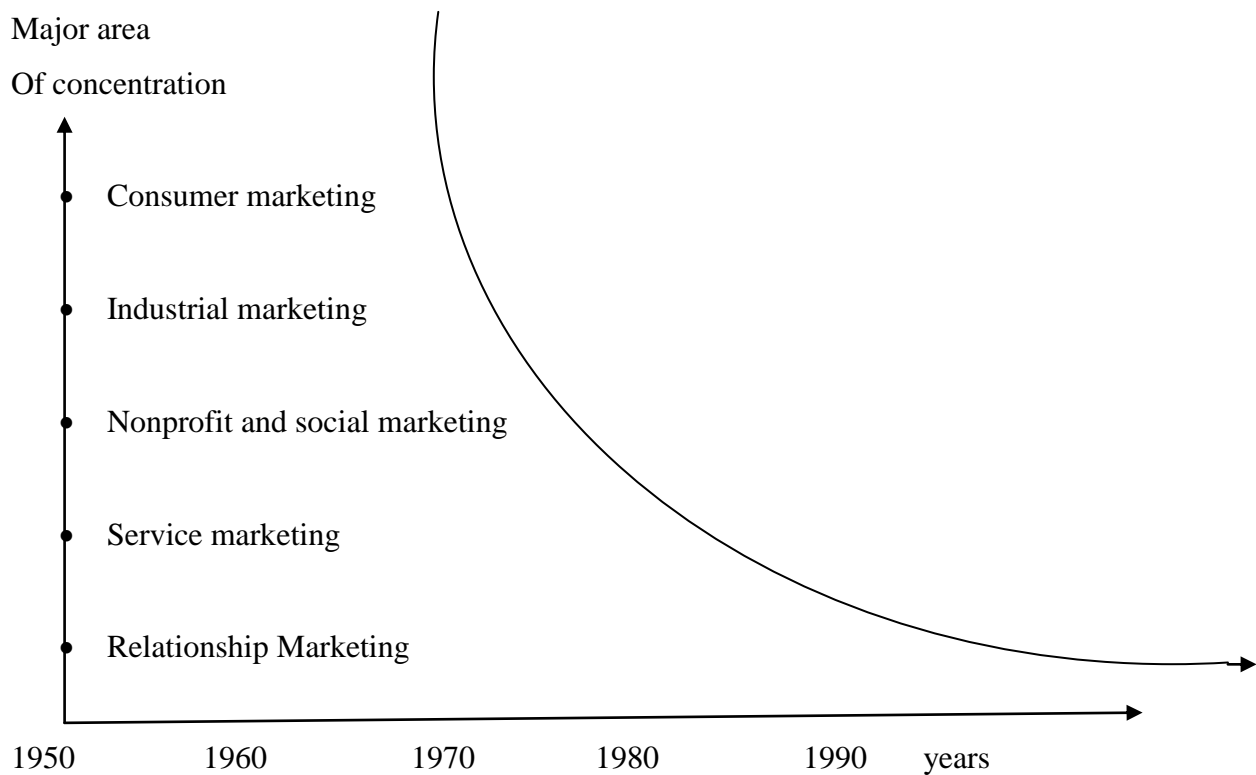
All of company’s’ success today and sustainable growth will be based on the quality of relationship that formed with their customers. As brain Tracy noted that (2002, P.57) for most customers today, the relationship comes first. It is more important than the product or services itself.

A number of terms have been used as substitutes for relationship marketing or to describe similar concepts (Buttle, 1996). These include direct marketing, database marketing, customer relationship management, data driven marketing, micromarketing, one-to-one marketing, loyalty based marketing, segment of one marketing, customer partnering, dialogue marketing and

interactive marketing. All this suggests that Relationship Marketing is also an umbrella philosophy for relational approaches in marketing.

2.1.1 Domain of relationship marketing and Evolution of relationship marketing

In 1950's marketer emphasized on consumer goods, just buying and selling but in 1960's marketer has given more emphasize on industrial marketing and 1970's marketing interest was on non-profit or societal marketing sector. In 1980's attention turned into service sector and from the 1990's marketer has given more attention on Relationship Marketing. Relationship Marketing has developed in response to environmental influences whose goal was to making boundaries between market and Industry (Shani and Chalasani, 1992). Relationship marketing is consider effective and efficient ways that company can achieve permanent competitive advantages and ensure growth as well as survive in the long run where Relationship Marketing considers is a key factor to success.



Source: Christopher et al. (1991)

2.1.2 Transactional VS Relationship Marketing

Marketing come about when people decide to satisfy needs and wants through exchange. Exchange (transaction) is the act of getting an object (product, service, idea ...) from someone by giving something in return. Marketing should create mutually beneficial relationships (good for both parties) to generate profitable transactions. Relationship marketing is a strategy designed to foster customer loyalty, interaction and long-term engagement.

It focuses more on customer loyalty than customer acquisition. Relationship marketing refers to everything you do to make your prospective and current customers aware of your products and services, position your business in their minds as the obvious choice, and help you to build lifelong, profitable relationships with them. Whereas the traditional marketing approach is transactional, relationship marketing is relational, old-style marketing mostly focuses on sales transactions. Within the transaction marketing approach, critics said, the main marketing effort was concentrated on the sale itself, ignoring what happened after its conclusion. The new relationship marketing focuses on working hand-in-hand with your prospects and customers to co-create a more meaningful, personalized, and lasting experience. *Sources- Martin Christopher, Adrian Payne, David Ballantyne (2002)*

Table 1 Transaction vs. Relationship Marketing

Transactional marketing	Relationship marketing
Focus on volume	Focus on profitable loyalty
Emphasizes product features	Emphasizes customer value
Primary concern with product quality	Concern with relationship quality
Little emphasis on customer service	High customer service emphasis
Moderate customer contact	High customer contact
Short timescale	Longer-term timescales

Sources- Martin Christopher, Adrian Payne, David Ballantyne (2002)

The emergence of a new era, the Relationship Era, its role is to foster sustainable relationships between brands and people. In the Relationship Era, the starting point is the brand. Brands that are clear on their purpose attract passionate supporters and create loyal customers. The winners in the Relationship Era will be those who build trust and sustainable relationships with people. In

the new era, marketers are inviting people to join in, participate with, and become part of the brand. Customers become active partners rather than targets to be sold to.

The Relationship Era, persuasion is less effective. Trust cannot be used as a tool. Instead, successful marketers are fostering trust as a fundamental, essential, and independent pillar of sustainable brand-customer relationships. It's clear that digital has an intense impact on relationships between brands and people. It's more than another channel. In fact, digital channels have caused significant changes to the fundamental ways that consumers interact with brands, their expectations of brands, and ultimately the role of marketing in today's world.

E-Commerce and Building network marketing business using E-mail marketing is the main feature of relationship era. E-mail marketing is one of the fastest ways to leverage on the Internet, highly scalable, highly targeted and personal. E-mail marketing can be quite competitive Practice of a time.

2.1.3 Requirements of Relationship marketing

Relationship Marketing is all about making bridge between buyer and seller, which is characterized by Trust, commitment (Morgan and Hunt, 1994) Communication and promise fulfillment (Gummesson, 1994). These basic aspects of Relationship Marketing are discussed below.

2.2 Dimension of relationship marketing

2.2.1 Trust

The first aspect of Relationship Marketing is trust, which has given more attention by different authors (Morgan and Hunt, 1994, Buttle, 1996). Berry (1995) described the trust as basic elements of relationship Marketing. Moorman et al (1993, p. 82) define trust as “a willingness to rely on an exchange partner in whom has confidence.”Where, Buttle (1996) said that “confidence” is associated with consistency, healthy, sacrificing mentality and cooperative and willingness to help. Trust helps to feel secured, lessen the uncertainty, make friendly environment (Morgan and Hunt, 1994). Peck (1993) has given similar opinion that trust increase dedication to maintain relationship and make the relation strengthen which ultimate result is success of relationship marketing.

Cottrell (1995) asserted trust on the view point of consumer, he said that trust means serve the desired product, at a right price, and an ongoing relationship between customers and company that mutually beneficial for both parties. It is part of the mutual relationship between both parties (customer and company) where consumer has trust on company to --meet demand or utility according to customer expectation (Beatty et al, 1996) and other party (company) define trust means that customers are loyal to the company (Berling,1993). So, trust is a component to secure relies on each other where company seeks to loyal customer and customers seek to meet demand according to the expectation.

2.2.2 Commitment

Commitment is considered as a compliment in buyer seller relationship (Moorman et al. 1993). Commitment is the important for distinguishing between “satyrs” and “leavers” (Wilson and Munmalananeni, 1986). The entire marketer and researcher consensus that committed relation between customer and company produce significant mutual benefits (Allen and Meyer, 1990).

Commitment considers the important variable for strong relationship marketing and useful tools to measuring loyalty of the customer (Morgan and Hunt, 1994). Allen and Meyer (1990, p. 2) classified the commitment as “affective”, “calculative” and “normative” respectively. They also stated that affective commitment is “a person emotional attachment to, identification with and involvement within the organization”. So, affective commitment helps to remain customer with the organization due to strongemotional bonding with the organization.

Calculative commitment which is related with the recognition cost for leaving the organization (Martineau, 1958). And normative commitment relies on customer obligation for the organization (Weiner, 1982). Different commitments have different outcomes but all types of commitment may not be beneficial for the organization(Meyer et al, 1989) So commitment leads to strong relationship between buyer and seller by receiving past benefits from the firm on the customer point of view and enjoying benefits from the customer on the firm point of view.

2.2.3. Communication

Communication is another important aspect of Relationship Marketing. Communication implies that the ability of discharging information to the customer, but it has to be timely and trustworthy. In the modern era, new concept of communication is two way dialogues between customer and company. It's may be before or, after or during sell (Anderson and Nanus, 1990, cited in Ndubisi, 2007). In Relationship Marketing communication refers to keep in touch with valued customer, giving timely and accurate information about product and services. Ndubisi (2007) said that communication is the important way to building awareness, understanding customer preference, convenience for the customer, and motivate to repeat purchase. An effective communication between customer and company helps to build strong relationship and result in more loyalty to the company.

2.2.4. Conflict resolution

Dwyer (1987, p. 11-27) defined conflict handling as the ability of each supplier's to minimize the negative consequences of manifest and potential conflicts. in dealing with conflict handling ,both parties has used different methods to achieve common objective through avoiding potential conflict and ready to discuss the means openly if it might happen. The best mechanism of conflict handling is planning in advanced and implementations; identifying area of potential conflicts, solving conflict earlier than they visible, avoiding potential conflict and blocking them. Now days, Conflict handling is the best builder of relationship and loyalty. So it must be managed wisely to the best interest of both parties.

2.2.5. Empathy

According to Ndubisi (2004) Empathy is the capacity to share and understand another's state of mind or emotion. This author also pointed out that the basic idea of empathy should be characterized is that by looking expressions of the people facial or body movement, or by hearing their tone of voice, which will have immediate sense on how they feel. Empathy often characterized as the ability to put oneself into another, or in some way experience the outlook or emotions of another being within oneself. Empathy has the added value of reducing reliance on legal governance, since exchange partners who are governed by the principle of empathy are more likely to treat others.in the manner they would like to be treated.

Clow and Kurtz (2003) define empathy as the ability of a person to identify with the feelings or thoughts of another person. This skill is necessary because customer contact personnel serve as the interface between customers and the organization. If customers have special requests or problems, they want employees to understand the problem from their point of view. Zeithaml and Bitner (2003) argued that it is difficult to imagine an organization would deliver caring, individualized attention to customers independent of its employees. According to these authors empathy implies that employees will pay attention, listen, adapt, and be flexible in delivering what individual customers need.

As mentioned by Parasuraman et al., (1988) empathy is one of the important elements to measure the service quality in service industries area. It is so important to each bank's manager to recruit staff with social skills that will assist the development of long-standing relationships with customers. And the most important thing is that banks should provide reliable services in order to achieve a high level of customer satisfaction, an antecedent of sustainable competitive advantage.

2.3. Key factor of enhancing Relationship Marketing:

When companies have realized all the aspects of relationship marketing, the next step is to identify the best ways to build the relationship with customers. There are three factors identified to enhance relationships with customers in this literature, which are;

- Providing customer satisfaction
- Ensuring high standard customer services.
- Develop customer segmentation

If the marketer can fulfill three criteria, then it is possible to enhance relationships.

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2.3.1. Customer satisfaction:

From a supermarket perspective, customer service is the first key element for executing and enhancing relationship marketing. Many authors have given more emphasis on customer satisfaction for implementing relationship marketing. (Buttle, 1996 and Donvon, 1994). For business success and profitability, customer satisfaction acts as a key driver, they also asserted

that satisfied customer are motivated to re-purchase refer to others and which led to lower cost to remain existing customer rather than new customer. But Euro cable PLC. held, (1993) more emphasize on positive words of mouth for customer satisfaction, he also said that better customer service than competitor do, is motivate to consumer level of satisfaction and consequently improve the customer loyalty.

Jones and Sasser (1995) stated that high quality product and services drive the customer needs and ensure high level customer satisfaction as well as high level customer satisfaction associate with customer loyalty. But Swinyard and Whitlock (1994) have given different opinion about customer satisfaction, they said the high levels of satisfaction create high expectation and they conclude that positive disconfirmation lead satisfaction but negative disconfirmation leads dissatisfaction. However, it assumed that, customer are not satisfied until they remain loyal to the firm. To support this statement Bendapudi and Berry, (1997) said that higher the customer satisfaction more the loyal to the firm.

2.3.2. Customer service:

Quality customer service considered another key element of enhancing relationship with customer. Customer is the core function in supermarket. And it's described as getting and loyal customer (Christopher et al, 1991).But Berry (1995) asserted that quality of customer service is the heart of the relationship marketing. Customer service is constructing by caring customer by giving proper service which directly linked to customer satisfaction and helps to build relationship with customer (Lewis and Mitchell, 1990).

Customer service should be measure on the customer point of view (Gummesson, 1987). Parasuraman et al (1994) identified five different categories for customer service that called SERVQUAL model: reliability, tangibility, assurance, responsiveness, and empathy. All the categories ensure the high level of customer service, but Crosby et al (1990) has given different opinion, they said that better customer service is essential but not obligatory to enhance relationship marketing. Offering high quality customer service is strong determinants by which an organization can achieve close relationship with customer and can attain competitive advantages compare to competitor (Parasuraman et al, 1994).

2.3.3. Segmentation:

The third element of enhancing relationship marketing is segmentation. Segmentation is essential when customer needs to be categorized in terms of cost prospecting, defining customer needs, needs to offer customized product. For example, Tesco club card magazine segmented their advertisement on the basis of demographic variables like 16-25 age, 25-45 with family, without family, and over 60. It is necessary for a firm to segment those customer groups who want to make relationship with firm. But resources spent on those customer who really don't want to make relation with firm is considered the wastage of resources. Firm should focus on those customers who want to make long term relationship with firm (Bendapudi and Berry, 1997).

Customer generally two types, one; the company able to serve profitability who are right customer, another is wrong customer where firm cannot earn (Berling, 1993). For different reason, some customers are always brand switching even though they receive better value so those customer who buy at regular price are considerably more loyal than those who buy at promotional price (Euro cable PLC held, 1993). So considering right kind of criteria to segment helps to implement and enhance relationship marketing.

2.4. Do the customers agree to enter into relationship marketing?

The relationship marketing involves both opportunity cost and investment. To develop relationship marketing, organization must understand the customer differences (Bendapudi and Berry, 1997). An organization should not focus on promiscuous shopper for building relationship and attract to remain with group. The motivations of relationship seeker are difficult to understand.

Some researcher on shopping perspective found that few part of the shopper seek more attract on contact and value but in supermarket perspective, consumer are more emphasize on quality, value, convenience for the shopping (Buttle, 1996). But those who are transaction oriented, they are concern about economic benefits of purchase while relationship oriented people more concern about social aspect (Blau, 1989). To support this Blau (1989) statement Berry (1989) said that relationship marketing is more important where purchase involve.

Generally people are more social and they expect more social exchange in daily behavior. So some customers are reasonable and some other is resistance about relationship, in this situation it is easier to make relation with reasonable customer than resistance customer where firm needs to study about customer. (Store, et al. 2000). So it can be said that to make relation with customer, organization motivation is first criteria than to customer motivation because Bendapudi and Berry (2002) said that customer might build relation either for obligation or other for dedication, so understanding of customer motivation is necessary.

2.5. Benefits of Relationship Marketing:

In the competitive market, only product and service quality is not enough to achieve competitive advantages for an organization. Day and Wensley (1983) said that by building relationship with customer, retailer can produce differentiate product according to customer needs which gives opportunity to remain loyal to the organization.

Relationship marketing increased the customer satisfaction level. Zeithaml (2000) said that relationship marketing increased customer satisfaction which result in more loyal customer and boost up the profitability.

But Sheedy (1997) said that relationship marketing increase the scope of the economics by multiple cross selling as well reduce opportunity cost by loyal customer rather than attracting new one. Relationship marketing develops trust between retailer and customer which induce the customer to make referral to others about retailers. (Chheld, 1993).

So relationship marketing makes trust worthy, committed between customers which make them loyal to the organization.

2.6. Customer Loyalty

2.6.1. Customer loyalty definition:

Present market environment is more competitive than before and consumer becoming much more demanding than before. In the current situation creating and reaming loyal customer is the critical part for the organization. Generally, loyalty means unselfishness relay on any institution but in super market perspective customer loyalty is different (Humbyet. al., 2003).

Customer loyalty is the consumer consistence relay on particular brand, services, store, and particular product. It is assumes that one of the basic motto of relationship marketing because organization enjoy strategic benefit for loyal customer (Harridge-March, 2008).

Ndubisi and Chan (2005) asserted that an organization ultimate goal is to make loyal customer from the ordinary customer; they also said customer loyalty can be gained through proper marketing plan by developing trust, by showing committed to the services, making timely dialogue with customer and handling conflict if it arises.

In Oxford Dictionary describes loyalty as “feeling of attachment to or affection for a company’s people, product or services”. Jones and Sasser (1995) also adapted the oxford dictionary definition and they said loyalty constructed by two dimensions, On one side is emotional part such as consistent, trust, others side practical behavior such as being persistence (not moved, frequently transacting, remaining).The entire emotional and practical factor is obviously beneficial for the customer but it needs bear in mind that emotional and behavioral factor are vary person to person. For example, some customer buy frequently from particular shop and some other people buy because they don’t have. And retailer is walking distance (Loyalty, 1997). But Oliver (1997, p.392) has given acceptable definition about customer loyalty, he said “A deeply held commitment to re-buy or re-patronize a preferred product or services consistently in the future. But Barnes (1994) has given an opposite opinion about the Oliver definition; he said that only repurchase or repatronize does not make the customer loyalty. But Jacoby & Chesnut (1978) described that a brand long time success not depends on number of consumer who buy once a time they said consumer become a loyal when the buy regularly.

After the stage, customers still re-purchases and have appointment relationship between firm, progresses few “rungs” supporter, and partners which is top position. This “Partner” position called the real loyal customer who not only repurchase but also act as a referral.

2.6.2. Customer loyalty ladder

The relationship marketing ladder of customer loyalty point out that many company over emphasized the identification of prospects and focused try to convert them into customers, in the absent of giving due attention to repeat business.

Similarly, the tradition marketing mix;-price, product, promotion, and place are used to turn prospects to customers, and put a huge amount of investments on finding new prospect. Whereas, the basic aim of relationship marketing is to turn customers into client, and then to progressively move them through being strong supporter of company and its products, active and vocal advocator for the company and play as a referral sources and finally to being partners. According to Seth Godin (1999, p.119-145) Customer Loyalty Ladder are classified as Suspect, Prospect, customer Client, Supporter, Advocator and Partner.

2.6.3. Main indicators of loyalty ladder

Each phase of customer loyalty ladder has its own feature and clear manifestations .so the indicators and feature of level of ladders are mentioned as follows.Sources: Christopher *et al.* (1991)

Table 2 customers' loyalty ladder

Level of Ladder of customer loyalty	Indicators' of loyalty
Suspect	Anyone who reads or hears an ad, looks at a brochure or encounters some other type of promotion is a suspect
Prospect	Someone who pays attention to your promotion
Customer	Those who buy your product or service First time and repeatedly
Client	A customer who buys most of the product category from the company only
Supporter-	A client when he is satisfied With the offering & recommends it further. Positive Word of Mouth
Advocator	A customer who gives unpaid advertising for the products or services of a business and proactively works with the Company to improve its products and services
Partner	An advocate who becomes actively involved in the decision of the company

Finally, Relationship has aimed long term relation, one elements of relationship marketing is

loyalty. Loyalty is further nurtured by quality of customer services. Loyalty is created beyond marketing effort and delightedness of customer with company. In real sense of terms, factors which foster directly or indirectly degree of loyalty in business are friendship circles, families' attachment, ethnicity similarities, and the class held in the society. Those factors must be clearly considered beyond marketing effort of any organizations.

2.7. Empirical review of the literature

In order to substantiate the result the present study, the researcher also tried to include the following empirical study:

- According to the study of conducted by muhammed Z. kashif ,saleem p.(2010) the result show that the customers trust has significantly associated with customers loyalty.
- Study of conducted by S.Sivensan and S. Achchuthn (2012) the result show that the customer's commitment dimension of RM has significantly associated with customer's loyalty.
- Peyman J, Freyedon , Motreza F.(2013) according to their study on the impact of the relationship marketing on customers loyalty found that communication predictors positively correlated with customers loyalty.
- The study conducted by ShiferawBekele (2011), on the impact of relationship of marketing on loyalty in the case of Abyssinia bank. He also found that relationship marketing has a positive relationship with customers loyalty. (unpublished sources from Addis Ababa University.)
-

2.8. Conceptual frame work

Although relationship marketing is a relatively young field of inquiry, relationship marketing theory is an extremely rich area of research (Hunt et al., 2006). They indicated that relationship marketing can take many forms and, as a result, relationship marketing theory has the potential to increase the understanding of many aspects of business strategy. They also argued that in the development of the explanatory foundations of relationship marketing theory, it provides answers to three whyquestions:

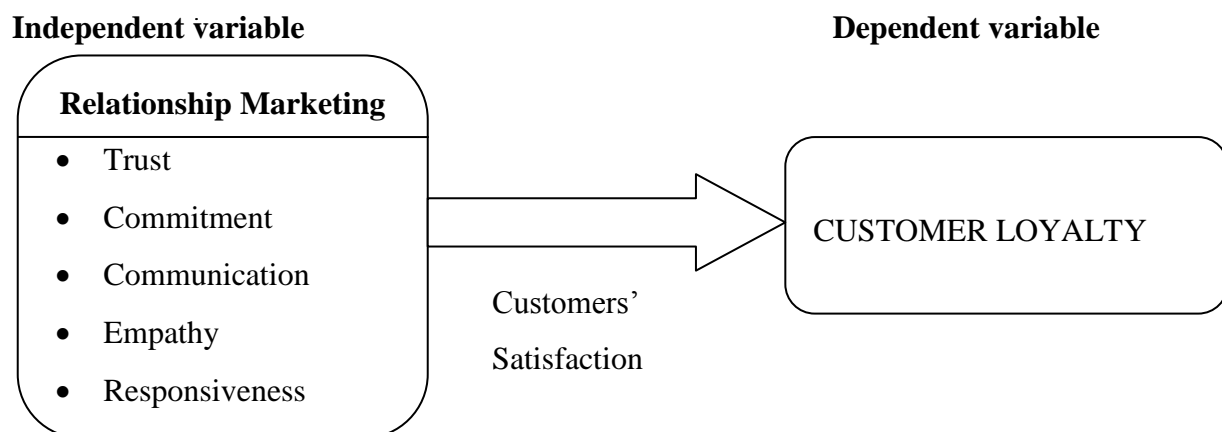
- Why is relationship marketing so prominent now?

- Why do firms and consumers enter into relationships with other firms and consumers?
- Why are some efforts at relationship marketing more successful than others?

The answers to these questions provide a broad base from which to view relationship marketing theory. First, it is suggested that the prominence of relationship marketing is due not just to the rise of services, technology, and information-oriented firms, but also to the rise of strategic network competition. Strategic network competition, which involves independent owned and managed firms agreeing to become partners within a network, emphasizes the importance of inter-firm cooperation as a means to compete successfully with other networks. To be successful (both individually and as a network), the firms in a strategic network must become proficient at relationship marketing. Second, relationship marketing theory implies that consumers enter into relational exchanges with firms when they believe that the benefits derived from such relational exchanges exceed the costs. The benefits to include:

- The belief that a particular partner can be trusted to reliably and competently provide quality market offerings
- The belief that the partnering firm shares values with the consumer;
- The customer experiences decreases in search costs;
- The customer perceives that the risk associated with the market offering is lessened;
- The exchange allows for customization that results in better satisfying the customer's needs, wants, tastes, and preferences.

Conceptual Frame-work for the study



Source: Researcher's own conceptualization

When firms want to efficiently loyal their profitable customers, they need to implement a comprehensive set of relationship marketing dimension such as trust, commitment, effective communication, empathy customers' satisfaction and responsiveness. These variables are the main determinants of customer relationship marketing in this study. The above figure indicates that the six relationship marketing dimensions play great role in building and developing effective relationship marketing. When there is effective relationship marketing between customers and the firm, customers should be satisfied by the service of the firm and the customers provide their feedback or level of satisfaction to the firm about the service/products provided to them and finally this leads to customer loyalty.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design and approach

This study employed more of cross sectional study design and quantitative approach with case study method to answer the research questions and used some qualitative information to know the current conditions of Euro cable PLC with regard to relationship marketing and customer loyalty. This quantitative approach was applied to identify the impact of relationship marketing on customer loyalty. The related data with questionnaire were collected and analyzed.

3.2 Target population

The study was undertaken to examine the impact of relationship marketing on customer loyalty by the customers of the Euro cable which are found around Lideta Sub City. The population of the research is represented in all the customers who are currently working with the company. They are 107 active wholesalers' electro mechanical shops and retailers. I used total census; those are found in Lideta Sub City. Unit is represented in sales person of the shops and the owners in these cable merchants. To find and contact, it is important to have a list of existing customers of the company. Sampling technique has selected the whole population as the sample size. So the required sample size is as equally as population as well as Euro cable private ltd Co. The census of wholesalers is taken as a sample.

3.3 Data collection instruments

The study used both primary and secondary data as its source of information. Primary data was collected based on structured questionnaire and semi-structured interview. The secondary data was collected by reviewing books, previous research works, articles and journals related, and online information available.

Based on the research objective, a questionnaire was prepared to elicit customers' experience to get information about relationship marketing and customer loyalty of Euro cable PLC. The questionnaire consists of two parts. Part one was prepared to gather general information about

the respondents' gender, age, Education, Occupation, monthly purchase and for how many times the customer buys the products.

Part two was prepared to ask respondents to answer relationship marketing and customer loyalty questions. This part consists of 48 questions and measures the impact of relationship marketing on customer loyalty which is divided into six dimensions. The first dimension, trust empathy consists of 12 questions and was adopted from Ndubisi & Wah (2005) and (Dimitriadis et al., 2011).

The second dimension which consists of 5 questions that measure trust was adopted from Ndubisi & Wah (2005) and (Lacey & Morgan, 2009). The third dimension, commitment, contained 8 questions which were adopted from Huseyin et al., (2005).

The fourth and fifth dimensions that measure customer's satisfaction and customer loyalty contained 6 and 8 questions each which were adopted from Ndubisi and Wah (2005). The researcher developed some questions and included them in the questionnaire.

Questions were assessed by using a five-point Likert scale. Each question of the questionnaire is assigned a number indicating strongly disagree measured as 1, disagree measured as 2, neutral as 3, agree and 5 strongly agree measured.

The independent variable is relationship marketing and measured by four dimensions such as trust, commitment, customer's satisfaction, and empathy. The dependent variable is customer loyalty and measured by the feelings of customer's loyalty towards their company.

3.4 Data analysis design method

After collecting the data through questionnaire, the process of analysis begins. Analysis of data in this research was done by using statistical tools like regression and correlation models. Regression analysis was used to know by how much the independent variable i.e. relationship marketing explains or influences the dependent variable which is customer loyalty. Correlation analysis also conducted to measure the strength of the association between relationship marketing dimensions and customer loyalty. And also descriptive analysis used for the

demographic factors such as gender, age, education, occupation, monthly income and for how many times the customers are using the company's product.

Data analysis was performed by using SPSS software version 20.

In order to reduce the possibility of getting wrong answers, different actions were taken to ensure the soundness of this study.

Data was collected from reliable sources, from respondents who are customers of the company.

The questionnaire was based on literature review to ensure the soundness of the results.

SPSS software version 20 used to analyses the data and special emphasis was given during data coding.

3.5 Reliability test result

Alpha reliability is regarded as a measure of internal consistency of the mean of the items at the time of administration of the questionnaire. Cranach's alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another (WWW.Wikipedia.com). It is computed in terms of the average inter correlations among the items measuring the concept. Reliability is calculated in such a way that it represents the reliability of the mean of the items, not the reliability of any single item. So, the alpha reliability of 10 items would be higher than that of 5 similar items. This coefficient can hold a value of 0 to 1. The result of 0.70 and above implies an acceptable level of internal reliability. The result of reliability test for the questionnaire is shown in the following table. As it is indicated in the table, the test result is between 0.70 and 0.870. Therefore, based on the test, the results for the items are reliable and acceptable.

Table 0.3 Cranach's Alpha test

Items	Numbers of Items	Cranach's Alpha
Empathy	6	0.870
Responsiveness	6	0.767
Trust	5	0.732
communication	9	0.70
Commitment	8	0.750
	Total	0.799

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

To analyses the collected data in line with the overall objective of the research undertaking, statistical procedures were carried using SPSS 20. In this part to indentify the major issues and to provide workable recommendations for the problems concerning customer relationship marketing and customer's loyalty, the researcher has collected data through self administered questionnaire. In this chapter the findings of the study are presented. During the survey a total of 107 questionnaires were distributed to customers. 103 distributed questionnaires were returned. So the analysis was made based on 96.3% responded questionnaires.

The questionnaire were developed in five scales ranging from one to five; where 1 represents strongly disagree, disagree, 3 neutral, 4 agree, and 5 strongly agree. All questionnaires were filled by the customers of Euro cable PLC; Customers were which is found in Lideta sub city area. Efforts have been made to have all the customers which registered and work in this sub city. Descriptive statistics were used for demographic factors and correlation and regression analysis were conducted for scale typed questionnaires. In order to know the current information of the company with regard to relationship marketing and customer's loyalty, interview was conducted with the most potential and big customers of the company. The entire questionnaires used and the interview questions are attached at the back. You can refer from appendix A

4.1 Demographic information of the research

This descriptive analysis is used to look at the data collected and to describe that information. It is used to describe the demographic factors for more clarification. It is mainly important to make some general observations about the data gathered for general or demographics questions. The demographics factors used in this research are gender, age, education qualification, monthly purchase, and length of time the respondents sell the company product. For the scale typed questionnaires for all variables mean or average response of respondents was used. The mean response for all independent variables and dependent variable is six and above which was stated

as agree. This average response shows that most of the respondents agreed that the company's Relationship marketing activities are good and also they are loyal to the company. Descriptive statistics analysis for the scale typed questionnaires (Part II) is presented under Appendix B titled as descriptive statistics for scale typed questionnaires.

Table 4:Demographic information of respondent

Demographic variables	Classification of variable	Frequency	Percent
Gender	Male	81	78.6
	Female	22	21.6
	Total	103	100
Age	Below 20 years	1	0.1
	20-41 years	65	63.1
	41-60 years	37	35.9
	Total	103	100
Educational level	Elementary	2	1.9
	High school	34	33
	Secondary	26	25.2
	Diploma	41	39.8
	Total	103	100
Length of time working with Euro cable plc	16-20	3	2.9
	11-15	4	3.9
	6-10	27	26.2
	1-5	69	67
	Total	103	
Amount purchase per month from the euro cable	500,000-2000,000 birr	40	38.8
	2,000,001-4000,000 birr	28	27.2
	4,000,001-8000,000 birr	16	15.6
	Above 10,000,000 birr	19	18.4
	Total	103	100

Source; own survey result 2017

The gender of the respondents is shown in Table 4 the table shows that most of the Respondents are male (81) while 21% are female.

The respondents' age is shown in the following table. The Table 4 shows that 65% are the age of 20-40 years old, followed by respondent at the age between 41-59 years old with 37%, and 1% is below 20years

The results of respondent's educational level are indicated in Table 4The table demonstrates that 34% of the respondents are high school drop, 26% are complete secondary school, 41% are having diploma certificate.

The results of respondentsFor how long you have been working on cable business with Euro cable PLC are indicated in Table 4 The table demonstrates that 67% of the respondents are working with Euro cable PLC for 1-5 and the rest 26.2% are working with company from 6-10 3.9% 11-15 years and 2.9% 16-20years working with euro cable.

The results of monthly purchase of respondent's with Euro cable are shown in Table 4 The table shows that 38.8% of the respondents had bought of 500,000 up to 2,000,000 birr, 27.2% the respondent2,000, 001-4,000,000 birr, 15.6% respondent4,000,001-8,000,000 bought from Euro cable plc per month and the remaining respondents 18.4% respondent had bought from this company Above 10,000,000 birr.

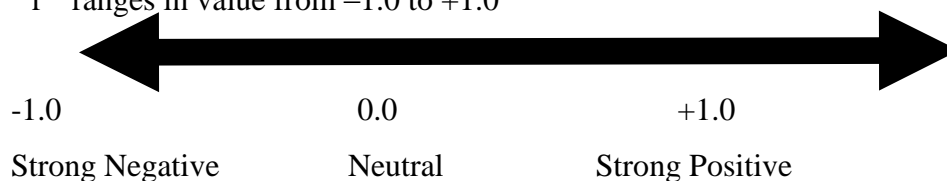
4.2 Analysis of correlated data

Pearson's Correlation Coefficient "r" indicates...Strength of relationship (strong, weak, or none)direction of relationship

Positive (direct) – variables move in same direction

Negative (inverse) – variables move in opposite directions

'r' ranges in value from -1.0 to +1.0



Like the demographic factors, the scale typed questionnaire entered to the SPSS software version 20, to process correlation analysis. Based on the questionnaire which was filled by the customers of Euro cable PLC, the following correlation analysis was made.

4.2.1 Correlation analysis between relationship marketing and customers' loyalty

Pearson correlation test was conducted to know the degree of relationship between the independent variable i.e. relationship marketing and the dependent variable i.e. customers' loyalty. The results of the correlation between these variables are shown in table 5 as it is indicated in the table there is correlation between relationship marketing and customers' loyalty. But the relationship marketing and customers' loyalty have weak relationship ($r=0.369$ with $p<0.01$) so even if the relationship is positive it does not have strong relationship between RM and customers' loyalty.

4.2.2 Correlation analysis between relationship marketing dimension and Customers' loyalty

Pearson correlation test was conducted to know the degree of relationship between the independent variable i.e. relationship marketing and the dependent variable i.e. Customers' loyalty. Based on the questionnaire which was filled by the customers of Euro cable PLC, the results of the correlation between these variables are shown in table 5 below.

Table 5 correlation between relationship marketing and customers' loyalty

Relationship marketing	Customers' loyalty	
	Pearson Correlation	Sig. (2-tailed)
Relationship Marketing Dimensions	.369***	.000***
Commitment	.447	.000
Responsiveness	.236	.018
Trust	.391	.000
Communication	.241	.015
Empathy	-.220	.025
Customer's satisfaction	.327	.001

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

N=103

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

Source: Own survey result, 2017

The relationship between the independent variables empathy, responsiveness, trust, communication commitment, and customers' satisfaction with the dependent variable customers' loyalty was investigated using Pearson correlation coefficient. The results of correlation analysis in table 5 above shows that, all the independent variables (responsiveness trust, communication commitment and customers' satisfaction) are positively correlated with the dependent variable (customers' loyalty) at 95-99% confidence level ($P < 0.05$) and ($P < 0.01$) except one independent variable empathy. The highest correlation is signified by commitment ($r = 0.447$), followed by trust ($r = 0.391$), customers' satisfaction ($r = 0.327$), communication ($r = 0.241$) responsiveness ($r = 0.236$) and finally empathy negatively and significantly correlated. This indicates that if the level of empathy, responsiveness, trust, commitment, customer satisfaction and communication of the company is low then the level of customer loyalty will be also low and the reverse is true.

Based on the Pearson correlation test shown in table 5 commitments is positively and significantly correlated with customer loyalty. The correlation coefficient between commitment and customer loyalty is the first of all correlation results of relationship marketing dimensions which is ($r = 0.447$). This means that when the company enhances its commitment, customer loyalty will be highly improved. Therefore, commitment is an important ingredient of customer loyalty. According to Bose (2002) commitment has a strong positive effect on the aspects of customer loyalty such as advocacy and willingness to pay more for the service. Fullerton (2003) reveals that when customer commitment is based on shared values and identification, it has a consistently positive impact on customer loyalty. Hence the studies of Bose (2002) and Fullerton (2003) are consistent with this study.

Trust has positive and significant relationship with customer loyalty. The correlation coefficient between trust and customer loyalty is the second of all correlation results of relationship marketing dimensions which is ($r = 0.391$). According to Teichert and Rost (2003) investigated the relationship between trust and customer loyalty. These authors measured the effects of trust and involvement on customer loyalty, assuming general customer satisfaction. They found that trust serves as a strong trigger for enhancing customer loyalty, and involvement is revealed to play a prominent role in explaining both trust creation and customer loyalty. They also concluded that trust is a major constituent element of relational customer loyalty, supported in

different measure by affective and cognitive involvements. Therefore the finding of Teichert and Rost (2003) is consistent with this finding.

Customers' satisfaction is positively correlated with loyalty. The correlation coefficient between customers' satisfaction and customer loyalty is the third of all correlation results of relationship marketing dimensions which is ($r=0.327$). This shows that customer satisfaction has the power to determine customer loyalty level of the company.

Communication is another element of relationship marketing dimension. Based on the above table 5 the correlation result of communication is positively weak correlated with customer loyalty. The correlation coefficient between communication and customer loyalty is the fourth of all correlation results of relationship marketing dimensions which is ($r=0.241$). This finding supports for the findings of Schiffman and Kanuk, (2007) which presented, communication plays a pivotal role in marketing relationships by providing an understanding of the exchange partner's intentions and capabilities. The role of communication in an organization has positive effect on acquisition and loyalty of customer. The frequency of communication between service providers and customers indicates that the strength of the relationship.

Responsiveness is one element of customer relationship marketing dimension. As it is presented in the above table 5 of the correlation analysis, responsiveness has positive and weak relationship with customer loyalty. The correlation coefficient between responsiveness and customer loyalty is ($r=0.236$). Generally, fast response to customers' requirement helps to improve satisfaction and customer loyalty level of the company.

Empathy is also the 5th element of relationship marketing dimensions and it has negative and significantly correlated with customer loyalty. As it is indicated in the above table 5, the correlation coefficient between these variables is ($r= -0.220$). This means the relationship between relationship marketing and customers loyalty is inversely (negatively) related. Usually it does not happen but in the case of Euro cable plc may be showing empathy is not seen as positively. This may related to the culture of the company. It need further study in the future in these points.

4.3 Regression analysis

Multiple regressions are widely used to estimate the size and significance of the effects of a number of independent variables on a dependent variable (Neale, Eaves, Kendler, Heath, & Kessler, 1994). This regression analysis was conducted to know by how much the independent variable explains the dependent variable. It is also used to understand by how much each independent variable (trust, empathy, communication commitment, customers' satisfaction) explains the dependent variable that is Customers' loyalty.

4.3.1 Assumptions in Multiple Regression

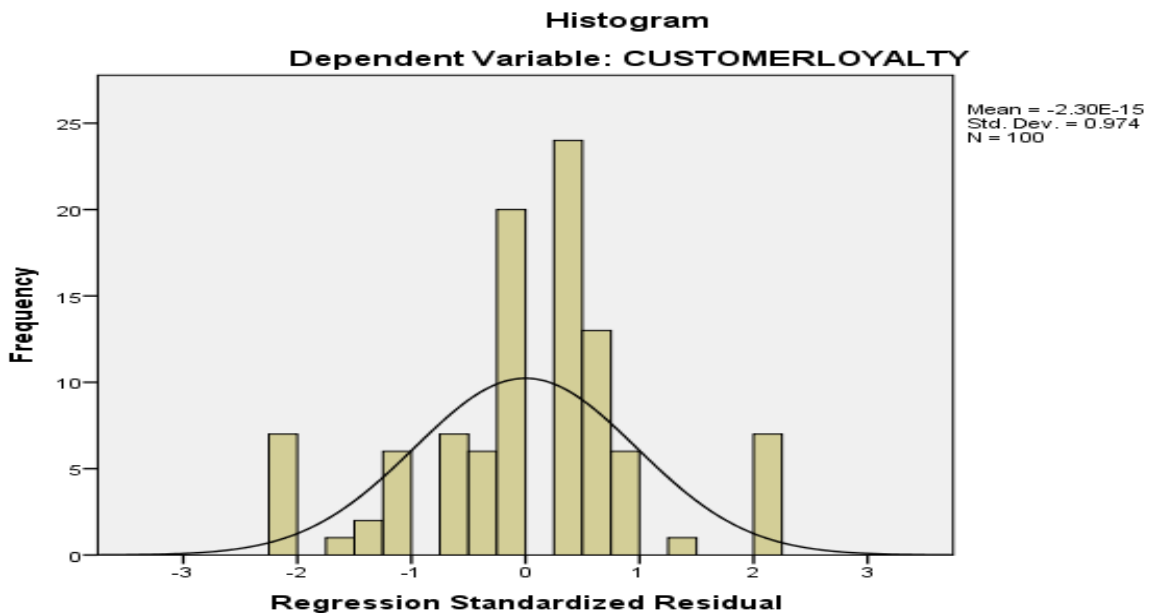
Before a complete regression analysis can be performed, the assumptions concerning the original data must be made (Sevier, 1957). Ignoring the regression assumptions contribute to wrong validity estimates (Antonakis, & Deitz, 2011). The assumptions of MR that are identified as primary concern in the research include normality, and collinearity. This section will specifically define each assumption, review consequences of assumption failure, and address how to test for each assumption, and the interpretation of results.

4.3.1.1 Normality

Normal distribution is assumed by many statistical procedures. Various transformations are used to correct non-normally distributed data. Correlation, least-squares regression, factor analysis, and related linear techniques are relatively robust against non-extreme deviations from normality provided errors are not severely asymmetric might arise due to strong outliers. Log-linear analysis, logistic regression, and related techniques using maximum likelihood estimation are even more robust against moderate departure from normality (cf. Steenkamp & van Trijp, 1991:285) likewise, Monte Carlo simulations show the t-test is robust against moderate violations of normality (Boneau, 1960)

Normal distributions take the form of a symmetric bell-shaped curve. The standard normal distribution is one with a mean of 0 and a standard deviation of 1. Standard scores, also called z-scores on standardized data, are scores which have had the mean subtracted and which have been divided by the standard deviation to yield scores which have a mean of 0 and standard deviation of 1. Normality can be visually assessed by looking at a histogram of frequencies, or by looking at a normal probability plot output by most computer programs.

The area under the normal curve represents probability: 68.26% of the case will lie within 1 standard deviation of the mean 95.44% within 2 standard deviations, and 99.14% within 3 standard deviations. Often this is simplified by rounding to say that 1 S.D. correspondent to 2/3 of the cases, 2 S.D. to 95% and 3 S.D. to 99%. Another way to put this is to say there is less than a 0.05 chances that a sampled case will lie outside 2 standard deviation of the mean, and less than 0.01 chances that it will lie outside 3 standard deviations. This statement is analogous to statements pertaining to significance levels of 0.05 and 0.01 for tailed tests.



4.3.1.2 Multicollinearity

Multicollinearity (also called Co linearity) refers to the assumption that the independent variables are uncorrelated (Darlington, 1968; Keith, 2006). The researcher is able to interpret regression coefficients as the effects of the independent variables on the dependent variables when Multicollinearity is low (Keith, 2006; Poole & O’Farrell, 1971). Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables (Keith, 2006).

Under multicollinearity, estimates are unbiased but assessments of the relative strength of the explanatory variables and their joint effect are unreliable (that is beta weights and R-squares cannot be interpreted reliably even though predicted values are still the best estimate using the given independents) .as a rule of thumb, incorrelation among the independent above 0.80

signals possible problem. Likewise, high multicollinearity is signaled when high R-significant F test of the model occur in combination with non-significant T-tests of coefficients.

The effect of a given level of Multicollinearity can be evaluated in conjunction with the other factors of sample size, R^2 , and magnitude of the coefficients (Mason & Perreault Jr., 1991). Widely used procedures examine the correlation matrix of the predictor variables, computing the coefficients of determination, R^2 , and measures of the given values of the data matrix including variance inflation factors (VIF) (Mason & Perreault Jr., 1991).

Tolerance measures the influence of one independent variable on all other independent variables. Tolerance levels for correlations range from zero (no independence) to one (completely independent) (Keith, 2006). The VIF is an index of the amount that the variance of each regression coefficient is increased over that with uncorrelated independent variables (Keith, 2006). When a predictor variable has a strong linear association with other predictor variables, the associated VIF is large and is evidence of multicollinearity (Shieh, 2010). The rule of thumb for a large VIF value is ten (Keith, 2006; Shieh, 2010).

Small values for tolerance and large VIF values show the presence of multicollinearity (Keith, 2006). Table 1 is an example of low Multicollinearity demonstrated by high tolerance and low VIF values from the SPSS software.

4.3.2 Regression analysis of relationship marketing and customers' loyalty

Table 6: Regression analysis result for relationship marketing and customers' loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.486	.452	.44095

a. Predictors: (Constant), EMPATHY, COMMITMENT, TRUST, RESPONSIVENESS, COMMUNICATION

Table 0.7. Multicollinearity statistics

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Multicollinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.633	.486		3.362	.001		

EMPATHY	-.194	.065	-.289	-2.982	.004	.683	1.465
RESPONSIVENESS	.116	.078	.147	1.483	.007	.651	1.536
TRUST	.484	.115	.373	4.203	.000	.811	1.232
COMMUNICATION	-.306	.118	-.285	-2.593	.011	.528	1.892
COMMITMENT	.492	.102	.462	4.849	.000	.705	1.418

a. Dependent Variable: Customer Loyalty

Regression Equation

$$Y_{\text{predicted}} = b_0 + b_1x_1 + b_2x_2 + \dots + b_px_p + e_p$$

$$\text{Customers' loyalty} = 1.633 - 0.194(\text{empathy}) + 0.116(\text{responsiveness}) + 0.484(\text{trust}) - 0.306(\text{communication}) + 0.492(\text{commitment})$$

The Results of regression analysis against customers' loyalty can be seen in Table 6 the result shows that relationship marketing has the power to explain customer loyalty. In this case the results of correlation of relationship marketing and customers' loyalty and R Square .489 are taken into consideration

The regression analysis model summary indicates that relationship marketing which is entered into the regression model on SPSS has relationship with customers' loyalty with correlation coefficient of 0.697. The R square is the explained variance and it is actually the square of the multiple R (0.697). Therefore, it is pointed out that 49 percent of relationship marketing can explain the dependent variable that is customers' loyalty. As it is indicated in table 6, total relationship marketing was considered as predictors of customers' loyalty and reported high level of significance $p < 0.01$. And also the R square value of 0.486 confirming that, 49% of the variation in customer loyalty is explained by variables of the relationship marketing model.

Relationship marketing as used for prediction was found to be significantly related to customers' loyalty as the p-value is less than 0.01.

Table 7 titled as coefficients of relationship marketing dimensions, helps us to understand which variables among the six independent variables is the most important in explaining the variance in customers' loyalty. As it is indicated in the table, high beta value shows that it is significant in

explaining. If we can see the Beta column under standardized coefficients below, we can understand that the highest number in the beta is 0.410 for commitment dimension and the second highest is customers' satisfaction with 0.327. Therefore, commitment and customers' satisfaction are the major determinant of customers' loyalty. It can be seen also from the table that the four independent variables were somehow positively significant in explaining customers' loyalty.

4.4 Results Discussion

This discussion is very important to provide more clarification on the above results. This research is related with the elements of relationship marketing towards customers' loyalty in Electric cable industry, specifically in Euro cable PLC. The objective of this study is to explore the impact of relationship marketing on customer loyalty within the Euro cable PLC, by analyzing the relationship of every construct in the theoretical framework. Demographic factors such as gender, age, occupation, education qualification, monthly purchase amount in birr and length of time the customers' uses the Cable Product have been used to know the general characteristics of the respondents.

Based on the results from this research, relationship marketing is correlated with customers' loyalty. The findings show that relationship marketing activities can explain 49% of customers' loyalty in Electric cable industry, particularly in Euro cable PLC. Relationship marketing elements particularly Commitment, Trust and customers' satisfaction have greater impact on customers' loyalty and it is more important in shaping what customers prefer about the Cable product.

In today's competitive environment, Cable industry should build and maintain good relationship with the target customers in order to succeed and survive. To maintain good relationship with customers, relationship marketing is an important tool. In this case, the cable industry must prepare invaluable information to build strong relationship with the customers for the purpose of gaining their loyalty and preventing customers from switching to other company. Customers can be remaining loyal towards a company for a number of reasons. This research have identified four elements of relationship marketing that will have impact on customers loyalty in cable

industry particularly in Euro cable PLC namely, trust, commitment, Customers' satisfaction, responsiveness, communication and empathy.

The findings of Ndubisi (2007) suggested that the greater the trust in the company, the higher the Level of the company's commitment, the more reliable and timely its communications and the more satisfactorily it customers' satisfaction, the more loyal its customers will tend to be. Therefore, the result of this research is consistent with the findings of Ndubisi (2007). The findings of Foster & Cadogan (2000) showed that the quality of the relationship customers have built with their organization positively influences their assessment of their relationship with the organization. Again the result of this research is also similar with the findings of Foster & Cadogan (2000). Another study which is conducted by Gee et al., (2008) suggested that the need for businesses to retain customers is an important issue in today's global marketplace.

Based on the Pearson correlation test of correlation results, trust dimension positively correlated with customers' loyalty ($r=0.391$). In other words if customers trust the company, they will be loyal to their company otherwise they will not be loyal to their company. Because of this result the company should be able to promise and deliver what it promised is important to encourage repeat purchase by the customers and to establish strong relationship. In addition, trust only will exist if customers have confidence in a company's ability to perform satisfactorily. Therefore, trust has power to determine the loyalty of customers. With regard to trust dimension, a company can be perceived by its customers as honest in its performance if the company has strong and lasting relationship with customers. Customer trust has a significant role in building long-term relationship and achieving customer loyalty (Berry, 1983). So, the finding of Berry (1983) is similar with the results of this research. When customers trust the company, they will leave all the activities to be performed by the company and they will talk freely about the company strengths and weaknesses. Because of this reason, all customers feel that they are responsible for the company operation. So, it is best for the company to be trusted by the entire customers.

The regression analysis of trust dimension and customer loyalty indicates that 15.3% of the variance R square in customers loyalty has been significantly explained by trust. The finding of Ndubisi (2007) showed that trust is an important ingredient in firm-customer relationships

and ultimately in the development of loyalty. And also the finding of Morgan and Hunt (1994) concluded that customers with trusts in product suppliers' capability would probably be willing to commit to a service relationship for meeting their expectations. Therefore, the result of this study on trust dimension is similar with the above findings that trust has the power to increase customers' loyalty. A thesis conducted by Xuan Zhang and Yuanyuan Feng (2009) on the Impact of Customer Relationship Marketing Tactics on Customer Loyalty in Sweden, Halmstad University suggested that relationship quality like trust is positively related to loyalty. This result also provides empirical evidence supporting previous theories that higher level of trust perceived by customers, the higher level of customer loyalty achieved by product suppliers.

Commitment is another element of relationship marketing that is taken into account to explain customer's loyalty. Based on the correlation result as it is shown by Pearson correlation test, commitment dimension is positively and highly correlated with customers' loyalty. The correlation coefficient between commitment and customers' loyalty is the highest of all correlation results of relationship marketing dimensions which is 0.447.

This shows that commitment dimension is a major determinant of customers' loyalty and customers will critically evaluate the commitment of the company employees towards the services gained from the company. The commitment of the company will help to retain customers by improving the services of the company. By having committed employees, company can continue retaining existed customers and attracting new customers to generate more profit. To this extent the commitment dimension of relationship marketing plays great role. Therefore, company is expected to have committed employees to offer appropriate services and treat the customers as they want. This result is supported by the study of Fullerton (2003). According to this researcher, commitment has a strong positive effect on the softer aspects of customer loyalty such as advocacy and willingness to pay more for the service.

With regard to the regression analysis of commitment dimension and customers' loyalty, 20% of the variance R square in customers loyalty is significantly explained by commitment. It is the highest of all the independent variables in explaining customers' loyalty. The result of Morgan and Hunt (1994) viewed that a committed partner wants the relationship to endure indefinitely

and is willing to work at maintaining it. Lacey (2009) research's also suggested that committed customers are not just expected to maintain current purchasing activities, but to increase both the level and proportion of their purchasing activities over time. Therefore, the result of this research on commitment dimension is similar with the above findings that commitment has the power to increase customers' loyalty.

The other factor that is included in the dimensions of relationship marketing is customers' satisfaction. It has positive and moderate relationship with customer's loyalty. The correlation coefficient between these variables is 0.327. Customers' satisfaction is one of the important tools to create long term relationship with customers in product supplier organizations. Nearly high number of customers wanted to be treated as they want to be treated by the companies' employees. If this is the case, companies have the responsibility to treat customers as they want to be treated to have loyal customers. When the customers are treated in a good way they become satisfied and loyal to their companies. As a result, customer's satisfaction has power to create lasting relationship with customers and shaping the minds of the existed customers to talk favorably about the companies to other customers. Therefore, companies need to understand their customers' needs and wants and continuously evaluate their services to satisfy and attract customers in the better way.

With regard to the regression analysis of customers' satisfaction and customers' loyalty, 10.7% of the variance R square in customers loyalty is explained by customers' satisfaction. So, the result of this research on customers' satisfaction dimension of relationship marketing supports the above findings that customers' satisfaction has power to make customers' loyal.

The last but not the least factor included in the relationship marketing underpinnings is communication. As it is indicated in the correlation analysis, communication dimension has positive and having relationship with customers' loyalty. The correlation coefficient between communication and customers' loyalty is 0.241. It is the fourth highest of all correlation results of relationship marketing elements. When companies have good communication procedures and solving the manifested problems successfully, the customers express their complaints or any feelings they have freely and will become loyal customers. In order to encourage customers to

communicate when there is problem, companies are responsible to aware and inform in advance how and where to communicate. Generally, appropriate and acceptable communication procedure will create strong relationship with customers'. The above result is supported by Tax (1998). The results indicate that investments in communication can improve evaluations of service quality, strengthen customer relationships, and build customer commitment.

The regression analysis result for communication and customers' loyalty shows that 5.8% of the variance R square in customers loyalty has been significantly explained by communication. It is the fourth highest of all the independent variables in explaining customers' loyalty.

In order to know the current information of the company with regard to relationship marketing and Customers' loyalty concepts, I was tries to conduct an interview with management members of the company but because I was working with the company's two years ago and right now work for the direct compotators ofcompany I understand why they are not welling not to make an interview with me. So that I can't know current information of the company with regard to relationship marketing the reaction and the feedback of the company.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF MAJOR FINDINGS

In today's competitive environment, Cable industry should build and maintain good relationship with the target customers in order to succeed and survive. To maintain good relationship with customers, relationship marketing is an important tool. In this case, the cable industry must prepare invaluable information to build strong relationship with the customers for the purpose of gaining their loyalty and preventing customers from switching to other company. Customers can be remaining loyal towards a company for a number of reasons. This research have identified four elements of relationship marketing that will have impact on customers loyalty in cable industry particularly in Euro cable PLC namely, trust, commitment, Customers' satisfaction, responsiveness, communication and empathy.

The objective of this study is to explore the impact of relationship marketing on customer loyalty within the Euro cable PLC, by analyzing the relationship of every construct in the theoretical framework. Demographic factors such as gender, age, occupation, education qualification, monthly purchase amount in birr and length of time the customers' uses the Cable Product have been used to know the general characteristics of the respondents.

Based on the results from this research, relationship marketing is correlated with customers' loyalty. The findings show that relationship marketing activities can explain 49% of customers' loyalty in Electric cable industry, particularly in Euro cable PLC.

The regression analysis model summary indicates that relationshipmarketing which is entered into the regression model on SPSS has relationship with customers' loyalty with correlation coefficient of 0.697. The R square is the explained variance and it isactually the square of the multiple R (0.697) Therefore, it is pointed out that 49% ofrelationship marketing can explain the dependent variable that is customers' loyalty. Each independent variable is also regressed against

customers' loyalty and the result shows that all the independent variables can explain the dependent variable i.e. customer loyalty. The regression analysis result looks like the following.

- 49 % of customers' loyalty is significantly explained by relationship marketing.
- 15.3 % of customers' loyalty is significantly explained by trust.
- 20 % of customers' loyalty is significantly explained by commitment.
- 5.6 % of customers' loyalty is explained by responsiveness.
- 5.8 % of customers' loyalty is significantly explained by communication.
- 10.7 % of customers' loyalty is significantly explained by customers' satisfaction.
- 4.8% of customers' loyalty is significantly explained by empathy.

5.2 Conclusion

The main purpose of the study was to examine the impact of relationship marketing on Customers' loyalty in Euro cable PLC. The major goal of relationship marketing is to create lasting relationship with customers. Lasting relationship with customers is the first requirement to survive in a competitive environment and to generate profit.

The relationship marketing dimensions that were included in this research are trust, commitment, Communication, customers' satisfaction, responsiveness and empathy.

Based on previous theories and researches regarding relationship marketing and its outcomes, this study shows clear links between relationship marketing and customer loyalty, which helps to deeply understand the relationship and interaction between relationship marketing and customers' loyalty.

The findings support the view points that relationship marketing dimensions can enhance the quality of a buyer-seller relationship and in turn increase customer loyalty. Customer trust, commitment, conflict handling and empathy are not the only the desired outcomes of relationship marketing but also the antecedents of customer loyalty.

With regard to the Pearson correlation analysis, it can be clearly seen as that the four relationship marketing dimensions namely trust, commitment, customers' satisfaction, and communication positively related to customer loyalty in Euro cable PLC but empathy negatively related to customers' loyalty in the company. The relationship looks like the following.

- Relationship marketing and customers' loyalty have near to moderate relationship.
- Trust dimension and customers' loyal customers' loyalty have moderate relationship.
- Commitment dimension and customers' loyalty have better than moderate relationship.
- Customers' satisfaction dimension and customers' loyalty have weak relationship.
- Communication dimension and customers' loyalty have weak relationship.

Except length of time the customers sell the company product and customers' loyalty are in some way positively correlated. The other demographic factors have negative relationship with customers' loyalty.

Although many relationship marketing have potential for developing customer trust and loyalty, some dimensions like commitment and trust and customers' satisfaction are more sensitive than others in this research.

On the regression analysis part, it is clearly shown that relationship marketing explains customer loyalty. The regression analysis indicated that 49 % customer loyalty is explained by relationship marketing.

5.2 Recommendations

The findings of this research also important evidence for managers who take charge of relationship marketing. It is helpful for marketers to understand the effectiveness of relationship marketing from consumer's perspective.

In light of the findings and conclusions made above, the following possible recommendations are suggested as being valuable to the Euro cable PLC for improving relationship marketing activities to assure customer loyalty.

- Euro cable PLC must develop customer relationship program that will help them build and support positive customer relationships. Since the Company is providing services to customers, it is a must to give high value for good relationship. Relationship with customers can be improved by explaining to employees, especially in the frontline and knowing how much each customer is worth to the business. The more employees work together to keep existing customers satisfied, the lesser customer attrition will be.
- To retain and develop loyal customers, the Company should be trustworthy and show commitment, providing individualized attention to customers and must resolve conflicts in a manner that will eliminate unimportant loss and inconvenience to their customers. In Ethiopia, the growing number of Company led to the increase in the competition of Company in industry. Therefore, the Company must be well aware of the want and needs of the customers.

Nowadays customers are demanding more not only based on the service but they demand the way they are treated. Once they are satisfied with the services that were provided by the Company, they will communicate about the Company or services to the other customers.

- Euro cable PLC should put more effort to attract more customers especially in dimensions related to commitment, conflict handling, trust and empathy. In order to create and maintain

loyalty, the Company must recognize that many of the core product attributes are necessary, but not sufficient for loyalty. On the other hand, it is a must to have a strong connection with its customers in order to create and maintain customer loyalty. By having strong relationship with customers it is possible to keep customer from switching to other competitor.

- Euro cable PLC should invest in its employees, especially on sales person, to motivate them to serve customers best. Frontline employees should be trained to act in a manner that recognizes customers as a valuable asset. To motivate employees and get their commitment, the Company should offer them a challenging work, attractive salary that recognizes the contribution of their effort towards the overall success of the business. Besides these, actions to make them participate in decision making activities, to provide an opportunity to learn and advance, and reward for their contribution have a lot to play in employees' motivation.
- Euro cable PLC should establish more efficient and effective ways of complaint handling procedures and communicate those procedures to customers'. It is also advisable to management to keep customers informed about changes that take place in the company well in advance instead of leaving them to know by chance.
- Euro cable PLC should give greater attention to both getting new customers and retaining the existing ones in the advertisement and other promotional activities by using relationship marketing as strategy. It is also recommended that the Company should have the system to ask customers to comment about the product/service either verbally or on phone or in writing about their satisfaction. Collecting feedback is not an end by itself; the Company should analyze the feedback periodically and must use them as a means of problem identification. When hiring employees,
- Euro cable PLC should look at the ability and interest of an employee to establish and maintain strong relationship with the customers and other employees of the organization. Potential candidates who are strong in trusting behavior, conflict resolution ability, strong commitment to the assigned tasks and adding with empathy should be considered.

- The Company should assign responsible body for following up relationship marketing activities and providing solutions with short period of time if problems arise.
- The Company should recognize the importance of relationship marketing in creating loyal customers and implement appropriately.
- In general, Euro cable PLC should make the whole system on work with customers, not in opposite of customers. As it is known, customers are the reason for the survival of the Company. So, the Company is expected to invest more on attracting new customers and retaining the existed ones.

This study directly focuses on relationship marketing dimensions and its role relationship marketing on customer loyalty in Electric Cable industrial sector, particularly Euro cable PLC. This research can be further explored by adding more relationship marketing dimensions like value, Compliant handling, and cooperation.

Others which could influence customer loyalty. The research reported here has not look into the possible influences of socio-demographic factors on the relationship between relationship marketing dimensions and customer loyalty. Future research studies might fruitfully investigate such moderating influences. Future researches also can survey by applying longitudinal design and increasing the sample size.

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Appendix A

A Survey of marketing relationship expectation to be filled by wholesalers of Euro cable private LTD.CO.

Dear esteemed customers:

The questionnaires are prepared by General Master of Business Administration (G-MBA) graduate student for the purpose of writing thesis.

Your can did response is vital input to my thesis. I declare beyond doubt that your Privacy for responding to wards this questionnaire is absolutely kept back in secret. I kindly request to answer all the questions; put (✓) in appropriate box that best suits your view and interest and fill the blank space with your opinions. Writing name and address is not necessary. Thank you very much for usual support and assistance.

1. Gender Female Male

2. Age

- Below 20 years
- 20-40years
- 41-59 years
- 60 ears and above

3. Level of Education

- Elementary
- High school drop
- Secondary
- Diploma

4. For how long you have been working on acrylic cable business with Euro cable?

- More than 20 years
- 16 -20 years
- 11-15 years
- 6-10 years
- 1-5 years
- Less than one year

5. How much purchase do you make every month?

- 500,000-2,000, 000 birr
- 3,500,000-5000, 000 birr
- 6,500,000-8,000,000 birr
- 9,500,000- 11,500,000 birr
- More than 13,000,000 birr

Section II: Please, express the extent of your agreement or disagreement with the following statement by making a tick mark (√) in the appropriate box on the five point liker scale

Note that: 1=SDA (strongly disagree) 2=DA (disagree) 3=N (neutral) 4=A (agree) 5= SA (strongly agree)

	Empathy	SDA(1)	DA(2)	N(3)	A (4)	SA (5)
1	The employees of the company understand your specific needs					
2	The company always see things from different point of view					
3	The company provides the service on the agreed time					
4	The working hours are flexible and comfortable to you					
5	The company listens problem of its customers					
6	The company corporation work in close co-operation with you					
	Responsiveness					
1	Employees of the company are never busy to respond your requests.					50
2	Employees devote enough time to answer your questions					

3	Services of the company is done without delay					
4	The company is responsive to your complaints					
5	The company quickly solve your problem					
6	Employees of the company are well trained in using customer related technologies					
	Trust					
1	The company has the ability to openly discuss solutions when problems arise					
2	The company Co. trusted on anything you ask					
3	The Company Co. fulfils its obligation to you					
4	The company Co. always show respect and honest to you					
	Communication					
1	The company allow you to express your opinions freely					
2	The company Provides clear instruction in use of the service					
3	When there is a change in the policy, or any other relevant issue the company communicate with you on time					
4	The company applies more technology to meet your needs					
5	Marketing strategy of the company is effective to inform you					

6	The Company service use technology to become unique among competitors					
7	The company Communicates with you based on the way you desire					
8	The company clearly communicates about each policy to you (about your right, responsibility, and other related issues)					
9	The company provides channels to enable ongoing two-way communication with you					
	Commitment					
1	The company always willing to help you					
2	The company is flexible when its service is changed					
3	The company is flexible in serving your needs					
4	Employees are consistently polite during service contact					
5	The company make sure that problems do not rise in your business relationship					
6	The company keeping customers informed about when services will be performed					
7	The company is consistent in providing quality service					
8	The company give sincere and detailed information about all the conditions of the service					

Table of Research Output.

Sex of the Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	81	78.6	78.6	78.6
Valid Female	22	21.4	21.4	100.0
Total	103	100.0	100.0	

Age of the respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 20 years	1	1.0	1.0	1.0
Valid 20-40years	65	63.1	63.1	64.1
Valid 41-59 years	37	35.9	35.9	100.0
Total	103	100.0	100.0	

level of the respondent education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Elementary	2	1.9	1.9	1.9
Valid High school drop	34	33.0	33.0	35.0
Valid secondary	26	25.2	25.2	60.2
Valid Diploma	41	39.8	39.8	100.0
Total	103	100.0	100.0	

How much purchase the respondent do they make every month

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 500,000-2000,000 birr	40	38.8	40.4	40.4
Valid 2000,001-4000,000 birr	28	27.2	28.3	68.7
Valid 4000,001-8000,000 birr	12	11.7	12.1	80.8
Valid Above 10,000,000 birr	19	18.4	19.2	100.0
Total	99	96.1	100.0	
Missing System	4	3.9		
Total	103	100.0		

Correlations analysis tables

		RELATIONSHIPMARKETING	CUSTOMERLOYALTY
RELATIONSHIPMARKETING	Pearson Correlation	1	.369**
	Sig. (2-tailed)		.000
	N	100	100
CUSTOMERLOYALTY	Pearson Correlation	.369**	1
	Sig. (2-tailed)	.000	
	N	100	103

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

		CUSTOMERLOYALTY	TRUST
CUSTOMERLOYALTY	Pearson Correlation	1	.391**
	Sig. (2-tailed)		.000
	N	103	102
TRUST	Pearson Correlation	.391**	1
	Sig. (2-tailed)	.000	
	N	102	102

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

		CUSTOMERLOYALTY	COMMUNICATION	
CUSTOMERLOYALTY	Pearson Correlation	1	.241*	.447**
	Sig. (2-tailed)		.015	.000
	N	103	102	103
COMMUNICATION	Pearson Correlation	.241*	1	1
	Sig. (2-tailed)	.015		
	N	102	102	103

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

Correlations

		CUSTOMERLOYALTY	EMPATHY
CUSTOMERLOYALTY	Pearson Correlation	1	-.220*
	Sig. (2-tailed)		.025
	N	103	103

EMPATHY	Pearson Correlation	-0.220*	1
	Sig. (2-tailed)	.025	
	N	103	103

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

REGRESSION ANALYSIS TABLES

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.486	.452	.44095

a. Predictors: (Constant), CUSTOMERSATISFACTION, EMPATHY, COMMITMENT, TRUST, RESPONSIVENESS, COMMUNICATION

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.067	6	2.844	14.629	.000 ^b
	Residual	18.083	93	.194		
	Total	35.150	99			

a. Dependent Variable: CUSTOMERLOYALTY

b. Predictors: (Constant), CUSTOMERSATISFACTION, EMPATHY, COMMITMENT, TRUST, RESPONSIVENESS, COMMUNICATION

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.394	.549		.718	.474
	EMPATHY	-.244	.062	-.363	-3.951	.000
	RESPONSIVENESS	.207	.076	.262	2.713	.008
	TRUST	.332	.113	.257	2.929	.004
	COMMUNICATION	-.325	.110	-.303	-2.958	.004
	COMMITMENT	.437	.095	.410	4.583	.000
	CUSTOMERSATISFACTIO	.474	.119	.327	3.973	.000
	N					

a. Dependent Variable: CUSTOMERLOYALTY