ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

ASSESSMENT OF CUSTOMER RELATIONSHIP MANAGEMENT
PRACTICES IN COMMERCIAL BANK OF ETHIOPIA

By
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JUNE, 2017

ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUAIREMENTS FOR THE AWARD FO THE DEGREE OF MASTER OF BUSINESS ADMINSTRATION

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DECLARATION

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

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St. Mary's University, Addis Ababa   **JUNE, 2017**

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

<u>Shoa Jemal</u>   **_____**

Advisor   **Signature**

St. Mary's University, Addis Ababa   **JUNE, 2017**

DEDICATION

To my Father **Mr. Shitaye Kelkaye,** I wish you are here and see all my effort. I always remember you till the end of my life and love you dad.

Acknowledgements

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LIST OF ABBREVIATIONS/ACRONYMS

ATM: Automatic Teller Machine

CBE: Commercial Bank of Ethiopia

CRM: Customer Relationship Management

SPSS: Statistical Package for Social Science

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ABSTRACT

The bank sector plays a vital role in underpinning the economic development of a country. CRM as a strategy has gained tremendous interest among researchers and practitioners in recent times. Therefore this study assessed customer relationship management (CRM) practices in Commercial Bank Ethiopia. It focuses on the relative importance of CRM factors and their impacts on the overall CRM practices. For this the research considered different CRM dimensions such as trust, reciprocity, empathy, bonding, responsiveness and key customer focus. To achieve the objective of the study, descriptive research design was used and Primary data were collected through questionnaire and interview. The respondents were selected using convenient technique. The data collected through questionnaire were analyzed using descriptive statistics as a tool of data analysis process in SPSS version 20.Interview conducted with management body of the selected head office bank, in Addis Ababa city. The result showed that, lack of quality bank services, weakness in giving individualized attention to Customers, lack of giving attention for suggestion boxes which is given by the key customers, lack of delivering superior and customized value add service, lack of skill used in technological advancement has significant in thence on CRM practice. Based on this Majority of the customers of the respondent didn't give high score of mean and standard deviation. This implies that most of the customers of CBE those are participating in the products of credit facility areas are not satisfied by the type of work. The study also clearly discovered that the six CRM dimensions are strongly related. CRM has a significant Influence on customer retention. Generally speaking, the bank is in need of doing a lot of CRM based key customer focused practices. Furthermore, if the bank prepare new CRM program with their CRM improvement, it will maintain high level of performance.

***Keyword**s: CRM, Customer Loyalty and Retention, Trust, Responsiveness, Bonding, Empathy, Reciprocity, Key Customer Focus*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Customer relationship management (CRM) is a management approach that enables organizations to identify, attract, and increase retention of profitable customers through improved relationship management. However, successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes. So determining the consumer's wishes and needs and a meeting them is one the ways of enabling consumer satisfaction. For this reason, it is pretty important in our intensively competitive environment to be in regular contact with customers and to follow the changes in them closely.

Customer Relationship Management (CRM) is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between customers and organizations. The main aim is to find, attract, and win new clients, nurture and retain the ones the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. CRM describes a company-wide business strategy including customer-interface departments as well as other departments,

Oogarah-Hanuman et al. (2011) have noted that many banks have used CRM tools to acquire more customers and to improve relationships with them. While, Banks are realizing that the magical formulae for attaining success in such a competitive environment is to focus on maintaining relationship with customers .Long-term customers are more likely to become a referral source and more comfortable with the service moreover, the longer a relationship the better a bank can understand customer needs and it is a greater opportunity to retain with the service of the bank.

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Customer relationship management is a philosophy which has recently become one of the most issues in the business field. It is value stating that customer relationship management is mostly based on the belief that establishing a sustainable relationship with customer is the basis for obtaining loyal customers who are much more profitable than non loyal. In this concern, the successful implementation of CRM philosophy were of great benefit to the organizations, adopting it, such organizations can secure the benefit of increasing sales through better market segregation, modifying products and services, attaining higher quality products, gaining access to information and employee satisfaction, and above all, warranting ongoing customer-retention and loyalty (Verma and Chandhuri,2009).Recently, more than ever before, strong competition, fragmentation of markets, and increasing customer awareness and complexity are the big challenges to the banking sector. In such situation, banks can use the CRM strategy to create, maintain, and enhance strong relationships with their customers to crate loyal customers.

Customer Relationship Management (CRM) is a combination of organizational strategy, information systems, and technology that is focused on providing better customer service. CRM uses emerging technology that allows organizations to provide fast and effective customer service by developing a relationship with each customer through the effective use of customer database information CRM aims at acquiring new customers, retaining the current customers, and growing the relationship with an organization's existing customers, (Joachim, 2002). Thus, the customer satisfaction is not enough and organizations should provide the improvement of customer loyalty more than ever.

Many banks offer both commercial and retail banking services. Commercial banks face increasing competition from new players, including global banks and alternative sources of funds. In response, they work harder to ensure that their clients feel valued and receive high-quality service that promotes client loyalty. Customer relationship management (CRM) system provides the foundation and tools commercial banks need to implement processes that maximize opportunities and to craft a client experience that differentiates them from competitors.

CRM system enables a bank to develop a deep insight into its clients' needs and preferences. It also helps them automate multi-step processes, track performance, and collaborate better as a team. Its flexible platform supports many connections to the entire bank, including back-office

financial systems. In order to compete effectively in the market place, Business banks have become customer-focused, and not product-focused. Linking classic resource, customer-center strategy, and IT application, CRM in bank optimizes an enterprise's revenue and profits, and provide maximum customer satisfaction, (Bull, 2003). As a result most of the firms have entered into an effort that can meet the customers' wishes and expectations so that they can render customers more loyal.

From the above ideas understanding the customer needs and their interest are the main part of the bank industries. Therefore assessing CRM practices of commercial bank are a pre-point for giving good service excellence as well as growing the bank industry.

1.2.   Definition of Terms

Customer: is an individual or a person who buy goods or service form a shop or business. Dyche, J., (2001)

Relationship: is the way in which two or more people or things are connected, or the state of being connected Dyche, J., (2001)

Management: is "the process of strategic planning, setting objectives, managing resources, developing the human and financial assets to achieve objectives and measuring results Dyche, J., (2001)

1.3.   Statement of the Problem

Customers are one of the most important determinants and leading factors that determine the success of an organization in a competitive environment. CRM is an important element for the achievement of organizational goals and ensuring good governance. Organizations that have the ability to develop trusting relationships will have a competitive advantage.

According to Umesh (2006), the magnitude and structure of banking transaction is a mirror reflection of the economic growth and recession in the country. It is an established fact that banking industry by networking the spread savings to productive uses and providing mobility to the capital plays a significant role in achieving the desired socio-economic development of a

country. Accordingly, the achievement and attainment of the banking industry is a necessary condition for the economic development of a country. However, customers are vital for business including banking industry. The bank industry which has to go a long way in meeting the changing needs and demands of customers.

Impact of service quality on customer relationship management in the banking sector stressed the importance of CRM in banking sector. Service Excellency, Empathy, Reliability, Responsiveness have a greater impact on customer relationship management. Variables like quality and appearance of materials, individual attention to customers, Customer's best interest, and Employee promptness have significant impact on customer relationship management. (Somasundaram and V. Krishnamoorthy 2015, pp. 200-205)

In the banking field a unique 'Relationship' exists between the customers and the bank. CRM can be adapted uniformly in the banking industry for betterment of Banking Services. The role of CRM is quite different to traditional type of Marketing CRM participate not only in Marketing but also in implementing the business as a strategy to grow and retain profitable customers with a goal of creating a sustainable competitive advantage. So there need to study the role of CRM in banking sector through the problems and impact of the CRM on banking sector all the time.

Delivering high quality service is an important strategy that attracts and retains customers and enhances customer relationship in banks. High quality in service pleasing and creating delightful customers and not just simply and not just simply preventing them from getting annoyed service quality itself comprises of several dimensions like empathy, reliability, responsiveness, tangibility, communication etc.

In order to fight this strong competition and be profitable the bank must create a customer who is loyal and one of the ways to achieve this is by applying customer relationship management in terms of Key Customer Focus (especially those customers who are importer and exporter), creating good Organization. To be competitive in the banking industry, CRM practice is the key tinges.

However, the customers of commercial bank of Ethiopian specially those key customers did not established a long-rage relationship with the CBE; instead they need the private banks to fulfill their business interest, to achieve better currency exchange, better service and rapid transaction process.

So, this study tries to investigate the practice of CRM in CBE and influence on the organizations performance.

1.4. Research Questions

To deal with the problem established above, the following basic research questions were attempted to answer in the course of the study.

1) Why are key customers not loyal to the CBE?

2) What are CRM practices implemented in CBE?

3) Which of the CRM dimensions most considered in CBE?

1.5. Objectives of the Study

1.5.1. General Objective
The main objective of this study is to assess the practice of Customer Relationship Management on the customer level and the potential variables of CRM.

1.5.2. Specific Objectives
   The study has the following specific objective

1. To analyze the loyalty of key customer.

2. To assess CRM practices that are implemented in CBE

3. To study the CRM dimensions most considered in CBE.

1.6. Significance of the Study

Conducting a study on customer relationship management believed to be an important approach. The research results would provide assistance to the bank's of CBE management to better satisfy its customers, respond to their needs efficiently and on timely manners.

In addition, implementation of CRM in the bank is the stage for building a good partnership with customers which consequently leads to build public confidence, services and trade business. It also helps to provide important information for decision makers and problem solvers of the bank. As a result, the findings of this study specifically significant for the following reasons.

- It offers valuable inputs and directions for the bank to consolidate its marketing strategy, organizational productivity, and customer knowledge management in order to increase its customer base and retain loyal and potential customers.
- It provides knowledge how to identify the needs of its customers in delivering advanced technologies to improve the quality of its services.
- It gives a direction for the bank on how to maintain the existing customer and attracting the new customer by providing technology based service in light of its competitors.

1.7. Scope of the Study

The focus area of this study was customers at head office of CBE that engaged in credit facility in Addis Ababa. It measured under different dimensions, for this study, trust; reciprocity, empathy, and responsiveness are examined and analyzed using descriptive statistics.

1.8. Limitation of the study

This research has some limitations that holdup from making detail investigation of the research. To achieve the objective of the study, the researcher limited to customers of import and export business and borrowers of those selected bank. Other branches are excluded because either they are not rendering the service under study or they did not operate for more than five years.

1.9.   Organization of the Study

The research paper was organized as in the following way. The first chapter starts by giving an introduction and background of the study which is followed by a problem statement which identifies the gap between the current literatures the research questions which is followed by the objective of the study, the significance and scope of the study. The second chapter gives deeper insights on the subject matter under the study which is customer relationship management and loyalty by using theoretical and conceptual frameworks. The third chapter is the methodology of the study which explains about the research design, type, sampling techniques and data collection techniques. The fourth chapter deals with the data analysis, and explains the major findings. The final chapter is summary, conclusion and recommendation on the findings of data analysis.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1.Theoretical Literature

2.1.1 The Concept of Customer Relationship Management

Different organizations define CRM differently .For this study it is defined as the utilization of customer-related information or knowledge to deliver relevant products or Services to customers (Blery and Michalakopoulos, 2006). Others also defined CRM as a managerial philosophy that seeks to build long term relationships with customers (Berndt et al.2005). Another definition describes CRM as a simple philosophy that places the customer at the heart of a business organization's processes, activities and culture to improve his satisfaction of service and, in turn, maximize the profits for the organization (Agarwal, 2009)

The concept of CRM is now gaining wide acceptance and is recognized as a powerful tool for business development and to have an edge over the competitors on account of the universal traits of human behavior. Organizations has focused earlier on their products as the starting point and then looked around for customer to sell it. But the approach of CRM is different it starts with the customer not the totality of customers because every customer is an individual and thus exact customer has to be dealt individually to find out what they want and accordingly design the products as per their need and supply. CRM is about manageable relationship with profitable customers.

CRM focuses on customer retention by adopting a customer orientated strategy to delight their customer rather than just aiming at their satisfaction. It makes the use of the relevant technology available for the purpose. But it should be remembered that proper planning and care is exercised before its implementations to see that the steps are taken for the customer oriented attitude to percolate throughout the organization.

Today, banks have realized the importance of CRM and its ability to retain existing customers and thereby maximization of customer lifetime value.Thus, Rouholamini &Venkatesh (2011) says the relationship between banking and CRM practices is such that now days it is almost impossible to think of the former without the latter. This indicates that they are inseparable.

It has been observed by Blery and Michalakopoulos (2006) that CRM helped the bank to come closer to its customers and emphasis was given to customers instead of sales. Also, Rigby et al. (2003) added that, Customer Relationship Management is, above all, about building a relationship with your most valuable customers.

Chang (2007) stated that CRM involves a concerted effort to improve customer identification, acquisition, and retention in addition to this; it aims to improve customer satisfaction, increase customer loyalty, and consequently increase revenues from existing customers. Thus, CRM Involves new and advance marketing strategies which not only retain the existing customers but also acquire new customers.(Jasola and Kapoor, 2008). Therefore, maintaining good CRM practice helps to retain existing customers and attract potential customers of the bank.

The banks CRM system must capture, taste preference, behavior, living style, age, education, cultural background, physical and psychological characteristics, sensitivity etc.Differentiating customers by the value criteria unto low and high value customers. Once the banks differentiate their customers, the profitability and their other trait, it becomes easy for the banks to customize their service to maximize the overall value of their customer's portfolio.

Banks also need to identify customers and products that would be most profitable and target customers with products that are appropriate to their need and service the customer with greater cost efficiency. It also the need to find out the avenues for increased customer satisfaction, which leads to increased customer loyalty.

To do this, need to know customers well enough to determine what kind of relationship they want to have (Rigby et al, 2003). In other words, successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes (Agarwal, 2009).Understanding what their wants and needs is

necessary so the organization can build the service around those needs. But, its failure is due to improper conception and implementation of CRM practices.

2.1.2 The Benefits of Customer Relationship Management

The benefits of CRM practices and their motives stem from the establishment of a Client-oriented bank management that leads to bring the knowledge to maintain long term relationship with customers, the achievement of market competitive advantages (Mylonakis, 2009). Blery (2006) mentioned some of the other benefits from the Implementation of CRM is: it reduced costs and distrust, decreased complexity (a common platform for all the bank decreased the need for integration, offered one contact point and decreased the need for technical support) and improved operations (increased employees' capabilities, decreased the problems of maintenance and support because of the unique stage).

CRM is used by organizations as a strategy to save money and enhance processes in a business organization with the use of a better automation in the business processes. A successful company uses CRM system to attract, satisfy, and retain the most valuable customers. This provides information to coordinate all the business processes that deal with customers in sales, marketing, and service to optimize profit, customer satisfaction, and customer retention

CRM for Commercial Banking is a complete, end-to-end client relationship management (CRM) tool that offers exceptional functionality tailored to the needs of commercial banks. It was designed to help commercial banks retain the advantages and insight of traditional relationship banking while capitalizing on the efficiencies of automation and centralized client information and opportunity management. (Beasty, 2005).

CRM system enables a bank to develop a deep insight into its clients' needs and preferences. It also helps them automate multi-step processes, track performance, and collaborate better as a team. Its flexible platform supports many connections to the entire bank, including back-office financial systems. In order to compete effectively in the market place, Business banks have become customer-focused, and not product-focused. Linking classic resource, customer-center

strategy, and IT application, CRM in bank optimizes an enterprise's revenue and profits, and provide maximum customer satisfaction, (Bull, 2003).

Furthermore, also other studies are conducted in a European banks emphasis that taking customer relationship management as a frame work, the bank institution was capable to focus on long term customers through efficient segregation according to individual behavior.
The effective implementation of customer relationship management results both in higher revenues and lower costs, making companies more effective and efficient, effective in focusing the right customer base with the right services through the right channels, and efficient in doing this at the lowest costs (Lindgreen and Antioco, 2005) . In any business organizations, which implement customer relationship management sustainably, they can improve relationships with their customers; attain loyal customers and a significant payback, increased revenue, market share, attracting new customers and minimized cost (Roh, T.H., et al, 2005).

Customer relationship management in the business arena, particularly in the banking sector provides convenience of location for customers, fairness of price, endorsements from others and advancements are not important selection criteria for business firms. However, for a business to be successfully and sustainably implement their activities they can use criteria's like account and transaction, accuracy and suspicion, competence in correcting mistakes and sociability and helpfulness of personnel on the customer's perspective.

Hence, customer relationship management, superior quality features of the product/service and distinction proved to be the most important factors for customers (Zineldin, 2005).

2.1.3 The Major Challenges that Banks Face in Implementing CRM

The banking industry is facing an ever-increasing level of competition around the world as the dynamics of the business change .Therefore, any bank that wishes to either grow in size of its banking operation or improve its profitability must consider the challenges affecting its customer relationship (Kumar & Rajesh, 2009 cited in Das, 2012). Because knowing CRM challenge can help in finding the solutions. It exposed to various problems as discussed in the following lines (Chary and Ramesh, 2012).

1. Building and maintaining a customer database require a large investment in computer hard ware, database software, analytical programmer's communication links and skilled personnel.

2. It is difficult to collect the right data, especially to capture all the occasions of company interactions with the individual customers.

3. The difficulty of getting everyone in the company to be customer-oriented and to use the available information. Employees find it far easier to carry on with the traditional transaction marketing than to practice CRM.

4. The other problem is that not all customers want a Relationship with the company it may cause of government institution and they believe that government organizations have many challenging, time west biro racy. Also may have resent knowing that the company has collected that much personal information about them.

5. The company didn't satisfy their potential (key) customer currency needs.

2.1.4 The Goals of CRM

CRM identifies new opportunities for organizational expansion and improvement of customer value which creates satisfaction and retention.
The main areas of focus are, as the name suggests customer relationship. The management of relationship and the main goals to implement CRM in the business strategy are:
• Using existing relationships to grow profit. This means, preparing a comprehensive view of the customer to maximize his or her relationship with the organization through giving excellent service and enhance their need capacity to end and at the same time, enhancing profitability by identifying, attracting, and attaining the best customers.
• Using integrated information for excellent service. By using customer's information to better serve his or her needs, by doing this it can save the customer time and ease any frustration. For example, customers should not have to repeat information to various departments again and again. Customers should be surprised by how well you know them.

2.1.5 Customer Relationship Management in the Banking Industry

Product benefits of form, time, place, service and property that will satisfy the customers' demands through goods and service. Forming and marketing of the goods and services that satisfy the customer demands is the basis of producing benefit. Whether the customer is satisfied or not depends on whether he compares what is offered to him with his own expectations. If what is offered suits the expectations, the customer is satisfied. If what is offered is above the expectations, the customer is highly satisfied and pleased (Kotler, 2004) for example, if the real performance of a product or service in a bank is below the expectations, the result is dissatisfaction, but if it equal or higher, customers satisfaction is achieved.

In recent years, in such fields as banking, where there is a strong competition, customer satisfaction has gained a good deal of importance. It may be very easy to let another bank capture a displeased customer. To raise the customer satisfaction to the highest level and retain customers, the banks are to attach importance to customer relationship management (CRM).

The advantages provided to the banks by customer relationship management are as followings:
- ➢ Picking out the real customers in a bank in the long run and helping to make the relationships effective,
- ➢ Making the way of bank management customer-based. Bringing with technology, in the foreground the human relationships based on gathering and using information by institutionalizing the personal sale concepts,
- ➢ Reshaping the selling and marketing campaigns of the bank,
- ➢ A successful customer relationship management system, providing a permanent advantage of competition,
- ➢ Increasing the total productivity of the bank.

Whether the banks gain benefit from the customer relationship management and become successful depends on whether they follow technologic development closely and make investments to this end. Also, their ability to determine right strategies for the purposes that they want to attain in customer relationship management is an important factor that enhances the success chance of banks.

According to Semih and Ibrahim (2000), for CRM to be truly effective and successful primarily, an organization must understand and identify what kind of customer information is allowing for and it is indispensable to select what it intends to do with that information. For instance, most of banking institutions keep trail of customer life phases in order to market suitable banking products like mortgages to them at the right time to fit their needs. However, the organization must look into all of the various facts about customers into a business, where and how this data is warehoused and how it is currently used. For instance, one organization may have a relationship with customers through mail campaigns, websites, call centers, mobile sales force staff and marketing and promotion efforts.

Mehrota (2006) stated that, before the introduction of internet era, customers most of the time selected their banks based on how appropriate the location of banking branches was to their homes or office. However, with the introduction of new technologies in the business of bank services, such as providing banking services through internet 'internet banking'' and ''ATMs'', now customers are more valuable and they can easily choices any bank for their transactions. This phenomena increased customer base of banks, and also has expand the choices of customers for selecting the different banks as per their interests.

Due to competition in the business environment, public sector banks are also becoming more technology focus and customer oriented. Accordingly, non-traditional competition, market partnership, new equipment, and the conception of the internet are varying the competitive landscape of the retail banking institutions. Through the increased number of banks, offers and services and basically nil switching costs, customers are easily switching banks whenever the find better services.

2.1.6 Customer Satisfaction

All customers are not equal. The good and valuable customers must be retained.Companies during the customer acquisition focuses on market share there on retention and later on differentiated service to the best customers. In the complex business environment that exists today. Only those that are capable of providing total customer satisfaction can survive.

Agarwal (2009) point out that CRM is a simple philosophy that places the customer at the heart of a business organization's processes, activities and culture to improve his satisfaction of service and, in turn, maximize the profits for the organization. Thus, customer satisfaction forms the basis for the enhancement of mutually beneficial relationship between customers and banks. (Rouholamini & Venkatesh,2011). They also added that customer satisfaction can be attributed to factors like satisfaction with the frontline employees, the core service or the organization as a whole. Customer satisfaction has for many years been perceived as key in determining why customers leave or stay with an organization (Cohen et al., 2006). Customers are becoming more individualistic quality conscious and impulsive in their buying behavior that demands a complete range of products and services under one roof in order to optimize their satisfaction (Chopra teal. 2012).

A customer always wants something and expects that the bank should come up to the level to fulfill those needs (Mishra et al., 2011). Individual clients need can be satisfied by customizing the banks product, service and communication. It is supported by Berndt et al. (2005) customization is carried out by the organization in order to ensure that customer needs are met, to address the specific needs and profile the customer, and organization also makes use of personalization as part of this process. This would not only ensure better customer relations but also loyalty among them, which is very critical and important in today's competitive world (Agarwal, 2009). Customer satisfaction and loyalty are inseparable to each other. Oogarah-Hanuman et.al (2011) supported that, customer satisfaction and loyalty are some key elements of business success and profitability thus the more satisfied the customer, the more loyal the customer and the more durable the relationship. Lastly, it is understood that customer satisfaction is very important for the aim of CRM practice of the banking industry.

2.1.7 Customer Loyalty

Customer loyalty is one of the most important goals of applying CRM in an organization. Oliver, (1997) defined customer loyalty as a deeply held commitment to re-buy a preferred product/service consistently in the future, thereby causing repetitive same brand despite situational influences and marketing efforts having the potential to cause switching behavior.

It is assumed that customers who are behaviorally loyal to a firm display more favorable attributes towards the firm compared to competitors. Customer satisfaction and loyalty are highly correlated. It is the base to loyalty. Lacey (2009) noted that, customers are vital sources of revenue and marketing intelligence to the firm and loyal customers are willingly share insights about their needs and provide the opportunity for firms to tailor products, pricing, distribution channels and marketing communications. Therefore, in order to give service organizations yield desired results; attention should be given to the increasing loyalty of customers.

Good CRM creates happiness. In turn pleased customers remain loyal and talk favorably to others about the company and its products/services. Studies show big differences in the loyalty of customers who are less satisfied somehow satisfied and completely satisfied (Kotler& Armstrong 2004). Thus, the aim is to create not just customer satisfaction but customer pleasure and customer loyalty. Banks are now realizing that losing a customer means losing more than a single transaction. It means losing the whole stream of purchases that the customer would make over a lifetime of patronage.

2.1.8 Customer Retention

Customer retention is increasingly thought of as an important managerial issue, especially in the context of saturated market or lower growth of the number of few customers (Ghavami & Olyaei, 2006). Cohen et al. (2006) have noted that customer retention is potentially an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment. Thus, organizations need to focus on existing customers in order to ensure that they continue purchasing and continue supporting the product (Berndt et al., 2005). Thus, at this time, close relationship with customers will require a strong coordination between banks and its marketing departments to provide a long-term retention of selected

customers (Chary and Ramesh, 2012). Villanueva and Hansen's (2007) cited by Parker et al. (2009) clearly stated the following five customer retention benefits. Those are:-

1. It is cheaper to retain customers than to acquire them.

2. The costs of serving long-life customers are less than those of serving new customers.

3. Long-life customers improve the reputation of the company and attract new customers through word-of-mouth advertising.

4. Long-life customers are less price sensitive than new customers and are therefore more willing to pay higher prices in some cases.

5. Long-life customers are more likely to buy more from the company so the company can increase their share-of-wallet through up-selling and cross-selling.

Therefore, the above benefit proof that long-life customers are means of profit to the organization and they can attract potential customers through their formal and informal communications.

2.1.9 Dimensions of Customer Relationship Management

CRM practices are measured under different dimensions but for this study the relevant dimensions are trust, reciprocity, empathy, bonding and responsiveness

2.1.9.1 Trust

Trust means the extent to which one believes (and feels confident in believing). Trust is a key to positive interpersonal relationships in various settings because it is central to how we interact with others. Trust becomes even more central and critical during periods of uncertainty due to organizational crisis (Mishra, 1996; Webb, 1996; Weick & Roberts, 1993). In the organizational "restructuring" crisis of the 1990s, trust has emerged as a central strategic asset for organizations. Trust is a central component in effective working relationships.

Is the firms belief in the character, strength, ability of truth if someone or something. Good relationships and trust are built over time, with give and take on both sides, and not too much pressure (Rigby et. al, 2003). We conceptualize trust as existing when one party has confidence in an existing partner's reliability and integrity (Morgan and Hunt 1994).Trust can lead to commitment, which can in turn lead to long term cooperation between the two sides involved in a relationship (Hunt and Morgan, 1994). Therefore according to these authors, trust permits firms

to lessen or avoid dependence on expensive formal controlling mechanisms to maintain their partnerships.

2.1.9.2 Reciprocity

Is the situation or relationship in which two people or groups agree to do something similar for each other to have the same rights, (Chattananon & Trimetsoontorn, 2009 as cited in Taleghani et.al. 2011).

2.1.9.3 Empathy

Is the ability to see a situation from another person's perspective (Wang, 2007 cited in Taleghani et.al. 2011). Added to the above fact that empathy is defined as seeking to understand somebody else desires and goals. Other writers also described empathy (including access, communication, understanding the customer) –as caring and individualized attention that the firm provides to its customers(Kheng et. al., 2010).Therefore, Empathy is the care and importance the service provider gives to an individual customer and the degree to which specific customer needs and preferences can be understood and articulated(Taiwo et.al., 2011).

2.1.9.4 Bonding

As per Taleghani etal., (2011), bonding is defined as the dimension of a business relationship that results in two parties (the customer and the supplier) acting in a unified manner toward a desired goal. They added that in the dyadic relationship of a buyer and a seller, bonding can be described as a dynamic process that is progressive over time. If CRM practices are conceived and implemented properly, it will enable companies to retain customers for life, get maximum value out of each customer and generate exemplary customer bonding (Tamilarasan, 2011). The bonding process begins with the very basic force of the need for a seller to find a buyer for their product, and the desire for a buyer to purchase a product that will satisfy their needs. Various bonds exist between parties and indicate different levels of relationship.

2.1.9.5 Responsiveness

Responsiveness is the willingness to support customers and provide them immediate services right on demands. However, Taiwoet.al. (2011) described responsiveness is the degree to which customers perceive service providers' readineoass is them promptly.

2.1.9.6 Key Customer Focus

According to Semih and Ibrahim, *(*2000), key customer focus involves an overall customer-centric focus and continuously delivering superior and added value through customized offers to the key customers. In today's business environments the ultimate goal of any key customer focus is to achieve a deep customer relationship that makes an organization a necessary partner to its most profitable customers. The overall company understanding and support for key customer focus encourage sales force to foster long-term customer relationships by offering more personalized services.

Evelyn and Hamadallah (1996) stated that firms are engaged in enough amounts of transactions with significantly diverse customers in terms of their needs, preferences and expectations. Also they consider customer relationship management to some extent as challenging. In order to reduce the CRM challenges, most of the firms have option to formal customer relationship management programs. CRM programs are generally classified as either database-driven refers to recognizing profitable segments through statistical techniques or customer-needs-driven refers to the use of database to supply information that benefits in the development and keep of long-term relationships with key customers. Furthermore, viewed that customer's needs-driven customer relationship management programs are common with firms that adopt business-to-business marketing strategies because, customers-needs-driven customer relationship management programs improves inter-firm relationships. In summary, key customer focus can be considered as a function of customer relationship management of a retailer's integrity as well as organizations' ability to perform their services, to keep its promises and commitment and in general to do the right things' consistently.

2.1.10 Impact of CRM on Customer

CRM provides the competitive differentiation in near uniformity environment.CRM enables customer centric process. Identifying, acquiring, nurturing, retaining customers and developing lifelong relationships with them by providing best possible service and satisfaction in the process of achieving organizational goals towards this end.CRM aims at serving the customers on one to one basis, reducing the intermediaries, continuously monitoring customers needs, both stated and unstated , providing service and products in alignment visit to those needs.

2.2 Empirical Review

Most of the research conducted on Customer Relationship Management is based on evidence from majority of prior empirical studies that are done in developed countries. Here, in this section a certain empirical findings conducted based on countries are reviewed.

According to Archi Dubey (2015), the Study reveals that knowledge and experience of the staff, customer satisfaction, and customer service all have positive relationship with the customer loyalty. Suggestions are offered to improve relationship and maintain loyalty with the bank customers. This idea also helped by the study of AIJRHASS 15-368; (2015), This study revealed that regardless of services, customer expect service provider to be more courteous and includes some form of personal connection content. Hence banks must focus on delivering and improved service to customers through effective CRM. From the review of attraction and retention policies in order to sustain customers to competitors CRM strategies has to enhance the business viability. Customers best interest have a significant impact on CRM Nowadays Banks have realized that CRM is an important factor for their success formula.

According to the journals of Nigeria's insurance industry "Nwankwo SI, Ajemunigbohun SS (2013)" CRM positively influences customer retention in the insurance industry and thus helps create values for insuring public in the country. This ideas also helped by Dr. A. Vinayaga moorthy, many businesses such as banks, insurance companies, and other service Providers realize the importance of Customer Relationship Management (CRM) and its Potential to help them acquire new customers, retain existing ones and maximize their Lifetime value.

The Result of the research shows that there is a significant correlation between CRM and customer satisfaction, customer service, customer loyalty, customer retention, trust, experience of the staff.

Having all the above studies conducted by various scholars, the measurement of CRM earning can be different form one bank to the other. So in commercial bank of Ethiopia it is very there was less interest in the customer loyalty, customer satisfaction, customer retention and trust.

2.3 Conceptual Framework

This framework is used to assess CRM and its impacts. Callaghan et al. (1995) cited by Kojo, disclosed that trust, reciprocity, empathy, bonding, responsiveness and key customer focus are dimension of customer relationship management. Kojo,(2009) applied the above dimension to measure customer relationship. So this six CRM dimensions has a reason for customer's retention and loyalty.
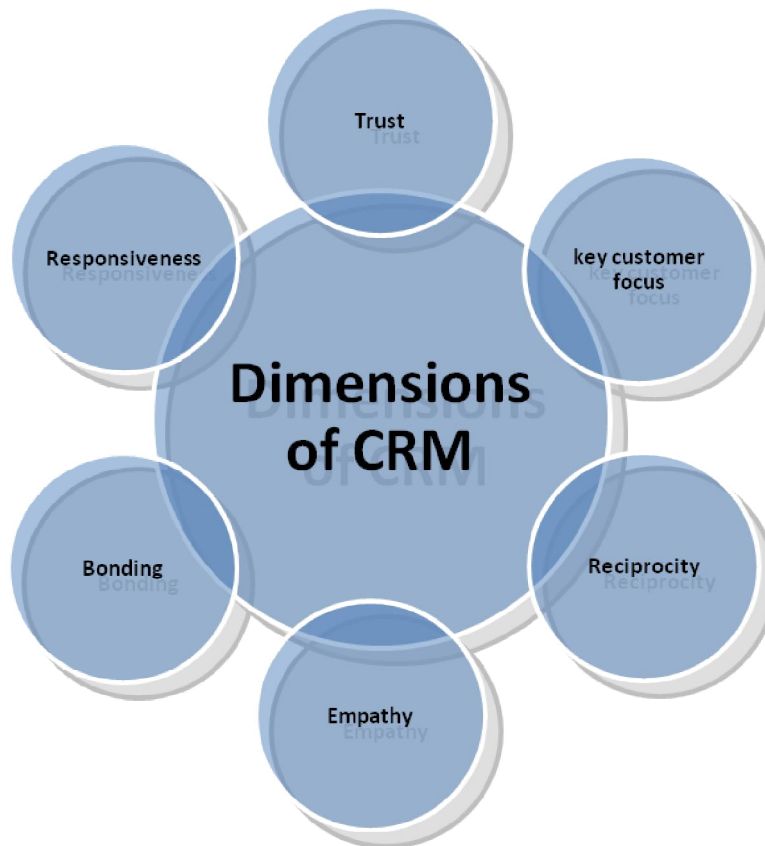
Source: Adjusted from Challenges et al.(1995).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Approach and Design

The approach of the study was mixed research approach. The qualitative data were analyzed using content analysis; that is items will be identified, categorized and grouped. Based on their group the data were interpreted. However, the numerical data was analyzed using SPSS (statistical packages for social science) software program.

The research design "is blueprint for the collection, measure, and analysis of data. Also is the arrangement of condition for collecting and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure". A research design is the arrangement for a precise statement of goals and justification. (Chopra *et al.* (2012) the goal of descriptive research is to describe some aspect of phenomenon, objective characteristics, people groups, organizations or environments. Therefore, as the above explanation, this researcher used descriptive research design in order to describe the current state of CRM practices of the commercial bank of Ethiopia. The study follows the deductive approach.

3.2 Population, Sampling Technique and Sample Size

3.2.1 Target Population

The research population is customers of CBE head office branch with the following parameters.

Customers are engaged in either importing and exporting business or users of all bank service and credit facilities of the selected office. They are considered as target population.

3.2.2 The Sample Size

Sample size is selected based on the Table for sample size determination given by http://research-advisors.com which states that if the number of population under studies is **490** then it is sufficient to draw **82** as sample size. Since the number of customers is more than the stated criteria, the total sample size is **82** which were distributed to the customers of the bank.

Yamane (1967:886) cited in Israel (1992) which is revised on April 2009 and again reviewed on June 2012 provides a simplified formula to calculate sample size

Assumptions

A 95% confidence level, and e = ±5%

n = _____N_

        1 + _N_ (_e_) 2

Where:-

n = the sample size

N = the population size

e = the level of precision (Sampling error)

n = N = 490 = 82

$$\frac{490}{1 + 490(0.05)2}$$

$$= 82$$

The 82 sample customers are distributed among the selected branch.

3.2.3 Sampling Technique

The study used convenience sampling technique. This helps to obtain those people or units that are most conveniently available. Economical and fastest way of getting questionnaire filled up

In addition to the above technique, the study also used semi structured interview to get information from management body of the selected branch.

3.3 Sources of Data

This research depends up on primary source of data. Primary data were collect from Customers of the selected head office branch. In addition to this interview was conducted with manager and assistant manager) of the banks.

3.4 Data Gathering Instrument

The research data were collected through questionnaire and interview method to generate primary data of the study. The first section of the questionnaire comprised demographic information of the respondents. The second section measured the loyalty of the customers to bank and accesses the CRM practices of commercial bank of Ethiopia on five points Likert scale. The questionnaire was prepared in English and then translated into Amharic because same respondents not understand the English version.

3.5 Procedures of Data Collection

The research has required permission from the CBE head office to conduct the study. And after permission approved the researcher take an appointment with supervisor of the organization to visit and see the questioner and also to prepare how to collect the data from the customers. Then the researcher prepares and arranges the questioner on the date of the appointment. The respondent has been guided on how to respond and assured of confidentiality after which they have given the questioners to fill within three days. The researcher also has booked an appointment with the CBE head office manager and supervisor to carry out the interview. Finally the data collection process has take four weeks.

3.6 Pilot Testing

Before applying the questioners in the actual study, it was piloted on two sample commercial bank branches in Addis Ababa in order to check the effectiveness of the questionnaire and make improvements if there is any. An overview of the piloted questionnaires helped the researcher to make farther improvement on the items as well as on the format of the questionnaires. Out of the 34 items of the questionnaire, 1 item was not properly filled.

It was also found out of that 1 open ended items were rejected by the sampled customers and some of the customers who supplied irrelevant information. Therefore, the researcher realized that it would be difficult to get valuable data from the respondents using open ended items. Hence the open ended items were reduced in the final version. In some instance, respondents gave scales 1-5 on subsequent pages. This is properly because the scales were given only at the beginning section of the table and it might be why some respondents missed the sequence when the move on to the next page.

3.6.1. Reliability and Validity of the Research

Reliability is the consistency of a set of measurements or measuring instrument, often used to describe a test. One of the most commonly used is called Cronbach's Alpha. The Cronbach Alpha coefficient is an indicator of internal consistency of the scale. A high value of the Cronbach Alpha coefficient suggests that the items that make up the scale "hang together" and measure the same underlying construct. A value of Cronbach alpha above 0.70 can be used as a reasonable test of scale reliability (Gaur A. and Gaur S., 2009).

Table: 3.6.1 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.949	.950	25

Therefore all the six dimensions of measuring CRM were found to be high in their internal consistency is (>.950) and thereby in measuring the dimensions of interest (Cronbach Alpha >0.7 good).

Validity is concerned with whether the findings are really about what they appear to be about. Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure. Numbers of different steps were taken to ensure the validity of the study:

- Data was collected from the reliable sources, from respondent who have experiences in using the service of the bank.
- Survey question were made based on literature review and frame of reference to ensure result validity.

3.7 Method of Data Analysis

The Analysis of data in this research was done by descriptive statistical tools: frequency, percentage, mean and standard deviation using Statistic Package for Social Sciences (SPSS) version 20. The data from the interview were carefully recorded and transcribed by calling to the customers who are not loyal for CBE bank booking and discuss with them.

3.8 Ethical Considerations

In order to keep the confidentiality of the data given by respondents, the respondents did not required to write their name and assured that their responses were treated in strict confidentiality. The purposes of the study were disclosed in the introductory part of the questionnaire. Furthermore, the researcher has tried to avoid misleading or deceptive statements in the questionnaire. Lastly, the questionnaires were distributed only to voluntary participants.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1. Demographic Characteristics of Respondents

This aspect of the analysis deals with the demographic information of the respondent. The basic data comprise of the respondents gender, age, educational background, the number of years spent with the bank and their frequent usage of the bank service loyalty of the customer in CBE.

Table 4.1.1. Respondent's demographic data.

		FREQUANCY	PERCENT
Gender	Male	38	53.5
	Female	33	46.5
	Total	71	100.0
Age of respondent	18-30	27	38.0
	31-40	26	36.6
	41-50	17	23.9
	Above 51	1	1.4
	Total	71	100.0
Education background of the respondent	No formal schooling	2	2.8
	Primary school completed	2	2.8
	Secondary school completed	10	14.1
	Diploma	30	42.3
	Degree and above	26	36.6
	Others	1	1.4
	Total	71	100.0

For what purpose do you use the bank	Personal	41	57.7
	Commercial	4	5.6
	Both	26	36.6
	Total	71	100.0
For how many years you use the bank	Less than 5 years	16	22.5
	5-10 years	32	45.1
	Greater than 10 years	23	32.4
	Total	71	100.0
Kind of the service which the respondent use	Saving account	40	56.3
	Current account	5	7.0
	Loan	4	5.6
	Remittance	1	1.4
	Import and Export	2	2.8
	Saving and Current	7	9.9
	All	12	16.9
	Total	71	100.0
Frequent use of the bank service	Once in a day	28	39.4
	Twice in a day	20	28.2
	Three and above	11	15.5
	Once in a month	12	16.9
	Total	71	100.0
Loyalty of the respondent	Yes	54	76.1
	No	17	23.9
	Total	71	100.0

Source: Survey Result, (SPSS version 20)

As shown in Table 4.1.1 above, the male respondents constituted the largest share of the gender composition representing 53.5% of the respondents while 46.5% were female.

Regarding age 38% were in the 18-30 age groups, 36.6% were in the 31-40 age groups, 23.9% were in the 41-50 age groups and the remaining are above 50.

Furthermore the education background of the respondent reveled that between 2.8% to 14.1% were under secondary education. And 42.3% were diploma completed, 36.6% were degree and above, and the rest 1.4% were other.

Regarding the service rendered by the bank, 57.7% of the respondents were found to be using the services for personal purpose; the other 5.6 % of the respondents use the bank service for commercial purposes and 36.6% both for personal & commercial purposes respectively.

Concerning the length of relationship with the bank either for personal or commercial purpose, 22.5% were found to be using CBE's services for years that range from less 5-10, 45.1% were found to be in the range of 5-10 years and the other 32.4% of respondents used the bank service for years greater than   10. As to the services that are used in CBE, account users take the highest share   that is 56.3% for saving account, 7.0% for current account,5.6% for loan,1.4% for remittance, 2.8% for import and export, 9.9% for both saving and current account and 16.9% for all service . So this implies that most of the respondents use saving account service of the bank.

Regarding the frequent use of the bank service in a day, the respondent takes over 39.4% once in a day, 28.2 % twice in a day, 15.5% more than there and 16.9% is once in a month.

As to the locality aspect, 76.1% of the respondent was say "yes" and the rest 23.9% were say "no". This implies most of the customers are loyal for CBE bank and most likely user of saving account.

4.2 Descriptive Analysis of CRM practice

In this part descriptive statistics in the form of mean and standard deviation were presented to illustrate the level of agreement of the respondents. From the total questionnaires distributed A total of 82 questionnaires administered to the customers of the sampled branch, the researcher was able to get back seventy one (71) responses giving 86.58% (71*100/82) this was a good turn up and adequate enough for the study since according to Mugenda (2003), 50%of the response rate is adequate enough to carry out a study. And eleven (11) questionnaires were not returned at all and thus not included in the analysis. On the whole, data collection lasted a total of four (4) weeks. This was done in order to obtain a larger response rate. To do so, customers of CBE were asked to rate the level of CRM practices on a five point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree.

	Description of items and analysis		
Range of the mean score	A-E	Analyzed as	Item part two and three
4.5-5	Strongly agree	Agree	The analysis of these items used only frequency, percentage, mean and std. deviation.
3.1-4.4	Agree	Agree	
2.99-3.00	Neutral	Neutral	
1.5-2.88	Disagree	Disagree	
Below 1.5	Strongly disagree	Disagree	

4.2.1 Table Summary of the methods of data analysis (for questionnaires)

In the analysis scores which lie on the scales 'strongly agree' and 'agree' are interpreted as 'agree' and the basic assumption in this regarded is that these score are understood as contributing almost the same effect on the CRM practice, whereas the scores which lie on 'neutral' remain the same. Scores which lie on the scale as 'strongly disagree' and 'disagree' were also interpreted as 'disagree'.

4.2.1. TRUST

Trust is a belief or confidence about the other party's intentions within the relationship (Taleghani *et al*., 2011). It can be also perceived as honesty about the other party's intentions. This can in turn lead to long-term cooperation between the two sides involved in a relationship (Hunt and Morgan, 1994). The following four questions can indicate the confidence for trust and the customers respond accordingly.

Table 4.2.2 Respondents Opinion on Trust

		Frequency	Percentage	Mean	Std. Deviation
Feeling safe in all transactions.	Disagree	16	22.5	3.2250	1.32988
	Neutral	11	15.5		
	Agree	44	62		
	Total	71	100.0		
Always provide consistent quality service	Disagree	18	25.3	3.3521	1.08363
	Neutral	16	22.5		
	Agree	37	52.1		
	Total	71	100.0		
Confidentiality of the respondent on the bank	Disagree	32	45	2.6901	1.27157
	Neutral	20	28.2		
	Agree	19	26.8		
	Total	71	100.0		
Promises of the bank to its customer	Disagree	13	18.3	3.3803	1.00522
	Neutral	23	32.4		
	Agree	35	49.3		
	Total	71	100.0		

Source: Survey Result, SPSS (20)

As shown in the above table, from the total respondent mean score of 3.22 with s.dv of 1.32, feel safe in all transactions; mean score of 3.35 with s.dv of 1.08, the bank provide consistent quality service, mean scour of 3.38 with st.dv of 1.00. Says the bank keep its promise to the customer.

The mean value for the three questions was greater than 3 that mean almost more respondents average ideas but not score high. Fill safe in the CBE transaction, provide consistent quality service and keep its promise to their customer. But in the confidentiality of the bank the respondent didn't have real confidence; they think in case the bank faces a financial loss, they think if may be happened something, there many are not repaid to them.

According to (Rigby et. al, 2003), good relationships and trust are built over time, through give and take on both sides, and not too much pressure. Trust conceptualizes when one party has Confidence in partner's reliability and integrity. Trust can lead to commitment, which can in turn lead to long-term cooperation between the two sides involved in a relationship.

4.2.2. RECIPROCITY

Reciprocity is the dimension of a business relationship that enables either party to provide favors or make allowances for the other in return for similar favors or allowances to be received at a later date (Chattananon & Trimetsoontorn, 2009 cited in Taleghani *et al.,* 2011). Thus Reciprocity becomes a virtue (asset), a trait necessary for a rational individual to have if they are to aspire to excellence in moral behavior. The following sample questions are for the customer of CBE's

Table 4.2.3: Respondents Attitude towards Reciprocity

		Frequency	Percentage	Mean	Std. Deviation
The bank help the customer to solve their problem	Disagree	14	18.3	3.1690	.84492
	Neutral	37	52.1		
	Agree	21	29.5		
	Total	71	100.0		
The bank and you work for mutual benefit	Disagree	10	14.1	3.8592	1.04602
	Neutral	11	15.5		
	Agree	50	70.4		
	Total	71	100.0		
The bank keep its customer promises	Disagree	15	21.1	3.4930	1.01240
	Neutral	15	21.1		
	Agree	41	57.8		
	Total	71	100.0		
The bank helps the respondent to achieve better benefit.	Disagree	14	19.7	3.3944	1.02091
	Neutral	23	32.4		
	Agree	34	47.9		
	Total	71	100.0		

Source: Survey Result, SPSS (20)

As shown in the table above all the respondents agree moderately that the bank help the customer to solve their problem mean score of 3.16 with st.dv. .844 And the bank and the respondent work for mutual benefit score mean of 3.85 with st.dv. 1.04, also the bank keep its customer promises scores mean of 3.49 with st.dv. 1.01 And finally the bank help the respondent to achieve better benefit mean score of 3.39 with st.dv. of 1.02. This shows that all respondents agree on the CBE reciprocity activity and all mean score of the questions are above three. This shows that creating business relationship with the customer have some activity in the CBE bank but not have strong retention line.

4.2.3. EMPATHY

This assessment was done to appraise how customers perceive the banks empathically towards them. Empathy (including access, communication, understanding the customer) – is caring and individualized attention that the organization provides to its customers (Kheng et al., 2010). If the customers feel well treated and assured of good relationship, they will remain loyal. Empathy is a key component of emotional intelligence, is as essential for harmonious and productive relationships in the workplace as much as in personal life. The following frequent test results show the CBE bank customers response.

Table 4.2.4: Respondents Perception on Empathy

		Frequency	Percentage	Mean	Std. Deviation
The bank give individual assistance to its customer	Disagree	34	47.9	2.7042	1.17588
	Neutral	16	22.5		
	Agree	21	29.5		
	Total	71	100.0		
The bank give real interest in solving the respondent problem	Disagree	20	28.2	3.2817	1.04448
	Neutral	19	26.8		
	Agree	32	45.1		
	Total	71	100.0		
Working hours of the bank are flexible and suitable for the respondent	Disagree	18	25.4	3.2535	1.13034
	Neutral	16	22.5		
	Agree	37	52.2		
	Total	71	100.0		
Employees are fast to respond customers question	Disagree	23	32.4	3.0845	1.10514
	Neutral	18	25.4		
	Agree	30	42.2		
	Total	71	100.0		

Source: Survey Result, SPSS (20)

As shown in the table above the bank give real interest in solving the respondent problem, working hours of the bank are flexible and suitable for the respondent, and employees are fast to respond customer's question has achieve the highest mean score of greater than 3. We're as the bank give individual assistance to its customer results 2.70 as a std. deviation of 1.17. This shows that the CBE bank desires more effort to assist its customers.

According to Taleghani et. al.(2011). Empathy is the ability to see a situation from another person's perspective (Wang, 2007 cited in Taleghani et. al., (2011) added to the above fact that empathy is defined as seeking to understand somebody else desires and goals.

4.2.4. BOND

Bond is defined as the dimension of a business relationship that results in two parties (the Customer and the supplier) acting in a combined manner toward to achieve goal (Taleghani et al., 2011). Thus, bonding helps for the development of key relationships with customers. In addition to the above fact it is also accepted that bonding would strengthen relationships and loyalty. Bonding is essential element to establish long lasting relationship with customers.

According to Prahalad and Ramaswamy(2001), if an organization willing to make a stable relationship with its customers, there are different ways to have an interaction with them. The main purpose is to find out how and when the customers would like to interact with the organization. The interaction activities should be well customized and organized through the available touch points provide in relation to the customer profiles developed by data gathered from the former records of the customers.

Table 4.2.5: Respondents View on Bond

		Frequency	Percentage	Mean	Std. Deviation
The bank tries very hard to establish a long term relationship	Disagree	8	11.3	3.6761	.92234
	Neutral	18	25.4		
	Agree	45	63.4		
	Total	71	100.0		
The bank works in close cooperation with its customer	Disagree	9	12.7	3.6761	1.02504
	Neutral	19	26.8		
	Agree	43	60.5		
	Total	71	100.0		
The bank keep constantly with its customer	Disagree	13	18.3	3.5352	1.11907
	Neutral	17	23.9		
	Agree	41	57.7		
	Total	71	100.0		
Employees well know their key customers	Disagree	21	29.6	3.2254	1.22121
	Neutral	17	23.9		
	Agree	33	46.5		
	Total	71	100.0		

Source: Survey Result, SPSS (20)

As shown in the table above all the respondents agrees that the bank tries very hard to establish a long term relationship and the bank works in close cooperation with its customer both achieve mean score 3.67 with s.dv.922, also the bank keep constantly with its customer score 3.53 with s.dv 1.19 and finally employees well know their key customers achieve the list result of mean 3.22 with s.dv 1.22. However, all respondents agree on the CBE bonding activity and all mean score of the questions are above three. This shows that creating bond with the customer have better activity in the CBE bank in different activity.

4.2.5. RESPOSIVENESS

Responsiveness has the degree with which the selected banks were able to respond to the needs and wants of customers. For different organizations to be responsive, it must gain deeper understanding and profiling of customer behavior, real time customer information, loyalty, and management at Point of Service. The following indicate the responsiveness ideas.

Table 4.2.6 Respondents Perception on Responsiveness

		Frequency	Percentage	Mean	Std. Deviation
The bank provide prompt service to its customer	Disagree	12	16.9	3.3662	1.08548
	Neutral	23	32.4		
	Agree	36	50.7		
	Total	71	100.0		
Employee of the bank willing to help customer	Disagree	15	21.1	3.3944	1.02091
	Neutral	20	28.2		
	Agree	36	50.7		
	Total	71	100.0		
Employees give genuine and detail information about all transaction	Disagree	32	45.1	2.7465	1.21559
	Neutral	20	28.2		
	Agree	19	26.8		
	Total	71	100.0		
Employees are responsive to solve customer problem	Disagree	18	25.3	3.2958	1.10058
	Neutral	19	26.8		
	Agree	34	47.9		
	Total	71	100.0		

Source: Survey Result, SPSS (20)

As shown in the table above, most of the respondent agrees on question which presented in the responsiveness issues mean scoured 3 and above.

That is, mean score of 3.36 st.d 1.08, the bank provide prompt service to its customer, mean score of 3.39 with s.dv.1.02 Employee of the bank willing to help customer, mean score of 3.29 with s.dv 1.10 Employees are responsive to solve customer problem, and finally mean score of 2.74 with st.dv. 1.21   Employees give genuine and detail information about all transaction Therefore from the analyzed data it is possible to say that, even though the bank provides prompt service to its customer it needs more effort and preparing training program on the area of customer handling , based on the number of customer served in a day the bank has to appoint enough employee to meet the standard time given to each product, the bank has to also increase the performance of CRM department so as to increase customer satisfaction, motivating the employee by giving deferent benefit package, the bank has to increase the performance of the system (IT) infrastructure, the bank has to evaluate its employee based on performance management based system on satisfying customer.

According to Taiwo et. al. (2011) described that responsiveness is the degree to which customers perceive service providers' readiness to assist them promptly Therefore, showing sincerity and willingness to help customers are some of the key issues in responsiveness. Again what was tested in respect of responsiveness included devoted time to customers and efficient services.

4.2.6. KEY CUSTOMER FOCUS

Key customer focus is one of the most important dimensions of customer relationship management that involves an overall customer-centric focus and continuously delivering superior and added value through customized offers to the key customers. In today's business environments, the ultimate goal of any key customer focus is to achieve a deep customer relationship that makes an organization a necessary partner to its most profitable customers. The overall bank understanding and support for key customer focus encourages quality service force to foster long-term customer relationships by offering more personalized services (Armstrong and Kotler, 2004).

Table 4.2.7: Respondents Opinion on Key Customer Focus

		Frequency	Percentage	Mean	Std. Deviation
The bank provide customized service and products	Disagree	45	63.4	2.4366	.87395
	Neutral	16	22.5		
	Agree	10	14.1		
	Total	71	100.0		
The bank strives constantly to supervise and delight its key customer	Disagree	20	28.1	3.1127	1.04948
	Neutral	23	32.4		
	Agree	28	39.4		
	Total	71	100.0		
The bank strength the emotional bonds with its key customer	Disagree	37	82.1	2.6620	1.06829
	Neutral	16	22.5		
	Agree	18	25.3		
	Total	71	100.0		
Continuously delivering superior and added value for key customer	Disagree	22	31		
	Neutral	25	35.2	3.1127	1.04948
	Agree	24	33.8		
	Total	71	100.0		

Source: Survey Result, SPSS (20)

As shown in the above table, respondents answer the question which I provide to know overall the CBE bank understood and support the key customer. The result shows the entire five questions mean scoured is not to the maximum score.

That is mean scour of 2.4366 st.d with .87395, the bank provide customized service and product, mean score of 3.1127 with s.dv.1.04948 the bank strives constantly to supervise and delight its key customer, mean score of 2.6620 with s.dv 1.06829 the bank strength the emotional bonds with its key customer, mean score of 3.0563 with st.dv. .99839,continuously delivering superior and added value for key customer, the mean score of 2.6901 with st.dv. .93490 The bank takes customer feedback somewhat and replies to the respondent, But not practice its activity sufficiently.

Therefore from the analyzed data it is possible to say that, all interviewer of key customer focus answers are average mean score. Organization specially CBE managers they consider key customer relationship management to some extent as challenging, most of them has option to implement better key customer relationship programs by taking customers feedback seriously and giving quality service, preparing wide capacity of currency exchange in different business area, facilitating one window service only for key customers and save their time, revising the lone contract (LC) program for giving quality service on short process and immediate solution. So CBE has to apply the above key tools on his CRM program plan.

According to Evelyn and Hamadallah (1996) stated that firms are engaged in enough amounts of transactions with significantly diverse customers in terms of their needs, preferences and expectations. Also they consider customer relationship management to some extent as challenging. In order to reduce the CRM challenges, most of the firms have option to formal customer relationship management programs.

4.3 Discussion Results of the Interview Data

Interviews were also conducted with office managers and assistant managers of the banks considered in this study. The interviews consisted of six structured questions. This section presents the results of each interview questions.

The **first** question forwarded to them was to explain the CRM practice of their bank. In this regard, an interviewee from the CBE manager and assistant branch managers replied CRM practice is mainly engaged in knowing, understanding, visiting, collecting data of customer and focused on customer satisfaction through quality customer service and excellent product. According to the manger response, the bank also differs from other competitors by its door to door banking services. This shows that CRM practices are the key to bring new customers and maintain the existing customers through service excellence, customer treatment and supply different products the meet customer needs.

The **second** interview question asked was "How does the bank achieve knowledge about Customers?" In this regard, the managers and the assistance managers of the CBE bank replied that they get information about their customer from their suggestion box, from different personal documents when they open an account in the bank and present loan request, from Management Information System (MIS) data and recently the bank has created new position Know Your Customer (KYC) to collect and surveillance the customers information. From the respondents I understood that the bank has different methods to gather and scrutiny customer information

The **third** question was how to evaluate the merits of trustworthiness, empathy, reciprocity, bonding, responsiveness and key customer focus of the bank. The managers answered they are trustworthy in keeping customer record safely, keep the promise to the customer and the customer is confident in the bank. The customers also said they are safe and keep their promise but they have not enough confidence on the bank because of lengthy bureaucracy. Regarding to empathic with their customers the managers respond the employee gives business advice and willing to solve the customers problem, extend working hours 6 days in a week from 7:00 A.M to 7:00 P.M and recently employees are improving in customer handling and treatment but the customers replied all are not bad except individual assistance. Concerning to reciprocity the managers respond the bank work for mutual benefit with customers and the customers have

similar response, considering bonding, all interviewees agreed that they are working to establish long term relationship with their customers but weak for key customers. Regarding to responsiveness the bank managers and customers says that, the bank is responsive in providing prompt service and willing to help customers. But according to customer's response in providing genuine and detail information about transaction is weak.

According to the manager's view with regard to key customer focus the bank provide customized service, strive to delight the customer and takes customer fed back to improve service excellencies but according to customer response it is average. Hence the bank must have work to retain the key customer so that to reach the level of customer expectation or/ beyond expectation to satisfy their need.

The **fourth** interview question was about the creation of awareness of CRM concept and practice to the employee. This was answered by the manager, by giving different training items which are related with the CRM concept, and also by preparing different contents of procedures, manuals, etc.

The **fifth** interview question was about" is the bank takes customer feedback seriously" and replies to them? This question was also stand on the key customer focus part. So the manager says that even if it is the most backbone issues, it depends on the managers of the branch because some managers take as a big issue and take time on it and other managers may not deal as a big issue. In general the respondent answer implies that most of the CBE managers on average to take the customer feedback seriously as they raise the ideas of west of time. This has shows there is a need to work hard in feedback taking and implement to improve service of the bank.

Finally, a question was also asked to interviewees about their banks strength and weaknesses related to CRM practice. Regarding to their strength all Interviewees of the selected banks expressed that they are strong in introducing different product of CRM services like LC, Mortgage loan service, keeping its customer promise, flexibility and suitability of working hours, door to door service to the mortgage loan repayment process, wide area network, helping the government by giving fast LC process is some of the issue which is razed by them. However, from their challenges perspective, all interviewees raised internet and system interruption

problem, shortage of real information in some transaction and product type, lack of skill and knowledge in the employee area, creating different kind of bureaucracy process, shortage of currency exchange are some of ideas.

From the interview the researcher understands that the managers of the banks identified their gaps that adversely affect their quality banking service towards customer's individual character, needs and preferences by giving excellent service and product, by knowing you customers properly (KYC), by implementing one window service for key customers, by facilitating better network capacity for their won, increasing capacity of LC on short time are issues which to develop CRM practice.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Major Findings

The main objective of this study is to investigate the practice of customer relationship management in CBE and its possible impacts on customer retention. In this study, descriptive research design was used. The target populations of the study were customers of the CBE bank head office branch.

The research question shows that, lack of quality bank services, weakness in giving individualized attention to Customers, not have giving attention for suggestion boxes which is given by the key customers, lack of delivering superior and customized value add service, be deficient of skill used in technological advancement has significant impact on CRM practice. Based on this Majority of the customers of the respondent didn't answer   high score of mean and standard deviation. This implies that most of the customers of CBE those are participating in the products of credit facility areas are not satisfied by the type of work. The customers believe that there are no better benefits in state bank especially in CBE. Chance to achieve excellent service is not that much.

From this study we can also conclude that there exists direct relationship between CRM and retention concerning the selected head office banks included in the study. This in turn implies that the management bodies of the bank must be encouraged to follow CRM practices. If do so, they can survive in the present globalised business environment as major competitors and value add organization in the industry.

Finally, the purpose of customer retention is to keep a high proportion of valuable customers through reducing customer dissatisfaction. As suggested on the literature review part of this study, normally, the costs of educating the existing customer base are far less than the costs of attracting new customers. From the descriptive statistics results of this study, there exists a relationship between CRM program and Customer retention. The results clearly revealed that the six CRM dimensions are very close. This shows us that CRM has significant influence on

customer retention both from customers' and branch managers view. Though it needs further and detailed study, generally, the results indicate that customer relationship management is important for customer retention that is essential for the success of the Commercial Bank of Ethiopia.

5.2 Conclusions

The researcher concludes that Customer Relationship Management is a useful business strategy and most essential to banks which have a day to day dealing with the customers. It is beneficial for all stakeholders: customers, employees, and investors. From the study trust, reciprocity, empathy, bond, responsiveness and key customer focus are some of CRM practices.

To assure CRM as an effective strategy and keeping key customer loyal the bank provide customized and attractive service, strength bond and communication with the key customers, increased efficiency and effectiveness and in dealing with them, the bank needs to integrate CRM operations into a single focused operation which will enables the bank to achieve customer loyalty and trust.

The results show that the concept of CRM is well understood by the bank from the six dimensions point of view. And it is concluded from the analysis that all the six dimensions of CRM have a positive and significant impact on loyalty and retention. And from the six dimensions Key Customer Focus dimension has the highest to CRM Organization. Therefore it can be important that while the dimension has a high importance to customers' loyalty.

5.3 Recommendations

Based on the findings and conclusions made above, the following possible recommendations are suggested as being valuable to the bank for improving customer relationship management activities to assure key customer retention.

- ❖ The CBE bank needs to develop better CRM program which enables it to gather data about each individual customer in order to help and treat them. And help for management body of the bank to incorporate CRM in its organizational culture as a main tool for maintaining its key customers.
- ❖ The CBE bank needs to prepare training and orient the employees more than what he did know, especially in the frontline staffs, how important CRM is and how to handle our key customers in short process time . This will increase the level of empathy that the employees show to their customers and thereby increase customers' satisfaction, which in turn increases trust and retention.
- ❖ The CBE bank appear to be reliable and show commitment, by providing individualized attention to customers and by resolving conflicts in a manner that will eliminate unnecessary loss and inconvenience to their customers.
    .
- ❖ The CBE bank should develop mechanisms in which it measures all the dimensions of CRM, (trust, reciprocity Empathy, Bonding, Responsiveness, and Key Customer Focus Based CRM) and consequently act upon the findings in its CRM program.
- ❖ The CBE bank has to work hard to increase the loyalty of its key customers, by supplying quality products, keeping its promises, listening to customers, considering the individual customers' needs and the like.
- ❖ The bank must also install different benefit and reward mechanism to the staff members, based on their contributions to the success of the CRM program and thereby to the increase they make to the level of customers satisfaction and trust.
- ❖ Listening and answering key customer's questions and arrange a special program accordingly will put the bank in a better condition as far as CRM is concerned.

❖ As CBE bank is one of Ethiopian government bank, should help and work with the most business man especially with those importer and exporter persons to create better economic growth.

❖ The bank has to create awareness to the key customer about how to achieve fast and quality product and service by using medias and journal's

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APPENDICES

St. Mary's University

G-MBA Research on Customer Relations Management at CBE
Questionnaire I

Questionnaires to be completed by CBE Customers

Dear Respondent;
The main purpose of this questionnaire is to assess the Customer Relationship Management Practices in commercial bank of Ethiopia. Hence, I kindly request you to fill in this questionnaire while assuring you that the information that you provide will be kept with confidential and shall only be used for the purpose of this academic research. I would also like to remind you that your fair and impartial feedback will make this research a very successful one.

Thank you for your cooperation.

Sincerely,

Please respond to each item by putting a tick mark ⎸ √ ⎸ in the box & fill in the blank on the number which best reflects your own perception.

Part I: Demographic Variables of Respondents (Please do not include your name)

Please mark the box (√) of your correct answer

1. Gender Male ☐   Female ☐

2. Age 18-30 ☐   30-40 ☐   40-50 ☐   Above 50 ☐

3. Educational Background

No formal schooling ☐   Primary school completed ☐   secondary school completed ☐

Diploma ☐   Degree and above ☐   others_____

4. For what purpose do you Use the Bank Service?

Personal ☐   Commercial ☐   Both ☐

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5. For How many Years you use the bank?

<5 Years ⬭   5-10 Years ⬭   >10 Years ⬭

6. Which kind of service do you use from the bank? (You can indicate more than one)

⬭   ⬭   ⬭
Saving Account   Current Account   Loan

⬭   ⬭   ⬭
Remittance   ATM   Import and Export

7. How frequent do you use the bank's service in a day ? Please state in No.
_____

8. Are you a loyal customer of commercial Bank of Ethiopia?

A. yes   B. no

PART II- Survey of customer relationship management practices

Please indicate the extent to which you agree/disagree with the following statements. Strongly Disagree carries the least weight of **1** while Strongly Agree carries the highest weight of **5**. Please put √ mark accordingly.

Item	Strongly Disagree(1)	Disagree(2)	Neutral(3)	Agree(4)	Strongly Agree(5)
TRUST					
1. You feel safe in all of your transactions with your bank.					
2. The bank always provides consistent quality services for me.					
3. I am confident that the bank will take care of me in case I incur financial loss.					

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4. The bank always does what it promised to do.					
Reciprocity					
5. The bank helps me to solve difficulties, so I am responsible to repay their kindness					
6. The bank and you work for mutual benefit					
7. The bank keeps its customer promises.					
8. The bank helps me to achieve better benefit.					
Empathy					
9. The bank gives individual assistance to its customers					
10. The bank shows a real interest in solving your problem.					
11. The working hours of the bank are flexible and suitable to me.					
12. Employees are fast enough to respond customers question.					
Bonding					
13. The bank tries very hard to establish a long term relationship with its customers.					
14. The bank works in close cooperation with its customers.					

15. The bank keeps in touch constantly with its customers.					
16. Employees well know their key customers.					
Responsiveness					
17. The bank provides prompt service to its customers.					
18. Employees of the bank are willing to help customers.					
19. Employees give genuine and detailed information regarding to any transaction of the bank.					
20. Employees are responsive to solve customer problem.					
Key Customer Focus					
21.The bank provides customized services and products to its key customers					
22. The bank strives constantly to surprise and delight its key customers					
23. The bank strengthens the emotional bonds with its key customers by wishing them on important occasions					
24. Continuously delivering superior and added value for key customers					
25. The bank takes customer feedback seriously and replies to you.					

Thank you for your cooperation!

MEKDES SHITAYE

በቅድስት ማሪያም ዩኒቨርሲቲ
አጠቃላይ የቢዝነስ አስተዳደር ድህረ-ምረቃ ትምህርት ክፍል

የደንበኞች መጠይቅ

ይህ መጠይቅ የተዘጋጀው የኢትዮጲያ ንግድ ባንክ የደንበኞች ግንኙነት አገልግሎት አሰጣጥን ለመመዘን ነው፡፡ በዚህ መጠይቅ ላይ የሚያስፈሩት ማንኛውም መረጃ ለትምህርታዊ አገልግሎት ብቻ እንደሚውል እየገለፅኩ፤ ከዚህ በተጨማሪም ግላዊ መረጃዎች በጥቅል ለሚደረግ ምርምር ግብአትነት ብቻ እንደሚውሉ እና ምስጥራዊነታቸው በሚገባ የሚጠበቅ መሆኑን በትህትና ላረጋግጥልዎ እወዳለሁ፡፡ በተጨማሪም በዚህ መጠይቅ ላይ ስም መፃፍ አያስፈልግም፡፡

ከዚህ ቤታች ለተዘረዘሩት መግለጫዎች የ √ ምልከት በማድረግ የሚመርጡትን ያመልከቱ፡፡
ክፍል 1 - መሠረታዊ መረጃዎች

1. ፆታ

ወንድ ⬚   ሴት ⬚

2. አድሜ 18-30 ⬚   31-40 ⬚   41-50 ⬚   > 51 ⬚

3. የትምህርት ደረጃ:-   መደበኛ ትምህርት አልተማርኩም ⬚   አንደኛ ደረጃ   ሁለተኛ ደረጃ   ⬚

   ዲፕሎማ ⬚   የመጀመርያ ዲግሪና ⬚   ሁለተኛ ዲግሪ ⬚

4. የባንኩን አገልግሎት የሚጠቀሙት ለየትኛው ተግባር ነው ?

ለግል ⬚   ለንግድ ሥራ ⬚   ለሁለቱም ⬚

5. ከዚህ ባንክ ጋር በደንበኝነት ምን ያህል ዓመት ቆይተዋል?

< 5 ዓመት ⬚   ከ 5-10 ዓመት ⬚   > 10 ዓመት ⬚

6 .በባንኩ የሚጠቀሙት አገልግሎት፤ (ከአንድ በላይ ማመልከት ይችላሉ)

የቁጠባ ሂሳብ ⬚   ተንቀሳቃሽ ሂሳብ ⬚   ብድር ⬚

የሃዋላ አገልግሎት ⬚   ኤ.ቲ.ኤም ⬚   የእቃ ወደ ውጭ መላኪያ እና ማስገቢያ አገልግሎት ⬚

7. የባንኩን አገልግሎት በቀን ለስንት ጊዜ ይጠቀማሉ? እባክዎን በቁጥር ይግለፁት⬚_____

8. እርሶ የኢትዮጲያ ንግድ ባንክ ታማኝ ደንበኛ ነዎት?

አዎ (ነኝ) ☐   አየደለሁም ☐

ክፍል 2 የደንበኞች ግንኙነት አገልግሎትን በተመለከተ

አይነት	በጣም አልስማማም (1)	አልስማማም (2)	አስተያየት የለኝም (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
እምነት					
1.ከባንኩ ጋር ባለኝ ግንኙነት ምንም አይነት ችግር አጋጥሞኝ አያውቅም::					
2.ባንኩ ሁልጊዜ በገባው ቃል መሠረት ጥራት ያለው አገልግሎት ይሰጣል::					
3.የገንዘብ ኪሳራ ቢያጋጥመኝ ባንኩ እገዛ ያደርግልኛል ብዬ እተማመናለሁ::					
4.ባንኩ ሁልጊዜ በገባው ቃል መሠረት የፈፅማል::					
ስጦቾ መቀበል					
5. የተለያዩ ችግርች ሲያጋጥሙኝ ባንኩ ስለሚረዳኝ ውለታውን ለመመለስ ዝግጁ ነኝ::					
6.እርሶ እና ባንኩ የጋራ ጥቅማችሁን ለማግኘት አብራችሁ ትሰራላችሁ::					
7.ባንኩ ለደንበኛው በገባው ቃል መሠረት ቃሉን ያከብራል::					
8.ባንኩ የተሻለ ጥቅም እንዳገኝ ያግዘኛል::					

የስውን ችግር እንደራስ ማየት					
9.ባንኩ ለኢያንዳንዱ ደንበኛ ልዩ ትኩረት ይሰጣል፡፡					
10.ባንኩ ችግሮችን ለመፍታት እውነተኛ ፍላጎት ያሳያል፡፡					
11.የባንኩ የስራ ሰአት ለኔ አመቹ ነ ው፡ :					
12.የ ባ ን ኩ ሰራተኞች የ ደ ን በ ኞ ችን ጥያ ቄ ለ መመለ ስ ፈ ጣን ና ቸው፡ :					
ጥ ም ረ ት (የ ስ ራ ት ስ ስ C)					
13.ባ ን ኩ ከ ደ ን በ ኞ ቹ ጋ ር ያ ለ ው ግ ን ኙ ነ ት እ ን ዲ ቀ ጥ ል በ ጣም ይ ጥ ራል ፡ :					
14.ባ ን ኩ ከ ደ ን በ ኞ ቹ ጋ ር ጠ በ ቅ ያ ለ የ ስ ራ ግ ን ኙ ነ ት አ ለ ው፡ :					
15.ባ ን ኩ ዘ ለ ቄ ታ ዊ ግ ን ኙ ነ ቱ ን ለ ማ ስ ጠ በ ቅ እ የ ሰ ራ ይ ገ ኛ ል ፡ :					
16.የ ባ ን ኩ ሰ ራ ተ ኞ ች ተ ቀ ዳ ሚ ደ ን በ ኞ ችን በ ደ ን ብ ያ ው ቃ ሉ ፡ :					
ፈ ጣን ምላ ሽ መ ስ ጠት					
17.ባ ን ኩ ለ ደ ን በ ኞ ቹ ቀ ል ጣ ፋ አ ገ ል ግ ሎ ት ይ ሰ ጣል ፡ :					
18.የ ባ ን ኩ ሰ ራ ተ ኞ ች እ ር ሶ ን ለ ማ ገ ዝ ፈ ቃ ደ ኛ ና ቸ ው፡ :					
19.የ ባ ን ኩ ሰ ራ ተ ኞ ች በ ማ ን ኛ ው ም የ ባ ን ኩ የ ስ ራ መ ስ ክ እ ው ነ ተ ኛ እ ና መ ሉ መ ረ ጃ ይ ሰ ጣሉ ፡ :					

20.የ ባ ን ኩ ሰራ ተ ኞ ች የ ደ ን በ ኛ ች ግ ር ን ለ መፍ ታ ት ጥ ረ ት ያ ደ ር ጋ ሁ ፡ ፡					
ተ ቀ ዳ ሚ ደ ን በ ኞ ች ን በ ተ መለ ከ ተ					
21.ባ ን ኩ ለ ተ ቀ ዳ ሚ ደ ን በ ኞ ቹ ከ ፍ ላ ጎ ታ ቸ ው ጋ ር የ ሚ ጣ ጣ ም አ ገ ል ግ ሎ ት ይ ሰ ጣ ል ፡ ፡					
22.ባ ን ኩ ተ ቀ ዳ ሚ ደ ን በ ኞ ቹ ን ለ ማር ካ ት ሁ ል ግ ዜ ይ ጥ ራ ል ፡ ፡					
23.ባ ን ኩ በ ህ ዝ ባ ዊ በ ዓ ላ ት ለ ተ ቀ ዳ ሚ ደ ን በ ኞ ቹ የ መል ካ ም ም ኞ ት መ ግ ለ ጫ ይ ሰ ጣ ል ፡ ፡					
24.ያ ለ ማቀ ረ ጥ ለ ተ ቀ ዳ ሚ ደ ን በ ኞ ቹ የ ላ ቀ አ ገ ል ግ ሎ ት ይ ሰ ጣ ል ፡ ፡					
25.ባ ን ኩ ለ ተ ቀ ዳ ሚ ደ ን በ ኞ ቹ ከ ፍ ላ ጎ ታ ቸ ው ጋ ር የ ሚ ጣ ጣ ም አ ገ ል ግ ሎ ት ይ ሰ ጣ ል ፡ ፡					

ለ ተ ደ ረ ገ ል ኝ ት ብ ብ ር እ ጅ ግ በ ጣ ም አ መ ሰ ግ ና ሎ ህ !!!
መቅ ደ ስ ሽ ታ ዬ

St. Marry University
SCHOOL OF GRADUATE STUDIES
Structure interview conducted with top management members of

Commercial Bank of Ethiopia.

Hello sir/madam! My name is Mekdes Shitaye I am currently pursuing my Masters of Business Administration (MBA) at the St. Marry University School of Graduates Studies. I kindly request you to ask a few set of questions regarding Customer relationship management practices in your bank. Shall I Proceed? Would you please give me your genuine response to the following questions?

1. Can you explain the Customer Relationship Management (CRM) practice of your bank? (In what way does it differ from other banks)?
2. How does the bank achieve knowledge about customers?
3. How do you evaluate the merit of trust worthiness, reciprocity, empathy, bonding, and responsiveness of your bank customers?
4. How do you create the awareness of CRM concept and practice to the employee?
5. Is the bank takes customer feedback seriously and replies to them?
6. What is the strength and weakness of your bank in the aspect of CRM practice?

Thank you for your cooperation!