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SCHOOL OF GRADUATE STUDIES

MASTERS OF BUSINESS ADMINISTRATION PROGRAM

**THE IMPACT OF RELATIONSHIP MARKETING ON CUSTOMER LOYALTY IN
BANKING INDUSTRY, THE CASE OF BANK OF ABYSSINIA S.C**

BY

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DECEMBER, 2017

ADDIS ABABA, ETHIOPIA

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ENROLMENT No: SGS/0099/2008A

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE
STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF GENERAL MASTER OF BUSINESS ADMINISTRATION (GMBA)**

ADVISOR

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DECLARATION

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

Shiferaw Worku

Signature: _____

Date: _____

ENDORSEMENT

Here with I, state that, Shiferawu Worku has been carried out this research work on the topic entitled “**The Impact Of Relationship Marketing On Customer Loyalty In Banking Industry-The Case Of Bank Of Abyssinia S.C**” under my supervision. This thesis paper has been submitted to St. Mary’s University, School of Graduate studies for the examination with my approval as a University Advisor.

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ACKNOWLEDGMENTS

Undoubtedly, this success has been made possible only through the will of God; hence this is the help of God I do not have words for God, but I would like to take this opportunity to show my sincere gratitude and appreciation to all people in this thesis work.

First and foremost, I am greatly indebted to thank my advisor Getie Andualem (PhD), for his unreserved attention to correct my report and advising me for the better improvement of this thesis.

Second, this thesis would never been accomplished without the cooperation of Bank of Abyssinia management and staffs in order to collect the appropriate data. Therefore, I am deeply grateful to all of them. Special thanks go to all respondents who have sacrificed their valuable time to provide me with the all information needed to complete the study. I thank them all for their patience and understanding.

Third, I am very grateful to thank my beloved family; my father Worku Mengesha, my mother Aselefech Addis, my dearest sister Aster, Alem, Selam and Kabitsh, and I would like to express my deepest gratitude to Eskedar for her continuous support, love and encouragement throughout my study. Thank you very much and God bless you all.

Last but not least, I am greatly indebted gratitude goes to all my friends to Ato Shumye Abera, Geletaw Asches and Abdullahi Hamu for their insightful comments and suggestions, invaluable dedication to edit the research paper, advice and motivation with which they handled the work to ensure the high quality is attained throughout the study. Special word of mouth is their credit.

LIST OF ABBREVIATIONS AND ACRONYMS

BOA- Bank of Abyssinia

S.C – Share Company

NBE- National Bank Of Ethiopia

RM – Relationship Marketing

TM- Transactional Marketing

4P's- Product, Price, Promotion, and Place or Distribution

ANOVA- Analysis of variance

SPSS – Statistical Package for Social Science

MIS- Management information system of the bank

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ABSTRACT

*The purpose of this paper is to explore the impact of relationship marketing on customer loyalty in banking sector in the case of Abyssinia Bank SC. The study considered five construct dimensions of relationship marketing such as, **Trust, Commitment, Communication, Conflict handling and competence**, to measure the customer loyalty of Abyssinia Bank SC. The researcher used both qualitative and quantitative research design, where much emphasis has been given for the latter. Among the various quantitative methods, the researcher used explanatory study, where emphasis is given on studying a situation or a problem in order to explain the relationship between variables. twenty representative BOA, branches was selected out of the total population based on judge mental (purposive) sampling technique and customer of the Bank are selected based on convenient random sampling technique. 385 customers were selected based on statistical formula developed by Taro Yemane in (1967). The data collection instruments were adopted from some previous study Ndubisi & Wah (2005), which consists of 37 (Thirty seven) items. Validity and Reliability test was conducted to check the consistency and dependability of the instruments and accordingly, all the components of relationship marketing considered under the present study was proven to be reliable, scoring an Alpha value greater than 0.70. The Pearson correlation test conducted between customer loyalty and Relationship marketing components showed that, there is a significant positive association between them and the researcher also proved that the entire alternative hypothesis was well accepted. The regressions result confirmed that, the linear combination of all the components of relationship marketing considered under the present study was significantly contributed to the variance in the dependent variable customer loyalty. The ANOVA test result also confirmed that, the prediction powers of the RM components are found to be statistically significant.*

From the Beta coefficient result, the researcher obtained that, commitment is found to be the most important variable in predicting the dependent variable customer loyalty, followed by, Communication, trust , competence and conflict handling.

Finally, the researcher concluded that in the case of Abyssinia Bank SC, components of relationship marketing has a significant positive impact on customer loyalty.

Key words: Relationship marketing, customer loyalty, Trust, Commitment, conflict handling , communication, and competence.

CHAPTER ONE

INTRODUCTION

This chapter is an introductory part for the study which introduces the overall study subject matter. It consists of background of the study and the organization, statement of the problem, research hypothesis, objectives, significances, scope and limitation of the study and organization of the research work.

1.1. Background of the Study

Customers are central to all marketing activities all over the world. Success and in turn profit is not unthinkable without customers. It is clear that customer is the only source of the companies' present profit and future growth.

The financial services industry has undergone significant changes since the 1980s, and the forces of dynamic change are even more aggressively challenging today's financial institutions (Lee 2002). Building relationship is the only way that an organization can achieve a permanent competitive advantages and which leads to survival and long term growth in the market (Jorgensen, 2001). Increased competition in the financial services industry has forced role players within this industry to differentiate themselves from competitors (Farquhar 2004; Heffernan et al. 2008; Rajaobelina& Bergeron 2009). As cited by Edwin, T. and Nic, S (2009).

The banking industry must develop strong relationships with their customers in order to compete successfully in the competitive retail banking environment (Zhang, 2009). Clow and Kurtz, (2003) stated that banks profitability is closely related with customer's retention. They also claimed that, customer defection costs companies millions of dollars each year in lost revenue. In addition to lost revenue, defectors normally spread negative word of mouth communication which can influence other customers to purchase elsewhere.

Ferguson & Hlavinka (2007), their deeper look into relationship marketing reveals that banks are customizing their relationship-building strategies to create value propositions as unique as the institutions and customers they serve. Keller and Kotler (2012), creating loyal customers is at the heart of every business. They also indicated that when banks use loyalty programs to bring about trust and build confidence in the brand, the customer relationship will develop

organically, and so will profits. It is argued that building enduring customer relationships is the secret to furthering growth and should be an unquestioned axiom by bankers.

Relationship marketing (RM) emerged in the 1980s as an alternative to the prevailing view of marketing as a series of transactions, because it was recognized that many exchanges, particularly in the service industry, were relational by nature (Groenroos, 1994; Gummesson, 1994; Leverin and Liljander, 2006). Several authors defined relationship marketing (RM) in different ways. To touch a few, Morgan and Hunt (1994), conceptualized relationship marketing as, "all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges". On the other hand, Mudie et al, (2006), defined RM as „...Relationship marketing is a philosophy of doing business, strategic orientation that focuses on keeping and improving current customers rather than acquiring new customers'.

Modern-day firms realize the value of long-term relationships with customers, and considerable evidence exists that validates the profit impact emanating from strong relationships (Barry et al. 2008), as cited by Edwin, T. and Nic, S (2009).

Very often marketers use relationship marketing to make customers loyal in order to ensure that customers will come back to service provider again and again for the similar service requirement; Customer Loyalty is central to the relationship marketing. Several studies are revealing the importance of relationship marketing than traditional or transactional marketing, because it may cost a firm five to six times as much to attract a new customer as it does to retain an existing one. Customer loyalty can contribute to an increase in a firm's revenue, reduce customer defection rate and develop new business through positive word of mouth advertising (Zeithaml and Bitner, 2003).

In recent years, there has been a refocusing of marketing away from customer acquisition to that of customer retention. If the company is intended to benefit from retaining customers, customers also seek benefit from giving their loyalty to the company (Mudie and Pirrie, 2006). And today this concept is strongly supported by on-going trends in modern business (Ndubisi and Wah, 2005).

To do all the above mentioned issues, organizations need some mechanisms that could increase customer loyalty in a coordinate and change oriented bases. One of the mechanisms

that can give such benefit is relationship marketing. Relationship marketing is the process that organizations has to understand the customers like or/and dislike and serve the customers according to their desire to anchor them for continuous relationship (Kotler & Armstrong, 2010). It is done by gathering related information of customers' in an organized manner, analyzing and interpret it so that it can help the organization to fulfill the need of its customers.

However, still now the field is growing in attention and underpinnings which can contribute for relationship building. Several studies developed the trust, commitment, conflict handling and a few studies also raised empathy, and gratitude as building blocks of relationship marketing (Anabila et al., 2012; Ndubisi, 2005; Ndubisi and Madu, 2009; Parvatiyar and Sheth, 2000; Morgan and Hunt, 1994; Kaur et al., 2012). Furthermore, A relative handful study of Ndubisi (2006) have specifically examined that relationship marketing such as trust, commitment and conflict handling have a direct effect on customer loyalty. As cited by Kunal G, and Kaleem M, (2013)

Thus the main purpose of this research paper is to investigate the impact of relationship marketing on customer loyalty in banking industry, in the case of Abyssinia Bank S.C.

1.2. Background of the Organization

Ethiopian banking history, in its modern sense, began towards the end of the regime of Emperor Menilek. This period witnessed the establishment of the country's first bank called the Bank of Abyssinia, or in Amharic "Ye-Ityopya Bank", it was an affiliate of the National Bank of Egypt, and was founded in 1906.

The present-day Bank of Abyssinia (BOA) was established on February 15, 1996 (90 years to the day after the first but defunct private bank was established in 1906 during Emperor Menelik II) in accordance with 1960 Ethiopian commercial code and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. (<http://www.bankofabyssinia.com>)

Bank of Abyssinia (BOA) started its operation with an authorized and paid up capital of Birr 50 million, and Birr 17.8 million respectively, and with only 131 shareholders and 32 staff. The Bank is one of the pioneer private Bank which have been providing financial services in the Ethiopian banking sector for the last twenty years. Despite the humble start with paid up

capital of Birr 50 million in 1996, now in the fiscal year 2015/16 it has reached a total capital of nearly Birr 2.1 Billion, total Asset of Birr 16.8 billion, deposit of Birr 13.6 billion, a total outstanding loan and advance of Birr 8.0 billion and it has registered a profit of Birr 487.2 million after tax and also the branch network of the bank has reached 205 out of which 99 branches are in Addis Ababa and the remaining 106 are in different parts of the country outside Addis Ababa and over 4,834 talented and committed employees and most importantly, about over 585,735 customers.

Bank of Abyssinia has works with known money transfer agents such as Western Union, Express Money, Turbo Cash, Ria International, Transfast, Dahabshiil and Money Gram. Bank of Abyssinia has maintained correspondent bank accounts with 12 well known international foreign banks operated in USA, Europe, Middle East, and Africa and with 282 international commercial banks all over the world. The fact that the Bank is working with more than 585,735 customers, the issue of relationship marketing and its impact on customer loyalty is a must to be a focal point. Accordingly different relationship marketing dimensions was used by the researcher in order to see their impact on the customer loyalty status of the Bank.

1.3. Statement of the Problem

The financial services industry has undergone significant changes since the 1980s, and the forces of dynamic change are even more aggressively challenging today's financial institutions (Lee 2002). Gilmore, (2003) noted that like many businesses today, financial services take place in an ever-changing context. Kuběnka and Ptáčková (2011) add that since the banking system has changed from one to two-tier banking system, the marketing influence became more evident. Increased competition in the financial services industry has forced role players within this industry to differentiate themselves from competitors (Farquhar 2004; Heffernan et al. 2008; Rajaobelina & Bergeron 2009). As cited by Edwin, T. and Nic, S (2009).

Similarly, currently in Ethiopia, we are observing financial institutions especially in banking industry. The regulatory body – the (National bank of Ethiopia Report, 2015/16), evidence is in Ethiopian Banking industry where there are around 18 (eighteen) players in the sector. Out of this, 16 (sixteen) are private, 9 (nine) of them are inaugurated and started working since 2008 and the remaining are governmental banking. This implies that almost half of the total

banks in Ethiopia established in the last eight and half years. All of these banks have some main tasks like monetary activities like opening different accounts, payment activities, credit activities etc. in these environment naturally there are some customers who are using the banking services, because of the similarity of the offered services by different banks, I consider the customer similar to each other. These enormous increases in banks create an opportunity for the customers to choose the banks they want. As a result, fewer new customers are being pursued by an increasing number of service providers.

Furthermore, Banking has traditionally operated in a fairly stable environment for decades. However, now a day the banking industry is facing a radically aggressive competition in a new deregulated environment. In the fiscal year 2015/16, the National Bank of Ethiopia (NBE) has also instructed all private commercial banks to scale up their annual branch expansion and annual deposit average growth by 25 percent and 30 percent respectively. Which further increases their paid-up capital, product development for the competition, amendment on liquidity requirements of banks, fraud monitoring and involvedness among the banks? As a result, competition among the private banks themselves and with public banks also became very strong and stiff. Public banks are the most dominant banks in the country. Thus, the private banks have faced challenges to attract and retain customers. No doubt competition will continue to be a more significant factor. With the curious increase in the country's population and the increased demand for banking services and reputation, customer's loyalty are going to be key differentiators for each bank's future success.

Customer loyalty in banking has been a major concern to practitioners due to severe competition and higher customer expectations. Customer loyalty is considered a vital link and aspiration to organizational success, profit and business performance (Oliver, 1997; Reichheld, 1993; Sheth and Parvatiyar, 1995). Moreover, loyalty rather than satisfaction is becoming the number one strategic goal in today's competitive business environment (Oliver, 1999). So, in order to remain in this volatile business environment, Banks in Ethiopia should have to assure the loyalty of their customer in this regard.

In view of that, the researcher was interested in the Area after taking an observation to the Banks gloomy customer loyalty status. The data obtained from the data base of Abyssinia Bank which reveals that, there is a customer turnover in selected Bank branches. In doing so, the researcher tried to see the most recent data on the number of customers that already

closed their account from the Bank. Accordingly, the statistical report of the Bank from the month of January 1, 2015 up to December 31, 2016 (for two years) showed that, from the total of 205 BOA Branches that spread across the length and breadth of the country, the Bank lost around 15,905 account holder customers. On the other hand, specifically from the sample of twenty City Branches selected for the study, a total of 7,278.00 account holders are already closed their account maintained in Bank of Abyssinia. (Source, data found from the Bank). The percentage contribution of the twenty bank branches selected for the study was 45.76 % (7, 278, /15,905), which is an indication of the fact that, customer turnover rate was very high on those selected bank branches. However , Even if the percentage of customer turnover seems small as compared to the total number of customers the Bank had, (i.e. $15,905/585,735*100=2.72\%$), customer retention was still remained as a big concern for Bank of Abyssinia.

Research has shown that the cost of serving one loyal customer is five to six times less than the cost of attracting and serving one new customer (Rosenberg and Czepiel, 1983; Ndubisi, 2003; Ndubisi and Wah, 2005; Gilaninia et al, 2011). Reichheld (1993) reported that a 5 percent increase in customer retention typically grew the company's profit by 60 percent by the fifth year. Also long-term relationships between banks and their customers allow for the systematic monitoring of borrowers for credit assessment, enforcing contract compliance and as a conduit to gather information for profitability, distribution and pricing which leads to greater satisfaction, repurchase, and positive word of mouth (Ashton and Pressey, 2004).

According to Rosenberg and Czepiel,(1983) a 5% increase in customer retention adds 25-150 percent to the bottom line and it costs six times more to attract new customers than to retain the existing one, As cited by, Ndubisi and Wah (2005). According to this authors, if losing one customer costs six times than to retain the existing one, we end up in calculating that, if Bank of Abyssinia loses 15,905 customers within a two year period, it costs the Bank to bring back 95,430 (i.e. $15,905*6$) new customer to replace the loss, which is practically difficult to attain within the stated period. Beyond this, the negative word of mouth of the customers who leaved the Bank also aggravated the problem. This is an implication of the fact that, the Bank in a serious problem of assuring the loyalty of its customers, which is attributed to lack of strong relationship marketing strategy. In general, lack of strong relationship marketing strategy could possibly resulted in loss of loyal customers, which create a fertile ground for loss of deposit and hence profit as well.

So, Bank of Abyssinia need to have a good understanding of its customer behavior so that appropriate marketing strategies directed towards relationship building and customer retention can be developed. Considering the problem at hand, the very purpose of this research paper was to assess the impact of relationship marketing on customer loyalty in banking industry, in case of Bank of Abyssinia SC.

1.4. Research Objectives

1.4.1 General objective

The general objective of the study is to investigate the influence of relationship marketing on customers' loyalty in banking industry particularly in the case of Abyssinia Bank SC.

1.4.2. Specific objectives

Specifically the study has the following objectives:

- ✓ Investigate the impact of trust dimension of relationship marketing on customer loyalty in the case of BOA.
- ✓ Investigate the impact of commitment dimension of relationship marketing on customer loyalty in the case of BOA.
- ✓ Investigate the impact of communication dimension of relationship marketing on customer loyalty in the case of BOA.
- ✓ Investigate the impact of conflict handling dimension of relationship marketing on customer loyalty in the case of BOA.
- ✓ Investigate the impact of competence dimension of relationship marketing on customer loyalty in the case of BOA.
- ✓ Finally, to determine the influence of relationship marketing in general on customer loyalty in the case of BOA.

1.5. Research hypothesis

Based on the review of related literatures the following hypothesis are proposed.

H1: There is a significant positive relationship between trust and customer loyalty.

H2: There is a significant positive relationship between commitment and customer loyalty.

H3: There is a significant positive relationship between conflict handling and customer loyalty.

H4: There is a significant positive relationship between communication and customer loyalty.

H5: There is a significant positive relationship between competence and customer loyalty.

H6: Relationship marketing has a high influence on customer loyalty.

1.6. Definition of terms

1.6.1. Conceptual definition

- ✓ **Relationship Marketing-** According to Gronroos (1994), the aim of relationship marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met.
- ✓ **Customer Loyalty-** it is a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. Oliver (1999).
- ✓ **Trust-** willingness to rely on an exchange partner in whom one has confidence Moorman et al. (1993) Orth & ree (2009).
- ✓ **Commitment-**The desire for continuity manifested by the willingness to invest resources into a relationship Gounaris (2005).
- ✓ **Communication-**The formal as well as informal sharing of meaningful and timely information between firms. Anderson & Narus (1990) Vatanasombut et al. (2008).
- ✓ **Conflict Handling-**The handling of the overall level of disagreement in the working partnership Anderson & Narus (1990).
- ✓ **Competence -**The buyer's perception of the supplier's technological and commercial competence. (1998) & Sichtmann (2007)

1.6.2. Operational definition

Customer: - customers of Bank of Abyssinia that uses products and services of the Bank.

1.7. Significance of the study

- ✓ In the service sector like banking industry, firms really need to be more alert of their customer needs and wants. In order to sustain their competitiveness in the marketplace, each bank needs to provide the excellent service towards their entire of customers. If the firms failed to maintain and enhance their services, it is impossible for them to achieve their targets. However, it is really difficult to achieve customers' loyalty. In this regard, this study will help the Bank in identifying in which areas of relationship marketing dimension it should focus on, so that it is possible to remain in this competitive business environment. In addition to this, the research paper will:
- ✓ Enable the Bank to create long term profitable business relationship with customers by identifying the weak link of its relationship quality.
- ✓ Contribute to empirically inform decision makers, policy makers, planners and other concerned parties about the problem at hand and suggest means of tackling the problem as well.
- ✓ Contribute to fill the current gaps specified by the problem and to shed light for further studies conducted by researchers and practitioners in the future.

1.8. Scope and limitation Of the Study

The study would be important in obtaining a lot of information if it covers all banks in Ethiopia. And also the magnitude of the study must not be only confined in Bank of Abyssinia in Addis Ababa. It could also affect all the Ethiopian banks both private and governmental banks. However, it is impractical or unmanageable to include all the Ethiopian banks because of resource limitations. Therefore, this study was delimited to Bank of Abyssinia, only twenty selected branches located in Addis Ababa, In this regard, the statistical report from the year of January, 2015 up to December, 2016. The other banks and sectors are not involved. In terms of the constructs showing in the research framework, in order to make the study manageable, only five ways of relationship marketing underpinnings (trust, commitment, conflict handling, communication and competence) are focused and their impact on customer loyalty. Other elements or underpinnings such as empathy, gratitude, values, and cooperation, service quality, Good experience etc, measurements of relationship marketing are beyond this study. During filling the

questionnaire, there might be hesitations from the respondents. Thus further research needs to contain more desirable dimensions, in order to gain better insight.

1.9. Ethical Considerations

The title of the study was approved by Ethical Review Committee of College of Business Administration of St. Mary's University, before to conduct of the study. Any relevant data for the study was collected by the permission obtained from Abyssinia Bank SC. All the study participants or Customers of the Bank were informed about the purpose of the study and finally their consent was obtained before collecting data. Customers of the Bank was also clearly instruct on top of the questionnaire that, the study is conducted to explore the impact of relationship marketing on customer loyalty in Bank of Abyssinia and it is truly used for academic purposes only. For the sake of protecting the privacy of the respondents, instruction was put in place stating that, customers are not required to write their name and address on the questionnaire. Finally, the researcher wants to assure that, all the respondents fill the questionnaire based on their bestowed interest.

1.10. Organization of the study

The study has five chapters. The first chapters have the introductory part that contains background of the study, problem statement, and objective of the study, hypothesis, and definition of terms, significance and scope of the study. The second chapter is dealt with review of related literature where exhaustive theoretical concepts related to the various dimension of relationship marketing and their impact on customer loyalty was described in a very great detail. Then the Third Chapter that is described the methodology employed in order to conduct the study which includes the research design, types of data and data collection instruments, sample size and sampling techniques, procedure of data collection, data analysis techniques and tests of reliability. In chapter four data analysis & discussion of result was included. Then chapter five conclusion and recommendations are presented. Finally, references and copy of the questionnaires were annexed.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

2.1. Theoretical Part

The review of the literature was done from various writings, relating with the topic. which were rated in to primary and secondary one depending upon the origin of the source. Some of these literatures provide a basic overview of the research and some of them raised crucial questions for examination. The majority are text book , articles, journals , paper presented by the management, documents written by the local writers on the area. Along with some other text books related to the general concept of relationship marketing and customer loyalty.

2.1. 1. Relationship Marketing Formation

The emergence of relationship marketing (RM) as a separate academic domain of marketing in the 1980s and 1990s becomes more comprehensible from a historical perspective. The concept of relationship marketing has emerged within the field of services marketing and industrial marketing (Dwyer et al. 1987; Thorbjornsen et al. 2002; Swaminathan et al. 2007, Bolton et al. 2008; 2005); blossomed in the late 1980s and 1990s and Ndubisi and Wah, (Beetles and Harris, 2010).

The term relationship marketing (RM) initially proposed by Berry in 1983: “attracting, maintaining and in multi-service organizations enhancing customer relationships” (Little and Marandi, 2003; Grönroos, 2004; Harker and Egan, 2006). It noticed that, in early stage, tried to develop general theory about marketing which already exist in relationship perspective. Relationship marketing was not important in early stage what has gained today, because environmental factor was so weak on that period than today's. The new paradigm has several debating studies and still now there is no conceptually agreed definition and boundary about relationship marketing (Parvatiyar et al, 2000). Today this concept is strongly supported by on-going trends in modern business (Ndubisi and Wah, 2005).

2.1.2 Definition of Relationship Marketing

Several authors defined relationship marketing (RM) in different ways. To touch a few, Berry (1983) defines Relationship marketing is attracting, maintaining and enhancing customer relationships. Shani and Chalasani (1992) define relationship marketing as “an integrated

effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time". According to Gronroos (1994) the aim of relationship marketing is to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfillment of promises. Rapp and Collins (1990) suggest, similarly, that its goals are to create and maintain lasting relationships between the firm and its customers that are rewarding for both sides. This is achieved by a mutual symbiosis and fulfillment of promises (Ndubisi 2003a,b). In other words, a key objective is to foster customer loyalty, which Oliver (1999) defined as a deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite there are situational influence and marketing efforts having the potential to cause switching behavior.

Morgan and Hunt (1994), conceptualized relationship marketing as, "all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges". According to Clark and Payne (1995) relationship marketing is the business of attracting and enhancing long-term client relationships. Kotler and Armstrong's definition of Relationship Marketing is noteworthy: "Relationship marketing involves creating, maintaining, and enhancing strong relationships with customers and other stakeholders. Therefore relationship marketing is a strategy where the management of interactions, relationships and networks are fundamental issues (Ndubisi, 2007). Consequently customer relationships are at the center of this marketing perspective (Zineldin and Philipson, 2007).

2.1.3. Characteristics of relationship

Blomqvist et al. (1993) proposed the following key characteristics of relationship marketing: every customer is considered an individual person or unit; activities of the firm are predominantly directed towards existing customers; implementation is based on interactions and dialogues; and the firm is trying to achieve profitability through the decrease of customer turnover and the strengthening of customer relationships(Blomqvist,1993).

2.1.4. The basic concept of loyalty

The idea of customer's loyalty has been rooted around many years. It has become more important undergoing brisk change in banking sector. Customer loyalty is an important area to research in services study (Gremmler 1995).

Oliver (1999) has described loyalty as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. And “fervently desires to re-buy a product or service and will have no other – pursuing this quest against all odds and at all costs”. Moreover, loyalty rather than satisfaction is becoming the number one strategic goal in today’s competitive business environment (Oliver, 1999).

Customer loyalty in banking has been a major concern to practitioners due to severe competition and higher customer expectations. Customer loyalty is considered a vital link and aspiration to organizational success, profit and business performance (Oliver, 1997; Reichheld, 1993; Sheth and Parvatiyar, 1995).

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

Singh and Sirdesh ukh (2000) recommended the customer loyalty as “the market place currency of the twenty-first century”. Ndubisi & Pfeifer (2005) explained it as that the serving cost of a loyal customer is five or six times less than a new customer. This statement indicates the importance of customer loyalty. According to Walsh et al. (2005) it is better to serve first the existing customer before acquiring new customers. Gee et al. (2008) stated the advantages of customer loyalty are as:

- ✓ The service cost of a loyal customer is lesser than new customers.
- ✓ They will give higher costs for a combination of products; and
- ✓ For a company, a loyal customer will perform as marketing agent and positive word of mouth for the company.

A common approach to distinguish customer loyalty is consumer's attitudinal loyalty and behavioural loyalty (Dick and Basu, 1994; Zeithaml, 2000; Chaudhuri and Holbrook, 2001). As cited by, Mukhiddin, Deleep and Jalal (2012). Behavioural loyalty is repeated transactions (or percentage of total transactions in the category, or total expenditures in the category) and can sometimes be measured quite simply with observational techniques. Attitudinal loyalty is sometime defined equivalently with relationship commitment (Morgan and Hunt, 1994).As cited by, Mukhiddin, Deleep and Jalal (2012).

Behavioral loyalty is highly prized, because it means sales. Attitudinal loyalty is also highly prized, because as Oliver, (1997a and 1999) argues, behavioral and attitudinal loyalty are highly intertwined, repeated purchases lead to positive affect which leads to cognitive loyalty, high levels of involvement and intention to continue repurchase. We may consider both affective and cognitive loyalty to be kinds of attitudinal loyalty. Strong attitudinal loyalty makes customers more resistant to attempts by other marketers to steal them away (Gundlach et al., 1995) and more resistant to counter – persuasion and search for alternatives (Dick & Basu, 1994). As cited by, Mukhiddin, Deleep and Jalal (2012).

Results of Pantouvakis and Lymperopoulos (2008) support that in order for service company services strategies and tactics to yield desired results; attention should be given to the increasing loyalty of customers.

Knowing the buying motivations of customers has been an important part of understanding customer loyalty and brand switching behaviour. Oliver (1997) describes four levels of loyalty based on these components:

1. cognitive sense (belief). -one brand is preferable based on superior brand attributes.
2. Affective - liking towards brand has developed over the course of multiple purchase situations that were satisfying.
3. Conative - Affective stage with the express intention to re-buy.
4. Action - Conative stage plus the active desire to overcome situational influences and marketing efforts that may have the potential to cause switching behavior. e.g., attractions of competitors or price increase by a firm, to achieve the actual purchase behaviour (Oliver, 1997). As cited by, Mukhiddin, Deleep and Jalal (2012).

2.1.5. Dimensions of relationship marketing and loyalty

2.1.5.1. Trust and Loyalty

Relationship marketing is built on the foundation of trust, as research demonstrates (Morgan and Hunt, 1994). They define trust as a willingness to rely on an exchange partner in whom one has confidence. Trust ensures that the relational exchange is mutually beneficial, as the good intentions of partners are not in doubt. Customers buying services are specially benefited by the existence and development of trust (Berry, 1983).

Trust is an important ingredient in firm-customer relationships and ultimately in the development of loyalty (Ndubisi, 2007). Therefore, banks should strive to win customers-trust. The ways in which this can be achieved include the giving and keeping promises to customers, showing concern for the security of transactions, providing quality services, showing respect for customers through front-line staff, fulfilling obligations, and acting to build customers- confidence in the bank and its services.

Morgan and Hunt (1994) conceptualize trust as existing when one party has confidence in an exchange partner's reliability and integrity. They indicated that trust is a generalized expectancy held by an individual that the word of another can be relied on. Their definition highlights the importance of confidence. The literature on trust suggests that confidence on the part of the trusting party results from the firm belief that the trustworthy party is reliable and has high integrity, which is associated with such qualities as consistent, competent, honest, fair, and responsible. Trust in relationship marketing is very important. This is the main focus in service organizations. It needs to go along with commitment. If deliverable is good then trust increases.

Ndubisi (2007) emphasized that an integral element of the relationship marketing approach is the promise concept. He argued that the responsibilities of marketing do not only, or predominantly, include giving promises and thus persuading customers as passive counterparts in the marketplace to act in a given way, but also in keeping promises, which maintains and enhances evolving relationship. He also pointed out that fulfilling promises that have been given is equally important as a means of achieving customer satisfaction, retaining the customer base, and securing long-term profitability.

Trust is considered so important to long-term relationships and enhancing customer loyalty. Many authors have suggested that customers' trust has a significant role in building long-term relationship and achieving customer loyalty (Berry, 1983; Kotler & Armstrong, 2010). Furthermore, Moorman et al., (1993) found that trust by marketing research users in their research providers significantly affected user commitment to the research relationship. Creating trust in customer mind set importance for companies because from the previous studies Trust along with commitment is an important antecedent of loyalty (Ball et al., 2004). In order to increase the levels of trust, companies must focus on keeping promises to their

customers and consistently carry their best interest at heart (Hocutt, 1998).As cited by, Mukhiddin, Deleep and Jalal (2012).

2.1.5.2. Commitment and Loyalty

Commitment is another important determinant of the strength of a marketing relationship, and a useful construct for measuring the likelihood of customer loyalty and predicting future purchase frequency (Gundlach et al., 1995; Morgan and Hunt, 1994; Dwyer et al., 1987). Wilson (1995) observed that commitment was the most common dependent variable used in buyer-seller relationship studies. In sociology, the concept of commitment is used to analyze both individual and organizational behavior (Becker, 1960) and mark out forms of action characteristic of particular kinds of people or groups (Wong and Sohal, 2002), while psychologists define it in terms of decisions or cognitions that fix or bind an individual to a behavioral disposition (Kiesler, 1971). In the marketing literature, Moorman et al. (1992) have defined commitment as an enduring desire to maintain a valued relationship. This implies a higher level of obligation to make a relationship succeed and to make it mutually satisfying and beneficial (Gundlach et al., 1995; Morgan and Hunt, 1994).

Crosby and Taylor (1983) suggest that the tendency to resist changing preference provides the principle evidence of commitment. Beatty et al., (1988) define consumer commitment as the psychological attachment to a service that develops. A customer would be able to determine that their purchase behavior was derived from a sense of loyalty. A substantial research highlights that commitment is an affective nature (Garbarino & Johnson, 1991; Morgan & Hunt, 1994; Sheth & Parvatiyar, 2002). As cited by Mukhiddin, Deleep and Jalal (2012).

Luarn and Lin (2003) establish significant relationship between commitment and loyalty. Various studies in the relationship marketing area have shown that these two factors seem to be crucial in influencing one another (Anderson and Narus, 1990; Anderson and Weitz, 1992; Kumar et al., 1995; Morgan and Hunt, 1994; Pritchard, Havitz and Howard 1999; Fullerton, 2003; Evanschitzky et al., 2006). For example, Pritchard, Havitz and Howard (1999) found commitment to be strongly correlated with customer loyalty. Fullerton (2003) reveals that when customer commitment is based on shared values and identification, it has a uniformly positive impact on customer loyalty. Several other studies confirm a significant interaction of

affective commitment and continuance commitment on loyalty (Fullerton, 2003; Evanschitzky et al., 2006). As cited by Mukhiddin, Deleep and Jalal (2012).

2.1.5.3. Conflict Handling and Loyalty

In interpersonal communication, conflict occurs when an individual perceives incompatibility between his or her personal goals, needs, or desires and those of the other party. In dealing with conflict, people use different strategies to accomplish their goals. Dwyer et.al (1987) defined conflict handling as the ability of each supplier to avoid any potential conflict, solve that particular conflict before they create problems and the ability to discuss the solutions openly when the problem arises.

Conflict handling requires cooperative behavior from exchange partners. According to Evans & Beltramini (1987), in a negotiation setting, cooperative versus competitive intentions have been found to be linked to satisfactory problem solution. In short, good conflict resolution will result relationship quality positively. Conflict handling is an important relationship builder. Even though it is difficult to service industries especially in banking sector to achieve zero service failure banks put in place effective conflict resolution or problem solving machinery. As cited by Mukhiddin, Deleep and Jalal (2012).

A major problem which had been resolved satisfactorily may leave in its wake a happy and loyal customer, but maybe minor issues if not handled carefully will result in defection. A more excellent approach, for example proactive in planning and implementation includes, identifying potential conflict, solving conflict before they manifest, avoiding potential conflict and blocking them. Those efforts could bring the better relationship and loyalty to particular bank or service firm (Ndubisi, 2007). Ndubisi & Chan (2005) found a significant relationship between conflict handling and customer loyalty, indirectly through trust and perceived relationship quality.

2.1.5.4. Communication and Loyalty

Today, there is a new view of communications as an interactive dialogue between the company and its customers, which takes place during the pre-selling, selling, consuming and post consuming stages .Communication in relationship marketing means keeping in touch with valued customers, providing timely and trustworthy information on service and service changes, and communicating proactively if a delivery problem occurs. Communication is all formal and informal exchanges that make meaningful and timely information exchange

between buyer and seller (Ranjbarian & Barari, 2009). Communication should be proactive rather than just reactive (Boedeker, 1997) and it has three sub constructs. These are the frequency, relevance and timeliness of communication from the organization to the customer (Macmillan et al, 2005). Communications also tell dissatisfied customers what the organization is doing to rectify the causes of dissatisfaction. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal (Ndubisi, 2007).

2.1.5.5. Competence and Loyalty

Competence is defined as the buyer's perception of the supplier's technological and commercial competence (Anderson and Weitz, 1989). They operational zed competence in four ways: the supplier's knowledge about the market for the buyer, the ability to give good advice on the operating business, the ability to help the buyer plan purchases and the ability to provide effective sales promotion materials.

According to Rakstis (1996), the National Retail Merchants Association, USA, reported that businesses lose approximately 20 percent of their customers each year, most of which arise from issues relating to incompetent service delivery. Of customers who switch financial institutions in the USA, 40 percent do so because of service quality problems (Raddon, 1987). Such organizations are yet to recognize the following: that customer retention has a significant impact on bank profitability (Newman and Crowling, 1996); a 5 percent increase in customer retention adds 25-150 percent in bottom line (Rosenberg and Czepiel, 1983); 65 percent of the average company's business comes from its present customers (Vavra, 1992); small increases in customer retention rates can lead to dramatic increases in profits (Reichheld, 1996); it costs six times more to attract a new customer than to retain an existing one (Rosenberg and Czepiel, 1983), and the whole idea of customer relationship marketing which is the ability to effectively identify, acquire, foster, and retain loyal profitable customers (Marketing Week, 2001). As cited by, Ndubisi ON (2007) .

2.1.6. Benefits of Relationship Marketing:

In the increasingly competitive global financial world, relationship marketing has been advocated as an excellent way for banks to establish a unique long-term relationship with their customers. Thus, recognition of the importance of relationship marketing has grown in recent years (Man so and Speece, 2000).

The banking sector is becoming increasingly competitive around the world. This is particularly true in the area of small-medium business banking. Further, the core and actual product being offered to business customers could be considered reasonably homogenous. Consequently, there is an increased need for banks to differentiate themselves from competitors at the augmented product level. One way that this might be achieved is to develop longer-term relationships with their key customers (Heffernan et al, 2008). Relationship marketing literature related to banking can be traced back to the early 1980s. Relationship marketing is a feasible way for banks to establish a unique long-term relationship with their customers (Gilbert and Choi, 2003).

Day and Wensley (1983) said that by building relationship with customer, retailer can produce differentiate product according to customer needs which gives opportunity to remain loyal to the organization. But Sheedy (1997) said that relationship marketing increase the scope of the economics by multiple cross selling as well reduce opportunity cost by retaining customer rather than attracting new one. Relationship marketing develops trust between retailer and customer which induce the customer to make referral to others about retailers (Reichheld, 1993). So relationship marketing makes trust worthy, committed between customers which make them loyal to the organization. Relationship marketing strategy, apart from its ability to help understand customers' needs, can also lead to customer loyalty and cost reduction (Ndubisi, 2004).

Reichheld (1993) reported that a 5 percent increase in customer retention typically grew the company's profit by 60 percent by the fifth year. In addition, long-term relationships between banks and their customers allow for the systematic monitoring of borrowers for credit assessment, enforcing contract compliance and as a conduit to gather information for profitability, distribution and pricing which leads to greater satisfaction, repurchase, and positive word of mouth (Ashton and Pressey, 2004). Moreover, if a bank builds and maintains good relationships with customers it cannot be easily replaced by the competitors and therefore provides for a sustained competitive advantage. Relationship marketing adopts a customer focus and its main benefits include greater customer retention, increased loyalty, reduced marketing costs, and greater profits (Stavros & Westberg, 2009).

2.2. Empirical review of the literature

Some related studies are conducted by different researchers in different parts of the world. However, there are limited numbers of studies conducted in Ethiopia on the impact of relationship marketing on customer loyalty in banking industry. Specifically, Elleni (2010) conducted research on "The Influence Of Customer Relationship Marketing To Improve Customer Loyalty A Case Of Commercial Bank Of Ethiopia (Addis Ababa)" The aim of her study was focused on to examine the influence of relationship marketing practice of CBE on maintaining loyal customers. The author identifies some relationship marketing factors like customers relationship with the Bank, keeping in touch with customers, keeping close cooperation with customers, building a long term relationship, providing services on time, flexible working hours, customers trust in employees, sincere and detail information about all terms and conditions, willingness of employees to help where necessary all contributed with customer loyalty in Commercial Bank of Ethiopia. (Unpublished source: from Addis Ababa University).

The study conducted by Shiferaw Bekele (2011), on the impact of relationship marketing on customer loyalty in the case of Abyssinia Bank. The aim of his study is to investigate the relationship marketing dimensions such as trust, commitment, conflict handling, and empathy of Bank of Abyssinia, in order to discover whether these dimensions has had the intended strengthening effect on customer loyalty. He found that trust dimension has a significant positive relationship with the dependent variable customer loyalty. (Unpublished source from Addis Ababa University).

On the other hand the study conducted by (Ndubisi 2007) In Malaysian banking sector, the purpose is to examine the impact of relationship marketing strategy on customer loyalty. he assessed the relationship of four constructs (commitment, trust, conflict handling and communication) on customer loyalty. The four variables have a significant effect and predict a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another.

Mohammad Taleghani (2011). "The Role Of Relationship Marketing In Customer Orientation Process In The Banking Industry With Focus On Loyalty" his study was planned to examine the impact of relationship marketing underpinnings (namely trust, commitment, communication, conflict handling, bonding, shared values, empathy, and reciprocity) on customer loyalty in the banking industry. The results of the regression analysis summarized

show that all eight underpinnings of relationship marketing contribute significantly to customer loyalty. International Journal of Business and Social Science Vol. 2 No. 19 [Special Issue - October 2011]

According to study conducted by Muhammad Z, Kashif S, Saleem P (2010) the result shows that the customer trust has significant association with customer loyalty. Similarly the study conducted by S.Sivesan and S.Achchuthan (2012) showed that trust dimension of RM is highly correlated with customer loyalty. The study conducted by S.Sivesan and S.Achchuthan (2012) showed that, commitment dimension of RM is highly correlated with customer loyalty.

The study conducted by Mukhiddin J, DeleepKumar.M, Jalal R (2012), under the title "Impact of relationship marketing on customer loyalty in the banking sector in Northern Malaysia". The objective of his study is to examine the causal relationships of several antecedents of customer loyalty in the context of retail banking in Northern Malaysia, the criteria to measure customer loyalty has to establish to provide the outcome measures for the hypotheses. Also In the research framework, it shows that empathy; perceived conflict handling, trust, perceived value and commitment are direct predictors of customer loyalty. Pearson Correlation test was conducted and the results are shown, There is significant positive correlation between conflict handling dimension and customers' loyalty at 0.000 lower than 0.005. The finding is in line with the second hypothesis stated in the paper that the relationship marketing may have high influence on customer loyalty.

FreyedonA,Motreza F (2013), according to their study on the impact of relationship marketing on customer loyalty found that, conflict handling as a predictor variable was significantly correlated with customer loyalty. Also he found that, communication as a predictor variable was significantly correlated with customer loyalty. Similarly the study conducted by, Laith A and Nahla A (2010), showed that the two variables (i.e. Customer loyalty and communication), are positively correlated at the significant level.

The study conducted by S.Sivesan and S.Achchuthan (2012) showed that conflict handling dimension of RM is highly correlated with customer loyalty.

Peyman J, FreyedonA,Motreza F (2013), according to their study on the impact of relationship marketing on customer loyalty found that, competence as a predictor variable was significantly correlated with customer loyalty. Similarly, the study conducted by,

Krishnakumary.M and Santhosh. P, (2015), competence dimension of relationship marketing was positively correlated with the response variable, customer loyalty at a significant level.

The study conducted by Rizwan Ali (2015). Factors Influencing Customer Loyalty of Banking Industry: Empirical Evidence from Pakistan. This research attempts to examine that how service quality, trust and reputation effects customer loyalty in Pakistan Banking Industry. The finding of this paper indicates that service quality, trust and reputation are positively influences customer's loyalty.

2.3. Conceptual frame work of the study

In the present study according to model of Ndubisi &Wah (2005) variables of trust, commitment, communication, conflict handling and competence as fundamental variables of relationship marketing have been studied. As cited by, (Peyman, Freyedon,and Motreza 2013).

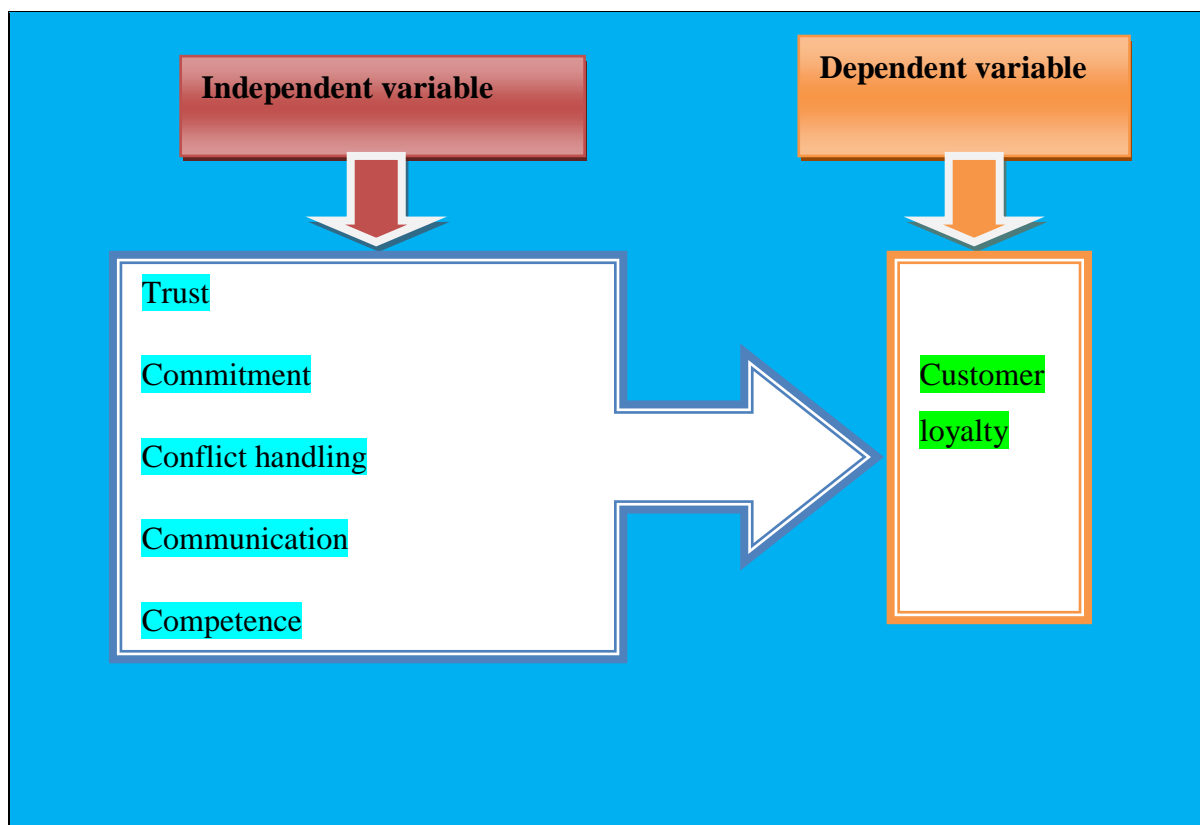


Figure 2.1- A conceptual model of the study adopted from Ndubisi and Wah (2005).

Trust- indicates that each person of relationship, to what extent can considered other person promise and is defined as the willingness to trust and reliance to audience (Wong & Shoal, 2002, 34-50). In this study trust variable is measured by factors such as bank security in transactions, bank service quality, reliability promises of bank, staff behavior towards clients and the bank commitment to our customers. As cited by, Peyman, Freyedon, and Motreza (2013).

Commitment- is intention to continue or maintain a relationship with the other party (Rashid, 2003). In this study commitment is measured to compatible and consistent of bank services with customer needs and bank flexibility towards the customer and change services. As cited by, (Peyman, Freyedon, and Motreza 2013).

Communication- is all formal and informal exchanges that make meaningful and timely information exchange between buyer and seller (Ranjbarian & Barari, 2009). In this study Communication is measured with factors such as timely and reliable information, providing information on new services and promises and accuracy in information. As cited by, Peyman, Freyedon, and Motreza (2013).

Conflict handling- is defined as cooperative supplier in minimizing negative results from significant potential involvement (Ndobisi & Wah, 2005). In this study conflict handling is measured with factors such as to avoid conflict, trying to solve problems before they occur, the ability to solve problems in time of problem. As cited by Peyman, Freyedon, and Motreza (2013).

Competence- has defined by perceptions of each of the party relationship amount of skills, abilities and knowledge needed the opposite party to effective function (Smith and Barclay, 1996). In this study competence is measured with factors such as necessary knowledge about bank service, market trends, consulting and planning about the investment to customer's and effective advertising. As cited by, Peyman, Freyedon, and Motreza (2013)

CHAPTER THREE

3. RESEARCH METHODOLOGY

This section presents the detail methodology that was applied to obtain representative data from sampled bank branches and shows the logical frame work that discusses research design, research approach , research methods definition of the target population, sampling technique and size, procedure of data collection, validity and reliability test and data analysis method.

3.1. Research design

According to chopra et al. (2012) research design is the conceptual structure within which research is conducted. They specifically indicate that “a research design 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. Among the various types of quantitative design, the researcher was conducting an explanatory study, where emphasis is given on studying a situation or a problem in order to explain the relationship between variables. Explanatory research was used because, it enable the researcher to critically examine the relationship between the independent variables of relationship marketing such as trust, commitment, conflict handling, communication, and competence and the dependent variable customer loyalty. Qualitative information was also being used to investigate the opinion of head marketing and promotion department of Abyssinia Bank through conducting an face-to-face interview.

3.2. Research Approach

The approach used in this research is a mixed research approach which makes the use of both qualitative and quantitative approach, where much emphasis was given for the quantitative research design (usually expressed as QUAN-QUAL). Creswell (1994) define quantitative research as a type of research that is `explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics).The researcher was focus heavily on quantitative research because, it is useful to quantify opinions, attitudes and behaviors and find out how the whole population feels about a certain issue, particularly for this study it is to know the attitude of customers towards the various dimensions of relationship marketing and its impact on loyalty. Quantitative research approach was also

being suitable for testing hypothesis. However, qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior.

3.3. Research Methods

3.3.1 Data collection techniques and variables

The study used both primary and secondary of data as its source of information. Primary data is collected from customers of Abyssinia bank through structure questionnaires develop to solicit their opinion regarding the various dimensions of relationship marketing and to see their impact on the customer loyalty and used semi- structured interview with head marketing and promotion division of the Bank. The questionnaire was prepared in English language, and translated into Amharic to facilitate the response.

The researcher also used secondary source of data like, reviewing books, previous research works (published and/or unpublished) related journals articles, online information available and BOA customers status records and data bases from MIS department and etc..which was support the development of the study.

Based on the research objective, a questionnaire was prepared to elicit customers' experience and semi-structured interview questions also prepared to get information about relationship marketing and customer loyalty of Bank of Abyssinia. The semi structure questionnaire consists of two parts. Part one was prepared to gather general information about the respondents' gender, age, education, occupation, monthly income and for how many time the customer using the bank's services. Part two was prepared to ask respondents to answer relationship marketing and customer loyalty questions. This part consists of 37 questions and measures the impact of relationship marketing on customer loyalty which is divided in five dimensions. The first dimension, trust consists of seven (7) questions and was adopted from Ndubisi & Wah (2005) and The second dimension which consists five (5) questions that measure commitments were adopted from Ndubisi & Wah (2005) and (Lacey & Morgan, 2009). The third dimensions that measure “conflict handling” contained five (5) questions which were adopted Ndubisi (2005) and Naceur & Azaddin (2005). The fourth communication dimension comprises six(6) questions which were adopted from Tahir and Abidin (2011), Shifera Bekela (2011) and developed by the researcher. The fifth dimensions competence contained seven (7) which were adopted from Hunt et al, 2006) and customer loyalty contained seven(7) questions which were adopted from Ndubisi and Wah (2005).

3.3.2. Sampling Technique and sampling size

3.3.2.1 Sampling Technique

The researcher was used judgmental (purposive) sampling technique, which enables and considers the researcher to select those branches based on their high level customer turn-over rate as well considering who have already closed their account in the bank. The target population of the study is customers of Abyssinia Bank were selected from twenty branches and head marketing and promotion division of the Bank. Customers groups are selected based on convenient random sampling technique, because of the fact that the technique is simple, unbiased, and it provide customers with an equal chance of being selected.

3.3.2.2 Sampling size

Research carried out on relationship marketing in the banking industry indicates that researchers used large sample sizes ranging from about 200 to 1000 respondents (Narteh, 2009). Again, large sample sizes give the effects of randomness the chance to work of errors are reduced as the sample size increases (Malhotra and Birks, 2007).

As of December 31, 2016 Bank of Abyssinia has 205 Branches that spreads across the length and breadth of the country. Out of 205 Branches, 99 of them are found in the Metropolis of Addis Ababa and the remaining 106 are found outside Addis Ababa. (source: data from MIS (management information system of the bank) . Since it is difficult, costly and time consuming to conduct a census survey at this time for the researcher, representative sample was drawn to conduct the study.

Accordingly, the researcher was focus only on twenty selected Bank branches from the Metropolis of Addis Ababa. In order to select representative samples from the total of 205 Bank branches located in throughout the country. In order to determine the sample size, the researcher was used the formula developed by Taro Yemane in 1967 expecting 95% level of confidence in the finding of the research.

The total turnover rate in those selected branches are 7, 278 as of December 2016. Therefore, Sample size was calculated as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = the sample size

N= population size

e = is the level of precision or sampling error = (0.05)

Therefore,

$$n = \frac{7,278}{1+7,278(0.05)^2} = \frac{7,278}{1+7,278(0.0025)} = \frac{7,278}{1+18.195} = \frac{7,278}{19.195} = \underline{\underline{379}}$$

For the sake of assuming non-response rate, the researcher over sample the size and increased it to 385 (adding six only), or increasing by 1.58% $(385-379/379*100)$ of the respondents to the sample size.

In order to make proportional distribution of questionnaires for our 385 sample drawn, the researchers consider the total number of customer turnover from the selected twenty branches. In this regard, the statistical report from the year of January, 2015 up to December, 2016 showed that 7,278 account holders are already broke their relationship with the Bank. The following table shows the proportional distribution of questionnaires to each bank branches based on their percentage contribution to customer turnover:

Table -3.1 the Proportional Distribution of Questionnaire

S/No.	Name of BOA, City branches	Total number of account closed from January 1,2015 to December 31, 2016 (2 years)	Percentage proportion (number of account closed from each branches/total closed)	No of questionnaire distributed for each Area Bank (385*percentage)
1	Bole Branch	851	11.69%	45
2	Filwuha Branch	783	10.76%	41
3	Guenet Branch	617	8.48%	33
4	Negadiras Branch	590	8.11%	31
5	Raguel Branch	551	7.57%	29
6	Merkato Branch	504	6.92%	27
7	Arada Branch	387	5.32%	20
8	Goffa Branch	351	4.82%	19
9	Legehar Branch	303	4.16%	16
10	Olompya Branch	296	4.07%	16
11	Sidist Kilo Branch	289	3.97%	15
12	Megenagna Branch	251	3.45%	13
13	Aiar Port Branch	243	3.34%	13

14	Addisu Gebeya Branch	238	3.27%	13
15	Kality Branch	214	2.94%	11
16	Abakoran Branch	201	2.76%	11
17	Abamella Branch	196	2.69%	10
18	Arat Killo Branch	149	2.05%	8
19	Saris Branch	136	1.87%	7
20	Kotebe Branch	128	1.76%	7
Total		7,278	100%	385

Source- Statistical Report of Abyssinia Bank SC and own analysis

3.4. Procedure of Data Collection

In collecting the necessary primary data, a five point Structured likert scale questionnaire was adopted from (Ndubisi and Wah 2005); (Hunt et al, 2006) which provided customers with a greatest range of option starting from strongly disagree to strongly agree was used as a primary data collection instrument in the present study and semi-structured interview to collect data from the marketing officials of Abyssinia Bank. Accordingly in order to facilitate the data collection procedure the researcher followed the following serious of steps:

Accordingly the distribution questionnaire was collected back for analysis after it has been properly filled. The data collection was continued for a period of three weeks until sufficient number of questionnaires was returned back. However, in order to facilitate the data collection procedure the researcher was following the following serious of steps:

1st step- identifies issues and/ or opportunities for collecting data.

The first step is to identify issues and / or opportunities for collecting data and to decide on what next step to take. To do this, it may be helpful to conduct an internal and external assessment to understand what is happening inside and outside the organization. For the researcher particular case the problem of customer loyalty is first identified by looking into the customer data base of the Bank.

2nd step- selects the issue and or the opportunity and set goal.

Once the problem is identified under step 1, then in step two the researcher selected the issue of relationship marketing and its impact on customer loyalty in the case of BOA as a priority.

3rd step- plan an approach and method

Under this step, the researcher makes decision about who is surveyed, how data will collected, the source of the data that was used and the duration of data collection among other things.

4th step- collects data

This is a step where the researcher was officially commenced the collection of data both from Customers and marketing officials of the Bank.

5th step Analyze and Interpret Data

This is stage a where the researcher was analyzed and interpreted the data collected from both respondents.

6th step Act on result

Once the researcher had analyzed and interpreted the result of data collected, it was decide to act on the data.

3.5. Validity and Reliability Test

3.5.1. Validity

Before the questionnaire was distributed to the respondents, the validity of the instruments was checked by the advisor as to whether it measures what it purported to measure. Accordingly, based on the approval obtained from the advisor, the questionnaire was used considering that, they are valid.

3.5.2. Reliability

Bhattacharjee (2012) defined reliability as the degree to which the measure of a construct is consistent or dependable. Reliability implies consistency, but not accuracy. Cohen et al. (2007) stated that alternative measure of reliability as internal consistency is the Cronbach alpha, frequently referred to as the alpha coefficient of reliability, or simply the alpha. The Cronbach alpha provides a coefficient of inter-item correlations, that is, the correlation of each item with the sum of all the other relevant items, and is useful for multi-item scales. In this study, Cronbach's Alpha is used to measure the internal consistency of the items used. George and Mallery (2003) provides the following rules of thumb: >0.9-Excellent, >0.8-

Good, >0.7-Acceptable, >0.6-Questionable, >0.5-Poor, and <0.5-Unacceptable (as cited in Gleam and Rosemary, 2003).

Table -3.2: Summary of Reliability Test Result of the variables

No_	Independent variable	Number of item	Cronbach's Alpha	Internal consistency
1	Trust	7	0.842	Good
2	Commitment	5	0.876	Good
3	Communication	6	0.874	Good
4	Conflict handling	5	0.782	Acceptable
5	Competence	7	0.722	Acceptable
	Dependent variable			
6	Customer Loyalty	7	0.856	Good
	Overall Item	37	0.964	Excellent

source: Researcher's construct 2017

Based on the suggestion proposed by Guelford (1965) cited by Taleghani et al., (2011), the higher the Cronbach's alpha value, the higher the internal consistency is. If a value was higher than 0.70, then it showed that the reliability of measurement was high. The above Table 3.6.2 shows that the value of the Cronbach's alpha ranges from 0.722 to 0.964. This indicates the alpha scores are greater than the standard value, 0.7. Which indicate that items within the variables are interrelated and there was a relationship between items in the scale for this study. Thus it can be concluded that the measures used in this study are valid and highly reliable.

3.6. Method of Data Analysis

3.6.1. Descriptive Statistics

The raw data collected through questionnaire (close ended) were carefully cleaned, coded and entered into computer for processing by using the SPSS (Statistical Package for the Social Science) version 20 was used for analysis purpose. Descriptive analysis was used for the demographic factors such as gender, age, education, occupation, monthly income and for how many times the customers are using the bank's services. Quantitative data were analyzed through the use of statistical techniques such as frequency counts, percentages, arithmetic means, modes, and presentation approaches like tabulation to show differences in frequencies. The results of semi structured interview questions was analyzed qualitatively.

3.6.2. Inferential Statistics

Inferential statistics was used to understand patterns from the data through analysis of relationship between two or more variables and how several independent variables might explain the variance in a dependent variable. The following inferential statistical methods were used in this study.

3.6.2.1. Correlation Analysis

Field (2007) suggested that before conducting any correlation analysis, it is essential to plot a scatter plot to look at the general trend of the data. Depending on this suggestion, the researcher did draw scatter plot to look the general trend of the data. That shows whether the independent and dependent variable has positive or negative slope or in turn positive or negative relationship. Correlations are perhaps the most basic and most useful measure of association between two or more variables. Expressed in a single number called a correlation coefficient (r), correlations provide information about the direction of the relationship (either positive or negative) and the intensity of the relationship (-1.0 to $+1.0$).

Furthermore, tests of correlations will provide information on whether the correlation is statistically significant (MacEachron (1982)). Correlation coefficients range from -1.0 to $+1.0$. The sign of the coefficient represents the direction of the relationship. In general, correlations of 0.00 to 0.20 are considered Very weak or very low, correlations of 0.20 to 0.40 are considered Weak or Low, correlations of 0.40 to 0.60 are considered Moderate, and correlations of 0.60 to 0.80 are considered strong or high and 0.80 to 1.0 very high or very strong. Importantly, these are only rough guidelines. A number of other factors, such as sample size, need to be considered when interpreting correlations.

The Bivariate Correlations procedure computes the pair-wise associations for a set of variables and displays the results in a matrix. It is useful for determining the strength and direction of the association between two scale or ordinal variables. The Pearson correlation coefficient measures the linear association between two scale variables (MacEachron (1982)).

In this study, Pearson correlation coefficient is used to measure the strength of the association between relationship marketing dimensions and customer loyalty.

3.6.2.2. Regression Analysis

Like correlations, statistical regression examines the association or relationship between variables. Unlike with correlations, however, the primary purpose of regression is prediction (MacEachron (1982)). Due to this, regression analysis is used to know by how much the independent variable i.e. relationship marketing explains or influences the dependent variable which is customer loyalty. Both simple and multiple regressions were used in this study. In simple regression, we attempt to predict the dependent variable with a single independent variable. In multiple regressions, we may use any number of independent variables to predict the dependent variable (MacEachron (1982)). In this study, simple regression is used to approve or disapprove hypotheses 1 up to 5; while, multiple regression was used to approve or disapprove hypothesis number 6. In both of the types, statistical significance was given due care at p-value of 0.05.

3.6.2.3. Multicollinearity

If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the problem of Multicollinearity Kothari, C.R. (2004). If Collinearity is discovered, (e.g. if correlation coefficients between variables are higher than .80) then one can either remove one of the variables or create a new variable that combines the previous two that were highly inter-correlated (Cohen et al., 2007). Cohen et al. (2007) cited that, in SPSS, one can find Multicollinearity by looking at Collinearity diagnostics in the Statistics command box, and in the Collinearity statistics one should look at the Tolerance' column on the output. He indicates that values will vary from 0 to 1 and the higher the value the less is the Collinearity, whereas a value close to 0 indicates that nearly all the variance in the variable is explained by the other variables in the model. Correspondingly, Muge Arslan, F. and Altuna, O.K., (2010) cited that VIF value above 10 and a tolerance value below 0.10 pose a Multicollinearity problem. In this study, the result of Collinearity statistics analysis shows variance inflation factors (VIF). Value ranges from 1.57 to 2.093. Tolerance value ranges within the value of 0.478-0.637. In this study, these values (both VIF and tolerance level) indicate that for this analysis, there is no serious Multicollinearity problem.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This particular study concentrates on the "Impact of relationship marketing on customer loyalty" in the banking industry in the case of Bank of Abyssinia. Hence, the study followed both quantitative and qualitative research design as its plan of action.

A total of 385 questionnaires were in both the language of Amharic and English distributed to the selected twenty branches of the bank according to their percentage contribution of customer turnover and 359 of them were returned among them due to incompleteness only 346 questionnaires were found to be usable.

Table 4.1: Distribution of questionnaires to the Abyssinia branches and rate of returned and unreturned questionnaires.

S/No	Name of branches	Distributed questionnaires	Percentage	Valid Returned Questionnaires	Percentage	Unreturned	Improperly filled questionnaire	Unreturned and improperly filled
1	Bole	45	11.69%	36	80.00	6	3	9
2	Filwuha	41	10.76%	34	82.9	4	3	7
3	Guenet	33	8.48%	28	84.84	3	2	5
4	Negadiras	31	8.11%	26	83.87	2	3	5
5	Raguel	29	7.57%	26	89.65	2	1	3
6	Merkato	27	6.92%	24	88.88	2	1	3
7	Arada	20	5.32%	19	95.00	1	-	1
8	Goffa	19	4.82%	19	100	-	-	-
9	Legehar	16	4.16%	16	100	-	--	-
10	Olompya	16	4.07%	16	100	-	-	-
11	Sidist Kilo	15	3.97%	15	100	-	-	-
12	Megenagna	13	3.45%	12	92.30	1	-	1
13	Aiar Port	13	3.34%	12	92.30	1	-	1
14	Addisu Gebeya	13	3.27%	11	84.61	2	-	2
15	Kality	11	2.94%	10	90.90	1	-	1
16	Abakoran	11	2.76%	10	90.90	1	-	1

17	Abamella	10	2.69%	10	100	-	-	-
18	Arat Killo	8	2.05%	8	100	-	-	-
19	Saris	7	1.87%	7	100	-	-	-
20	Kotebe	7	1.76%	7	100	-	-	-
Total		385	100%	346	89.87	26	13	39

4.2. Descriptive Data Analysis

Descriptive statistics is presented in the form of mean and std. deviation to demonstrate the level of agreement/disagreement of customers with their implications to Abyssinia bank s.c. The responses of the customers for the variables indicated below were measured on five point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But, while making interpretation of the results of mean and standard deviation the scales are reassigned as According to Kidane (2012) the intervals for breaking the range in measuring each variable with five point scale is calculated as follows;

Max.-Min. divided to total number of options $5-1/5 = 0.8$

Therefore, in the difference of 0.8 the mean value categorized from the lowest up to the highest score. It means that the scores falling between the following ranges can be considered as:

1 - 1.8= Strongly Disagree, 1.81 – 2.6 = Disagree,

2.61 – 3.4= Neutral, 3.41 – 4.20= Agree and 4.21 – 5 = Strongly Agree

N.B Higher standard deviation indicates that dispersion/variation in customers' response whereas the lower standard deviation indicates that lower variation in the customers' response.

4.2.1. Analysis of Demographic Data

Descriptive statistic was used to analyze the demographic characteristics of the respondents . The demographics factors used in this research are gender, age, education qualification, occupation, monthly income, and length of time the respondents uses the banks services. Hence, the results obtained from the structured questionnaires are described on the table below.

Table 4.2 summary of demographic characteristics of respondents

Gender of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	194	56.1	56.1	56.1
	FEMALE	152	43.9	43.9	100.0
	Total	346	100.0	100.0	
Age of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 20 year	5	1.4	1.4	1.4
	20-39 year	123	35.5	35.5	37.0
	40-59 year	182	52.6	52.6	89.6
	greater than 60 year old	36	10.4	10.4	100.0
	Total	346	100.0	100.0	
Educational Qualification of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	primary	3	.9	.9	.9
	secondary	37	10.7	10.7	11.6
	Diploma	76	22.0	22.0	33.5
	Degree	201	58.1	58.1	91.6
	Post graduate	15	4.3	4.3	96.0
	Others	14	4.0	4.0	100.0
	Total	346	100.0	100.0	
Occupation of respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government sector	107	30.9	30.9	30.9
	Private sector	97	28.0	28.0	59.0
	Own business	118	34.1	34.1	93.1
	student	3	.9	.9	93.9
	others	21	6.1	6.1	100.0

	Total	346	100.0	100.0	
Monthly income of respondents(In Birr)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 2000	4	1.2	1.2	1.2
	2001-3999	12	3.5	3.5	4.6
	4000-5999	124	35.8	35.8	40.5
	above 6000	206	59.5	59.5	100.0
	Total	346	100.0	100.0	
Respondents year of experience with the bank					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below one year	2	.6	.6	.6
	1-3 year	14	4.0	4.0	4.6
	3-5 year	80	23.1	23.1	27.7
	5-7 years	91	26.3	26.3	54.0
	above 7 years	159	46.0	46.0	100.0
	Total	346	100.0	100.0	
SPSS descriptive analysis result based on questionnaire survey,2017					

4.2.1.1 Discussion of demographic characteristics of respondents

As it mentioned in table 4.2, From 346 sample drawn from the total population, 56.1% (194) of them are male respondent who took the biggest share of the total respondents and the remaining 4.9 % (152) are female respondents considered under the study. With regard to the age category of the respondents, shows that 52.6% are the age of 40-59 years old, followed by respondent at the age between 20-39 years old with 35.5%, 10.4% were at the age 60 years old and above. The remaining of the respondents 1.4% were below 20 years old. Most of the respondents involved in the study are 40-59, for that reason, they are matured enough to provide reliable data and they might be able to evaluate the relationship marketing practice of the bank in detail.

Also ,as shown in table The education qualifications of respondents are shown in table 4.3. As it is indicated in the table, 58% hold a first degree. In the other way, 22.0% were diploma holder, while 10.7% of the respondents achieved secondary education. 4.3% hold a postgraduate degree and 4.0% achieved others. 3 (0.9%) respondents show that they had

primary education. The fact that the majority of the respondents are educated means, the more they understand the question brought forward by the researcher and the more the response obtained was reliable.

The results of respondent's occupation are indicated in the above table, demonstrates that 34.1% of the respondents are having their own business, 27.6% are working in government sector, 28.0% are working in private sector and 6.1% work in other occupation. 3 (0.9%) indicated that they are student. The results of monthly income of respondents are shows that 59.5% of the respondents had income of 6,000 birr and above and 35.8% had income of between birr 4000-5999 monthly. On the other hand, 3.5% had income of between birr 2001-3999 and the remaining respondents 1.2% had income of below 2,000 birr. Finally, The results of length of time the customers uses the banks services are is shows 46.0% of the respondents have used for 7 years, 26.3% have used for 5-7 years and 23.1% have used the banks services for 3-5 years. On the other hand 4.0% and 0.6% of the respondents have used the banks services for 1-3 years and below 1 year respectively. The majority of the respondents have an experience more than one year of using the services of the bank, hence, they are well informed about the relationship marketing practice of the bank and they can evaluate the questions in detailed.

4.2.2. Data Analysis on Components of Relationship Marketing

This part explains the descriptive statistics for all the relationship marketing dimensions (Trust, Commitment, communication, Conflict handling and Competence) and the dependent variable customer loyalty. Respondents were asked different questions regarding the components of relationship marketing and their customer loyalty on Abyssinia bank, their responses results of frequencies, measures of central tendency and dispersion are organized in the following manner.

4.2.2.1 Customers response towards the variable Trust

Table 4.3 Descriptive Statistics of trust.

Statement	SD	D	N	A	SA	Mean	Std Dev.
	1	2	3	4	5		
The bank is very concern with security for my transactions	7	19	210	103	7	3.24	0.67
	2%	5.5%	60.7%	29.8%	2%		

The bank's promises are reliable	2	295	12	30	7	2.26	0.70
	0.6%	85.3%	3.5%	8.7%	2%		
The Bank is consistent in providing quality service	93	221	14	18	0	1.87	0.71
	26.9%	63.9%	4%	5.2%	0		
Employee of the Bank show respect to customers	13	17	6	289	21	3.83	0.76
	3.8%	4.9%	1.7%	83.5%	6.1%		
The Bank fulfils its obligation to customers	14	26	103	199	4	3.44	0.81
	4%	7.5%	29.8%	57.5%	1.2%		
I have confidence in the Banks service	2	294	15	32	3	2.24	0.66
	0.6%	85%	4.3%	9.2%	0.9%		
My bank has the ability to meet its promises	5	26	280	29	6	3.01	0.53
	1.4%	7.5%	80.9%	8.4%	1.7%		

Source: researchers primary data source 2017

Analyzing the data obtained from the questionnaire, table 4.3 reveals that the study measured the trust of customers on Abyssinia bank and its service performers by taking seven sub variable through questionnaire survey from customers. Concerning with the first trust statement "**the bank is very concern with security for my transactions**", 7(2%) strongly disagree, 19(5.5%) disagree with the statement, 210(60.7%) yet there are a strong neutrality, 103(29.8%) agree and 7(2%) strongly agree with the statement. This shows (60.7%), majority of respondents were neutral and with the mean score of 3.41 and standard deviation of 1.083, the findings imply that Abyssinia bank has, to a moderate extent, security of transactions one customer relationship marketing practice.

The table 4.3 sought to for the statement "**The bank's promises are reliable**", 2 (0.6%) of respondents are strongly disagree with the statement, 295(85.3%) disagree, 12 (3.5%) neutral, and 30(8.7%) are agree and remaining 7(2%) strongly agree with the statement. This shows 85.9% majority of respondents disagree on the bank's promises are reliable in the organization. According to the mean score of 2.26 and standard deviation of 0.71, imply that Abyssinia bank has, in a week extent of keeping its promises.

With regarding to the statement "**The Bank is consistent in providing quality service**" 93 (26.9%) of respondents are strongly disagree with the statement, 221(63.9%) disagree, 14 (4%) neutral, and 18(5.2%) are agree and no one is strongly agree with the statement. This shows 90.8% majority of respondents are lies on disagree on the Bank is consistent in providing quality service. with the mean score of 1.87 and standard deviation of 0.71 It can be inferred that there is inconsistency service in the organization.

The above table 4.3 shows that almost all of the respondents (89.6%, including 57.5% agree plus 1.2% strongly agree) support the statement up on "**Employee of the Bank show respect to customers**". Despite of this, about 8.7% of the respondents including 3.8% strongly disagree and 4.9% disagree with the statement, where as the remaining 1.7% were neither agree nor disagree with the statement. According to the mean score of customers' response is 3.8 with std. deviation of 0.76. The implication is that the bank always show respect and honest to its customers. When the bank is honest and respect to its customers, customers can continue its good relationship with the bank and this is important for the customers to communicate openly and freely with the employees. with regard to "**The Bank fulfils its obligation to customers**" shows 14(4%) strongly disagree, 26(7.5%) disagree with the statement, 103(29.8%) yet there are a strong neutrality, 199 (57.58%) agree and 4(1.2%) strongly agree with the statement. This shows 58.78% majority of respondents are lies on agree on the Bank fulfils its obligation to customers . with the mean score of 3.44 and standard deviation of 0.81 indicates that the bank has fulfils its obligation to customers at a moderate extent.

With regard to the statement, "**I have confidence in the Banks service**", 2(0.6 %) of respondents were strongly disagreed and 294(85%) of respondents were disagreed. On the other hand, 15 (4.3 %) were neutral , 32 (9.2%) of respondents were agreed and 3 (0.3%) responding strongly agree with the mean score of 2.24 and standard deviation of 0.66. As a result the majority of respondents were 85.6 % strongly disagreed this indicates the confidence status of the customer has weak and implies that they not build customers confidence in the bank service.

Finally, With regard to the statement, "**My bank has the ability to meet its promises** ", 5(2 %) of respondents were strongly disagreed and 26(7.5%) of respondents were disagreed. On the other hand, 280(80.9 %) were neutral , 29 (8.4%) of respondents were agreed and 6 (1.7%) responding strongly agree with the mean score of 3.01 and standard deviation of 0.53. As a result the majority of respondents were 88.4 % strongly disagreed this indicates there is lack of meeting its promises .

The study findings, therefore, support the arguments in the literature about the practice of trust as a relationship marketing in banks to a moderate extent. In the context of relationship marketing, trust is defined as the dimension of a business relationship that determine the level to which each party feels they can depend on the honesty of the promises obtained from other party(Callaghan et.al,1995) For instance the findings are in consonance with the

characteristics of customer relationship marketing practice as presented by Lee et al., (2011) and Harrison (2000), according to the literature commercial banks that seeking to enhance customer trust should show effort to keep promises made to customers, keep customers information confidential, polite and respect to customers by the staff and provide quality service and then will win the confidence of their customers and customer loyalty.

4.2.2.2 Customers response towards the variable commitment

In this section the descriptive analysis result for commitment as a customer relationship marketing practice was presented.

Table 4.4 Descriptive Statistics of commitment.

statement	SD	D	N	A	SA	Mean	Std Dev.
	1	2	3	4	5		
The Bank offers personalized services to meet customers need	7	208	117	14	0	2.39	0.60
	2%	60.1%	33.8%	4%	0		
The Bank is flexible when its service are changed	14	206	99	18	9	2.42	0.76
	4%	59.5%	28.6%	5.2%	2.6%		
The Bank is flexible in serving my needs	88	229	2	22	5	1.92	0.80
	25.4%	66.2%	0.6%	6.4%	1.4%		
Employees of the Bank are always willing	197	115	9	5	20	1.65	1.02
	56.9%	33.2%	2.6%	1.4%	5.8%		
Contact person of the Bank strives to know and understand my needs	0	308	9	25	4	2.20	0.61
	0	89%	2.6%	7.2%	1.2%		

Source: researchers primary data source 2017

Under table 4.4 the study assessed the commitment of BOA and its employees by taking five parameters through questionnaire survey from customers. From the findings, it was established that Concerning with the first commitment statement " **The Bank offers personalized services to meet customers need** ", 7(2%) strongly disagree, 208 (60.1%) disagree with the statement, 117 (33.8%) yet there are a strong neutrality, 14 (4%) agree and there is no strongly agree with the statement. This shows (60.1%), majority of respondents were neutral and with the mean score of 2.39 and standard deviation of 0.60, the findings imply that Abyssinia bank has, a low relationship marketing practice to offers personalized services to meet customers need .

With regarding to the statement " **The Bank is flexible when its service are changed** " 14 (4%) of respondents are strongly disagree with the statement, 206(59.5%) disagree, 99 (28.6%) neutral, and 18(5.2%) are agree and 9 (2.6%) respondents are strongly agree with the statement. This shows 63.5% majority of respondents are lies on disagree on the Bank is flexible when its service are changed. with the mean score of 2.24 and standard deviation of 0.76. It can be inferred that there is low flexibility when its service are changed in the organization.

The table 4.4 sought to for the statement " **The Bank is flexible in serving my needs** ", 88 (25.4%) of respondents are strongly disagree with the statement, 229 (66.2%) disagree, 2 (0.6%) neutral, and 22 (6.4%) are agree and the remaining 5(1.4%) strongly agree with the statement. This shows 90.1% majority of respondents disagree on the bank's is flexible in serving my needs. According to the mean score of 1.92 and standard deviation of 0.80, imply that Abyssinia bank has, in a week extent of flexible in serving customers needs.

with regard to "**The Bank fulfils its obligation to customers**" shows 14(4%) strongly disagree, 26(7.5%) disagree with the statement, 103(29.8%) yet there are a strong neutrality, 199 (57.58%) agree and 4(1.2%) strongly agree with the statement. This shows 58.78% majority of respondents are lies on agree on the Bank fulfils its obligation to customers . with the mean score of 3.44 and standard deviation of 0.81 indicates that the bank has fulfils its obligation to customers at a moderate extent.

With regard to the statement, " **Employees of the Bank are always willing** ", 197 (56.9%) of respondents were strongly disagreed and 115(33.2%) of respondents were disagreed. On the other hand, 9(2.6%) were neutral, 5 (1.4%) of respondents were agreed and 20 (5.8%) responding strongly agree with the mean score of 1.65 and standard deviation of 1.02. As a result the majority of respondents were 90.1 % strongly disagreed this indicates the Employees of the Bank are inconsistence willingness of the customer . Finally, With regard to the statement, " **Contact person of the Bank strives to know and understand my needs** ", 308 (89%) of respondents were disagreed. On the other hand, 9(2.6 %) were neutral , 25 (7.2%) of respondents were agreed and 4 (1.2%) responding strongly agree with the mean score of 2.20 and standard deviation of 0.61. As a result the majority of respondents were 89 % disagreed this indicates the Contact person of the Bank strives to know and understand the needs of customers are low.

4.2.2.3 Customers response towards the variable communication

The organization gathers and analyzes customers' information from all touch points and this information is critical for their marketing decisions. The greater the communication is the greater the trust and the relationship commitment (Gummerson, 2008). Table 4.13 indicates that, the mean score and std.deviation of the customers' response for each variable of communication. In this section the descriptive analysis result for communication as a relationship marketing dimension was presented.

Table 4.5: Descriptive statistics of communication

Statement	SD	D	N	A	SA	Mean	Std Dev
	1	2	3	4	5		
The Bank provides timely and trustworthy information	14	199	7	112	14	2.74	1.07
	4%	57.5%	2%	32.4%	4%		
The Bank provides information when there is new banking services	10	108	200	13	15	2.75	0.76
	2.9%	31.2%	57.8%	3.8%	4.3%		
The Bank makes and fulfils promises	0	203	107	25	11	2.54	0.76
	0	58.7%	30.9%	7.2%	3.2%		
Information provided by the Bank is always accurate	183	117	20	18	8	1.70	0.95
	52.9%	53.8%	5.8%	5.2%	2.3%		
My Bank provides information when there is a problem with my transaction	5	113	193	15	20	2.80	0.78
	1.4%	32.7%	55.8%	4.3%	5.8%		

Source: researchers primary data source 2017

Under table 4.4 the study assessed the communication of BOA and its employees by taking five parameters through questionnaire survey from customers. From the findings, it was established that Concerning with the first communication statement " **The Bank provides timely and trustworthy information** ", 14(4%) strongly disagree, 199 (57.5%) disagree with the statement, 7 (2%) yet there are a strong neutrality, 112 (32.4%) agree and the remaining 14 (4%) strongly agree with the statement. This shows (61.5%), majority of respondents were disagree and with the mean score of 2.74 and standard deviation of 1.07, the findings imply that Abyssinia bank has, a low relationship marketing practice by provide timely and trustworthy information to customers.

With regard to the statement, " **Information provided by the Bank is always accurate** ", shows 183 (52.9%) of respondents were strongly disagreed and 117 (20%) of respondents

were disagreed. On the other hand, 20 (5.8%) were neutral, 18 (5.2%) of respondents were agreed and 8 (2.3%) responding strongly agree . As a result the majority of respondents were 52.9 % strongly disagreed and 20% were disagree, this indicates the Information provided by the Bank is lowest accurate with the mean score of 1.70 and standard deviation of 0.95.

For the statement " **My Bank provides information when there is a problem with my transaction** " revealed that 5(1.4%) of respondents were strongly disagreed and 113 (32.7%) of respondents were disagreed. On the other hand, 193 (55.8%) were neutral, 15 (4.3%) of respondents were agreed and 20 (5.8%) responding strongly agree . As a result the majority of respondents were 32.9 % agreed and 55.8% were yet not disagree or agree, this indicates when there a transaction problem the Information provided by the Bank to the customer is low.

4.2.2.4 Customers response towards the variable Conflict handling

Table 4.6 Descriptive Statistics of Conflict handling

statement	SD	D	N	A	SA	Mean	Std Dev.
	1	2	3	4	5		
The Bank tries to avoid potential conflict	6	198	116	26	0	2.46	0.65
	1.7%	57.2%	33.5%	7.5%	0		
The Bank tries to solve manifest conflicts before they create problems	115	204	12	15	0	1.78	0.70
	33.2%	59%	3.5%	4.3%	0		
The Bank has the ability to openly discuss solutions when problems arise	0	28	87	211	20	3.64	0.71
	0	8.1%	25.1%	61%	5.8%		
The Bank values and uses customer feedback to improve service delivery	93	219	12	20	2	1.89	0.76
	26.9%	63.3%	3.5%	5.8%	0.6%		
The Bank frequently asks for customer opinion and suggestions	110	204	15	13	4	1.83	0.77
	31.8%	59%	4.3%	3.8%	1.2%		
The Bank accepts criticism and complaints	101	112	121	10	2	2.13	0.89
	29.2%	32.4%	35%	2.9%	0.6%		

Source: researchers primary data source, 2017

Under table 4.6 the study assessed the commitment of BOA and its employees by taking six parameters through questionnaire survey from customers. From the findings, it was established that Concerning with the first Conflict handling t statement " **The Bank tries to avoid potential conflict** ", 6(1.7%) strongly disagree, 198 (57.2%) disagree with the statement, 116 (33.5%) yet there are a strong neutrality, 26 (7.5%) agree and there is no strongly agree with the statement. This shows (58.91%), majority of respondents were

disagree and with the mean score of 2.46 and standard deviation of 0.65, the findings imply that Abyssinia bank has, a low relationship marketing practice to avoid potential conflict with customers .

With regarding to the statement "**The Bank tries to solve manifest conflicts before they create problems**" 115(33.2%) of respondents are strongly disagree with the statement, 204(59%) disagree, 12 (3.5%) neutral, and 15(4.3%) are agree and no respondents are strongly agree with the statement. This shows 92.2% majority of respondents are lies on disagree on the Bank is The Bank tries to solve manifest conflicts before they create problems.. with the mean score of 1.78 and standard deviation of 0.70. It can be inferred that The Bank tries to solve manifest conflicts before they create problem practice is lowest in the organization.

The table 4.6 sought to for the statement "**The Bank has the ability to openly discuss solutions when problems arise** ", 28 (8.1%) of respondents are strongly disagree with the statement, 87(25.1%) disagree, 211(61%) neutral, and 20 (5.8%) are agree and no respondents strongly agree with the statement. This show 61% majority of respondents are neutral with the statements, whereas According to the mean score of 3.64 and standard deviation of 0.71, imply that Abyssinia bank has, in a well practiced to openly discuss solutions when problems arise with customers.

with regard to "**The Bank values and uses customer feedback to improve service delivery**" shows 93(26.9%) strongly disagree, 219(63.3%) disagree with the statement, 12(3.5%) yet there are a strong neutrality, 20 (5.8%) agree and 2(0.6%) strongly agree with the statement. This shows 89.6% majority of respondents are lies on disagree on the Bank values and uses customer feedback to improve service delivery to customers. with the mean score of 1.89 and standard deviation of 0.76 indicates that the bank has the bank values and uses customer feedback to improve service delivery to customers is at a lowest extent.

With regard to the statement, "**The Bank frequently asks for customer opinion and suggestions** ", 110 (31.8%) of respondents were strongly disagreed and 204(59%) of respondents were disagreed. On the other hand, 15(4.3%) were neutral, 4 (1.2%) of respondents were agreed and no respondents are strongly agree. As a result the majority of respondents were 90.8 % are with the range of disagreed this indicates the Bank frequently

asks for customer opinion and suggestions practice was weak . also the bank is with a lowest practiced with the mean score 1.89 and standard deviation of 0.76.

Finally, With regard to the statement, " **The Bank accepts criticism and complaints** ", 13 (3.8%) of respondents were strongly disagreed, 25 (7.2%) were disagree. On the other hand, 3(0.9 %) were neutral , 288 (83.2%) of respondents were agreed and 17 (4.9%) responding strongly agree with the mean score of 2.13 and standard deviation of 0.89. As a result the majority of respondents were 83.2 % agreed with the statements, this indicates the Bank accepts criticism and complaints from customers are moderate.

The study findings, therefore, support the arguments in the literature about the practice of communication as a customer relationship marketing in banks to a moderate extent. For instance the findings are in consonance with the characteristics of customer relationship marketing practice as presented by Nubdisi and Wah, (2005), that is a communication perspective aimed at the long-term customer retention, customer loyalty, and deposit mobilization; conveyed accurate and timely information about the status customers account, having friendly and approachable employees with customers, providing necessary information through using electronic or broadcasting message transmissions, provided trustworthy and timely information on new or important services.

4.2.2.5 Customers response towards the variable Competence

In this section the descriptive analysis result for competence as a customer relationship marketing practice was presented.

Table 4.7 Descriptive Statistics of Competence

Statement	SD	D	N	A	SA	Mea n	Std Dev.
	1	2	3	4	5		
My Bank has knowledge about banking services	13	25	3	288	17	3.78	0.80
	3.8%	7.2%	0.9%	83.2%	4.9%		
My Bank has knowledge about market trends	14	21	181	110	20	3.29	0.82
	4%	6.1%	52.3%	31.8%	5.8%		
My Bank provides me with advice on how I should invest my money	189	54.6	35.5	3.8	4.6	1.62	0.87
	54.6%	35.5%	3.8%	4.6%	1.4%		
My Bank help me to plan my investment	93	222	10	19	2	1.88	0.74
	26.9%	64.2%	2.9%	5.5%	0.6%		
My Bank provides effective sales	106	200	16	23	1	1.88	0.79

promotion	30.6%	57.8%	4.6%	6.6%	0.3%		
My Bank makes adjustment to suit my needs	118	195	2	18	13	1.88	0.93
	34.1%	56.4%	0.6%	5.2%	3.8%		
The Bank is competent in terms of adopting new banking technologies and in improving my living standard	3	306	3	21	13	2.23	0.73
	0.9%	88.4%	0.9%	6.1%	3.8%		

Source: researchers primary data source, 2017

Analyzing the data obtained from the questionnaire, table 4.7 reveals that the study measured the competence of Abyssinia bank and its service performers by taking seven sub variable through questionnaire survey from customers. Concerning with the first competence statement " **My Bank has knowledge about banking trends** ", 14(4%) strongly disagree, 21(6.1%) disagree with the statement, 181(52.3%) yet there are a strong neutrality, 110(31.8%) agree and 20(5.8%) strongly agree with the statement. This shows (52.3%), majority of respondents were neutral and with the mean score of 3.29 and standard deviation of 0.82, the findings imply that Abyssinia bank has, a moderate practice of knowledge about banking trends. The table 4.7 sought to for the statement " **My Bank has knowledge about market service** ", 13 (3.8%) of respondents are strongly disagree with the statement, 25(7.2%) disagree, 3 (0.9%) neutral, and 288(83.2%) are agree and remaining 17(4.9%) strongly agree with the statement. This shows 83.2% majority of respondents agree on the bank's has knowledge about market service. According to the mean score of 3.78 and standard deviation of 0.79, imply that Abyssinia bank has, in a well extent knowledge about market service .

With regarding to the statement " **My Bank provides me with advice on how I should invest my money** " 189 (54.6%) of respondents are strongly disagree with the statement, 123(35.5%) disagree, 13 (3.8%) neutral, and 16(4.6%) are agree and 5(1.4%) were strongly agree with the statement. This shows 54.6% majority of respondents are lies on strongly disagree on the statement Bank is provides me with advice on how I should invest my money. with the mean score of 1.62 and standard deviation of 0.87 It can be inferred that there is lowest service practiced by provides advice to customers on how should invest their money in the organization.

The above table 4.7 shows that almost all of the respondents (89.6%, including 57.5% agree plus 1.2% strongly agree) support the statement up on " **My Bank help me to plan my investment** ". Despite of this, about (26.9%) of the respondents strongly disagree and 64.2%

disagree with the statement, where as 6.1% were agreed and the remaining 2.9% were neither agree nor disagree with the statement. According to the mean score of 1.88 with std. deviation of 0.74, This implication is that the bank has low practiced by help customers to plan their investment. with regard to "**My Bank provides effective sales promotion**" shows 106(30.6%) strongly disagree, 200(57.8%) disagree with the statement, 16(4.6%) yet there are neutrality, 23(6.6%) agree and 1(0.3%) strongly agree with the statement. This shows 57.8% majority of respondents are lies on disagree on the statements. According to the mean score of 1.88 and standard deviation of 0.74 the result indicates that the bank has low practiced by provides effective sales promotion to customer.

With regard to the statement, "**My Bank makes adjustment to suit my needs**", about (34.1%) of the respondents strongly disagree and 56.4% disagree with the statement, where as 5.2% were agreed, 3.8% were strongly agree and the remaining 0.6% were neither agree nor disagree with the statement. According to the mean score of 1.88 with std. deviation of 0.93, This implication is that the bank has low practiced by makes adjustment to suit customers' needs.

Finally, With regard to the statement, "**The Bank is competent in terms of adopting new banking technologies and in improving my living standard**", 3(0.9 %) of respondents were strongly disagreed and 306(88.4%) of respondents were disagreed. On the other hand, 3(0.9 %) were neutral , 21 (6.1%) of respondents were agreed and 13 (3.8%) responding strongly agree with the mean score of 2.23 and standard deviation of 0.73. As a result the majority of respondents were 88.4 % strongly disagreed this indicates the bank has a lack of adopting new banking technologies meeting its living standard to customers.

The study findings in Table 4.7 indicate that Abyssinia Bank has, to a low extent, adopted competency as a one customer relationship practices.

4.2.2.6 Analysis on the perception of respondents towards Customers loyalty

As explained in the literature review, Oliver (1999) has described loyalty as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. Accordingly identifying loyalty level of customers is one interest of this study. The loyalty

level in this study is also categorized and it ranges from Strongly disagree, Disagree, Neutral, Agree and Strongly Agree. The table below presents the overall level of customer loyalty.

Table 4.8 Overall Customer loyalty level

Customer loyalty Dimension	SD	D	N	A	SA	Mean	Std Dev.
		2	3	4	5		
Considering the Bank as first choice among other banks in the area	187	123	8	21	7	1.66	0.93
	54%	35.5%	2.3%	6.1%	2%		
The Bank that first comes to my mind when making purchase decision on bank services	189	121	8	23	5	1.65	0.92
	54.6%	35%	2.3%	6.6%	1.4%		
I want to remain as a customer of this Bank because I genuinely enjoy my relationship with them.	11	207	100	23	5	2.43	0.72
	3.2%	59.8%	28.9%	6.6%	1.4%		
I expect my relationship with the Bank to continue for a longer period	21	19	286	14	6	2.89	0.63
	6.1%	5.5%	82.7%	4%	1.7%		
I would recommend this service provider to others	3	311	4	14	14	2.20	0.71
	0.9%	89.9%	1.2%	4%	4%		
This service provider stimulates me to buy repeatedly	113	197	14	8	14	1.88	0.90
	32.7%	56.9%	4%	2.3%	4%		
I do not like to change to another bank because I value the bank	9	206	103	23	5	2.44	0.72
	2.6%	59.5%	29.8%	6.6%	1.4%		

Source: researchers primary data source, 2017

Under table 4.8 the study assessed how much BOA customers are loyal with the bank service by taking seven parameters through questionnaire survey from customers. Regarding **"Considering the Bank as first choice among other banks in the area"** the survey result depicted that, 54 % respondents were strongly disagreed, 35.5% respondents were disagreed that BOA as first choice among other banks in the area, while 6.1% and 2% respondents were agreed and strongly agreed respectively that BOA as first choice among other banks in the area. Lastly, 2 % respondents were decided that customer loyalty in Bank of Abyssinia is neither superior nor small in number. Majority of the respondents were strongly disagreed BOA as first choice among other banks in the area, with the mean score of 1.66 and standard deviation of 0.93.

The table above depicted that the study inquired respondents about **"The Bank that first comes to my mind when making purchase decision on bank services"**, 54.6% and 35.5%

respondents replied strongly disagree and disagree. While, 6.6% and 1.4% respondents were respectively replied agree and strongly agree for the statement. Lastly, 2.3 % respondents were decided that neutral. with the mean score of 1.65 and standard deviation of 0.92. From this result the study infer that majority of the respondents were lowest practiced making purchase decision on Boa services.

The study assessed "**I want to remain as a customer of this Bank because I genuinely enjoy my relationship with them**". From the survey response, it was established that 3.2% and 59.8% respondents replied strongly disagree and disagree. While, 6.6% and 1.4% respondents were respectively replied agree and strongly agree for the statement. Lastly, 28.9 % respondents were decided that neutral. with the mean score of 2.43 and standard deviation of 0.72. From this result the study infer that majority of the respondents were low practiced to remain as a customer of Bank of Abyssinia. with regarding the statement "**I expect my relationship with the Bank to continue for a longer period**" the survey result depicted that, 6.1 % respondents were strongly disagreed, 89.9% respondents were disagreed that relationship with the Bank to continue for a longer period, while 4% and 1.7% respondents were agreed and strongly agreed respectively with the statement. Lastly, 4 % respondents were yet not decided on the statement. From this result the study conclude that majority of the respondents were strongly disagreed by relationship with the Bank to continue for a longer period, with the mean score of 2.89 and standard deviation of 0.63.

For the statement "**I would recommend this service provider to others**" the survey result depicted that, 0.9 % respondents were strongly disagreed, 89.9% respondents were disagreed that recommend this service provider to others, while 4% respondents were agreed and strongly agreed equally with the statement. Lastly, 1.2 % respondents were yet not decided on the statement. From this result the study conclude that majority of the respondents were disagreed by recommend BOA service to others. According to the mean score of 2.20 and standard deviation of 0.71 it indicates low practiced recommendation of customers Boa service to others. With regarding to the statement "**This service provider stimulates me to buy repeatedly**" 113 (32.7%) of respondents are strongly disagree with the statement, 197(56.9%) disagree, 14 (4%) neutral, and 8(2.3%) are agree and 14(4%) were strongly agree with the statement. This shows 89.6 majority of respondents are lies on disagree on the statement BOA stimulates me to buy repeatedly. Also according to with the mean score of

1.88 and standard deviation of 0.90 It can be inferred that BOA has lowest stimulates customer to buy the service repeatedly.

In relation to the last statement "**I do not like to change to another bank because I value the bank**" the above table shows 2.6 % respondents were strongly disagreed, 59.5% respondents were disagreed that do not like to change to another bank because I value the bank, while 6.6% and 1.4% respondents were agreed and strongly agreed respectively on the statement. Lastly, 29.8 % respondents were decided that neutral but nor small in number. in with the mean score of 2.44 and standard deviation of 0.72

Consequently, according to the mean scores, the findings in Table 4.7 imply that bank of Abyssinia has, to a low extent, in its customers loyalty. This is because most customer loyalty parameters used under this study had a mean score of between 1.66 and 2.89.

4.2.2.7 Ranking of the Dimensions of Relationship marketing

Table 4.9 Ranking of the major constructs of relationship marketing

Descriptive Statistics

	N	Mean	Std. Deviation	Rank
Trust	346	4.1358	1.10940	2nd
commitment	346	4.1647	1.05996	1st
Communication	346	4.0029	1.19054	4th
Conflict handling	346	4.0145	1.15586	3rd
Competence	346	3.9364	1.11978	5th
Valid N (listwise)	346			

Source: research output 2017

According to table 4. 7, the major Relationship marketing dimensions such as Commitment, Trust, Conflict handling , Communication and Competence are prioritized in order of their levels of requirement. This may infer that the bank should prioritize its services rendering accordingly so as to be compatible with the demands of the customers. However, Commitment, Trust, Conflict handling , Communication and Competence are prioritized on the basis of their levels of satisfaction showing that the existing loopholes relative to the levels of importance given by the customers.

4.1.2. Correlation analysis and Hypothesis Testing

Correlation analysis is used when independent variables are correlated with one another and with the dependent variable. Since both variables are interval, Pearson correlation test was conducted to check the magnitude of correlation between the dependent variable, **Customer loyalty** and the various independent variables of relationship marketing such as, **Trust, Commitment, Communication, Conflict Handling** and **Competence**. The researcher also used the same test to prove or disprove the alternative hypothesis. The following measure of association developed by MacEachron (1982) was used as a reference to check the magnitude of correlation.

Table-4.10. The measures of associations and descriptive adjectives

Measure of Association	Descriptive Adjective
> 0.00 to 0.20 ; < -0.00 to -0.20	Very weak or very low
> 0.20 to 0.40; < -0.20 to -0.40	Weak or low
> 0.40 to 0.60; < -0.40 to -0.60	Moderate
> 0.60 to 0.80; < -0.60 to -0.80	Strong or high
> 0.80 to 1.0; < -0.80 to -1.0	Very high or very strong

Source: This table is from MacEachron, (1982) Basic Statistics *in* the Human Services: an Applied Approach, page 132.

Table –4.11. Correlation Matrix between Customer loyalty and RM constructs

		Customer loyalty	Trust	Commitment	Communication	Conflict handling	Competence
Customer loyalty	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	346					
Trust	Pearson Correlation	.602**	1				
	Sig. (2-tailed)	.000					
	N	346	346				
Commitment	Pearson Correlation	.566**	.595*	1			
	Sig. (2-tailed)	.000	.000				
	N	346	346	346			
Communication	Pearson Correlation	.532**	.355*	.239**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	346	346	346	346		

Conflict handling	Pearson Correlation	.490**	.423*	.218**	.493**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	346	346	346	346	346	
Competence	Pearson Correlation	.536**	.418*	.404**	.420**	.601**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	346	346	346	346	346	346
R/ship marketing	Pearson Correlation	.623**	.951*	.634**	.347**	.425**	.426**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	346	346	346	346	346	346

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

Source: Research Data

From the above correlation matrix, the researcher found the following results under each constructs, supported with their related empirical evidences:

4.1.2.1. Correlation analysis between the customer loyalty and Trust

The result of Pearson correlation test between the dependent variable *Customer loyalty* and the independent variable *Trust* showed that, there is a positive relationship between the two variables at the significance level of ($R=0.602^{**}$), ($P<0.01$). According to MacEachron (1982) measure of association, the magnitudes of relationship between the two variables are strong. Compared to other relationship dimensions considered in this study, Trust is ranked first in its magnitude of correlation.

H1: There is a significant positive relationship between trust and customer loyalty.

Based on the result obtained from Pearson correlation, there is a positive association between the dependent variable *Customer loyalty* and independent variable *Trust*. Hence, we accept the first alternative hypothesis **H1**.

Empirical evidence

- ✓ According to study conducted by Muhammad Z, Kashif S, Saleem P (2010) The result shows that the customer trust has significant association with customer loyalty ($R=0.567$), ($P<0.01$).
- ✓ Similarly the study conducted by S.Sivesan and S.Achchuthan (2012) showed that trust dimension of RM is highly correlated with customer loyalty at a significant level of ($R=0.511$), ($P<0.01$).

- ✓ The study conducted by Shiferaw Bekele (2011), on the impact of relationship marketing on customer loyalty in the case Abyssinia Bank, he also found that trust dimension has a significant positive relationship with the dependent variable customer loyalty at a level of (**R=0.624**), (**P<0.01**). In general, the result of this study was also in line the empirical evidences of the aforementioned scholars.

4.1.2.2. Correlation analysis between the customer loyalty and Commitment

Pearson correlation test was conducted to know the degree of association between the dependent variable **customer loyalty** and the independent variable **commitment**. Hence, the result of the study showed that, both variables are positively correlated to one another at a significant level of (**R=0.566****), (**P<0.01**). From the relationship marketing constructs observed so far, commitment is the second highly correlated variable with customer loyalty next to Trust dimension in this study. Based on MacEachron, (1982), measure of association, the magnitudes of relationship between the two variables are moderate.

H2: There is a significant positive relationship between commitment and customer loyalty.

The result of the study showed that, customer loyalty and the independent variable commitment has a positive association and hence we accept the second alternative hypothesis **H2**.

Empirical evidence

In order to substantiate the result of this study, the researcher tried to see the previously conducted journals. Hence, the following result was obtained:

- ✓ The study conducted by Shiferaw Bekele (2011), there is significant correlation between commitment dimension and customers loyalty. In other words commitment dimension and customers' loyalty have high relationship ($r=0.806$).
- ✓ Mukhiddin J, DeleepKumar.M, Jalal R (2012), also found the same result that, commitment is positively related with customer loyalty at a significant level of (**R=0.650**), (**P<0.01**). Hence, the researcher concluded that, the result of the present correlation was consistent with the results of previous studies conducted by the aforementioned scholars.

4.1.2.3. Correlation analysis between the customer loyalty and Conflict Handling

The Pearson correlation result of the study, between the predicted variable of **customer loyalty** and the predictor variable of **conflict handling** showed that, there is significant positive relationship between the two variable at a statistical level of (**R=0.490****), (**P<0.01**). Compared to the rest of the relationship marketing construct considered under this study, conflict handling is proved to be the last in terms of its degree of correlativity with the dependent variable customer loyalty. From the MacEachron, (1982), tables of correlation magnitude we can infer that, the degree of association between these two variables (i.e. customer loyalty and conflict handling) was moderate.

H3: There is significant positive relationship between conflict handling and customer loyalty.

Based on the positive association result obtained from the Pearson correlation test so far, between the two variables, (i.e. Customer loyalty and conflict handling) the fourth hypothesis was proven to be valid and hence, **H3** is accepted.

Empirical evidence

- ✓ The study conducted by S.Sivesan and S.Achchuthan (2012) showed that conflict handling dimension of RM is highly correlated with customer loyalty at (**R=0.511**), (**P<0.01**).
- ✓ Mukhiddin J, DeleepKumar.M, Jalal R (2012), also found the same result that, Conflict handling is positively related with customer loyalty at a significant level of (**R=0.661**), (**P<0.01**).

In line the empirical evidence stated above, we concluded that the result of positive association between the construct dimensions of relationship marketing, conflict handling and the dependent variable customer loyalty was also proved in this particular study.

4.1.2.4. Correlation analysis between the customer loyalty and Communication

The result of Pearson correlation test between the dependent variable *customer loyalty* and the independent variable *communication* showed that, there is a statistically significant positive relationship between the two variable at the level of (**R=0.532****), (**P<0.01**). MacEachron, (1982) classified this magnitude of relationship as a moderate one .

H4: There is significant positive relationship between communication and customer loyalty.

The researcher beforehand hypothesized that, there a significant positive relationship between the predicted variable customer loyalty and the predictor communication. Hence the result of the study confirmed same and we accept the third hypothesis, **H4**.

Empirical evidence

- ✓ Peyman J, FreyedonA, Motreza F (2013), according to their study on the impact of relationship marketing on customer loyalty found that, communication as a predictor variable was significantly correlated with customer loyalty at the level of ($R=0.750$), ($P<0.01$).
- ✓ Similarly the study conducted by, Laith A and Nahla A (2010), showed that the two variables (i.e. Customer loyalty and communication), are positively correlated at the significant level of ($R=0.515$), ($p<0.01$). Hence, the result of this study also supported the findings of the above researchers.

4.1.2.5. Correlation analysis between the customer loyalty and Competence

As usual, Pearson correlation test was conducted to check the degree of association between the dependent variable **customer loyalty** and the independent variable **competence**, which the fifth construct dimension of relationship marketing considered under this study.

Accordingly, the test result of the study showed that, there is a significant positive relationship between the two variables at a level of (**$R=0.536$** , (**$P<0.01$**). Based on MacEachron, (1982) correlation table, the magnitude of relationship between the two variables was moderate.

Compared to the rest of the relationship marketing construct considered under this study, competence is proved to be the third in terms of degree of correlativity with the dependent variable customer loyalty.

H5: There is a significant positive relationship between competence and customer loyalty

Armed with correlation result obtained, between the predicted variable of customer loyalty and the predictor variable of competence, we proved that there is positive relationship between them and hence we accepted the fifth hypothesis, **H5**.

Empirical evidences

- ✚ Peyman J, FreyedonA, Motreza F (2013), according to their study on the impact of relationship marketing on customer loyalty found that, competence as a predictor variable was significantly correlated with customer loyalty at the level of (**R=0.730**), (**P<0.01**).
- ✚ Similarly, the study conducted by, Krishnakumary.M and Santhosh. P, (2015), competence dimension of relationship marketing was positively correlated with the response variable, customer loyalty at a significant level of (**R=0.764**), (**P<0.01**). The result of this particular study was also, in line with the above empirical evidences.

4.1.2.6. Correlation analysis between the customer loyalty and Relationship marketing

Under this test, the average sum of all the relationship marketing constructs discussed so far was taken into consideration, in order to know the degree of association between all components of **relationship marketing** and **customer loyalty**. Hence, the result of Pearson correlation test showed that, both variables are correlated at a degree of (**R=0.623****), (**P<0.01**). At this level we could say that, the correlations between the two variables are strong, according to MacEachron (1982).

H6: Relationship marketing has a high influence on customer loyalty.

Based on the Pearson correlation test result we obtained in the above table, we concluded that, relationship marketing has a high influence on the dependent variable customer loyalty. Hence we accepted the main hypothesis.

Concluding remark on the correlation and hypothesis tested.

The researcher considered five constructs of relationship marketing, i.e. **Trust, Commitment, Conflict handling, Communication and Competence**, to see their degree of correlation with the dependent variable **customer loyalty**. Accordingly, all the components of relationship marketing are positively associated with customer loyalty using Pearson correlation test and as a result of this, all hypothesis were also accepted.

4.1.3. Multiple Regressions

Depending on the number of variables, one can run either simple linear regression with one dependent or one independent variable or otherwise, run multiple regression to see the linear relationship between one dependent and two or more independent variables. This particular study put in place, linear multiple regressions to study, the impact of relationship marketing components (i.e. Trust, Commitment, Conflict Handling, Communication and competence) on the dependent variable customer loyalty. Hence, to be able to develop the regression line formula, the dependent and the independent variables are denoted as, (**X1=Trust, X2=Commitment, X3= Conflict handling X4= Communication, and X5=Competence**) and the dependent variable, **Y=customer loyalty**.

Before running a multiple regression on the SPSS, the researcher conducted a test of basic assumptions that are required to be fulfilled while conducting multiple regression, which otherwise be impossible to do. The tests for the five assumptions of multiple regressions are presented hereunder:

4.1.3.1. Assumption 1- Normality of the distribution

This assumption formally applies to the distribution of the errors (or, equivalently, the conditional distribution of the response variable) for any given combination of values on the predictor variables, Matt N, Carlos A, and Deson K (2013). One way of measuring the normality of distribution is through checking the level of skewness and kurtosis. Usually the value of skewness and kurtosis for normal distribution is varied from 1 to -1.

Table 4.12 normality of the data

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Customer loyalty	346	.059	.131	-1.217	.261
Trust	346	-1.245	.131	.721	.261
commitment	346	-1.435	.131	1.544	.261
Communication	346	-1.032	.131	-.061	.261
Conflict handling	346	-1.172	.131	.629	.261
Competence	346	-1.083	.131	.513	.261
Valid N (list wise)	346				

As it is showed in table 4.5, the result of skewness and kurtosis of the five construct dimensions of relationship marketing, against the predicted variable of customer loyalty was within the acceptable range of ± 1 and hence, we concluded that the data are normally distributed.

4.1.3.2. Assumption 2- Linear relationship

The model that relates the response Y to the predictors $X_1, X_2, X_3 \dots X_n$, is assumed to be linear in the regression parameters (Chatterjee&Hadi, 2012). This means that the response variable is assumed to be a linear function of the parameters $(\beta_1, \beta_2, \beta_3 \dots \beta_n)$ but not necessarily a linear function of the predictor variables $X_1, X_2, X_3 \dots X_n$, as cited by, Matt N, Carlos A, and Deson K (2013). The result of this study also showed that, there is a linear relationship between the independent variables of relationship marketing components and the response variable customer loyalty. This means that, for every increase in the independent variable of Trust, Commitment, Communication, Conflict handling and competence, the dependent variable customer loyalty will increase.

4.1.3.3. Assumption 3- Homoscedasticity (equal variance)

The model errors are generally assumed to have an unknown but finite variance that is constant across all levels of the predictor variables. This assumption is also known as the homogeneity of variance assumption. (Weisberg, 2005), as cited by, Matt N, Carlos A, and Deson K (2013).

It means simply that, the variance of Y for each value of X is constant in the population. This assumption can be checked by visual examination of a plot of the standardized residuals (the errors) by the regressions standardized predicted value. we see that the variance between the dependent variable customer loyalty and the independent variables of Trust, Commitment, Conflict handling, Communication and Competence is very minimal and hence we concluded that the assumption of Homoscedasticity was proved in this particular study.

4.1.3.4. Assumption 4- Independent of residuals

The errors are assumed to be independent (Chatterjee&Hadi, 2012; Fox, 1997; Weisberg, 2005). Breach of this assumption leads to, biased estimate of standard errors and significance, even if the estimate of the regression coefficient remain unbiased but yet inefficient. (Chatterjee&Hadi, 2012), as cited by, Matt N, Carlos A, and Deson K (2013)

The Durbin-Watson statistic is used to test for independent of residuals. This particular test was obtained from the model summary part of the regression output. The table below showed the Durbin-Watson test of this study.

Table –4.13. Durbin-Watson test result

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.757 ^a	.573	.567	.53681	2.108

a. Predictors: (Constant), Competence, commitment, Communication, Trust, Conflict handling

b. Dependent Variable: Customer loyalty

Source: Research data

The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50. Babatunde O.S, Oguntunde P.E, Ogunmola A. O and Balogun O.S, (2014).

In this case, Durbin-Watson is 2.108, close to 2 and within the acceptable range and hence, we assumed independence of residuals assumption.

4.1.3.5. Assumption 5- Multicollinearity

The last of the assumptions of the classical linear regression model is that the independent variables, X_i , are linearly independent of each other. If this assumption is not satisfied and the independent variables are thus Multicollinearity, the result is that the individual regression Coefficients for each variable are not identifiable. Because multicollinearity makes the regression coefficients quite unidentifiable, it is important, if the aim is to estimate the regression equation, to reduce it as much as possible. Michael A and Patrick N, (1970) PP, 11.

Pair-wise correlation among the independent variables and the value of tolerance and variance inflation factor, (VIF) is considered to check multicollinearity. Accordingly, the following result was obtained from this study.

Table –4.14 Pair-wise correlation among the independent variables.

Correlations

		Customer loyalty	Trust	Commitmen t	Communicati on	Conflict handling	Competence
Customer loyalty	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	346					
Trust	Pearson Correlation	.602**	1				
	Sig. (2-tailed)	.000					
	N	346	346				
commitment	Pearson Correlation	.566**	.595**	1			
	Sig. (2-tailed)	.000	.000				
	N	346	346	346			
Communication	Pearson Correlation	.532**	.355**	.239**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	346	346	346	346		
Conflict handling	Pearson Correlation	.490**	.423**	.218**	.493**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	346	346	346	346	346	
Competence	Pearson Correlation	.536**	.418**	.404**	.420**	.601**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	346	346	346	346	346	346

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

Source-Own Survey

According to (Hair et al., 2006) the pair-wise correlation among the independent variable should not exceed **0.80**. As it is portrayed in the above table, the bold values showed the pair-wise correlation result and hence none of them exceeded the tolerable range of 0.80 to the maximum. Armed with this, we can say that Multicollinearity was not a problem in this particular study.

4.1.3.6. Regression Analysis Results

Once all the multiple regression assumption was met, the researcher decided on the data and further processed it. Under this part, the researcher was mainly focused on the three most important elements of regression output, i.e. the Model summary, the ANOVA test and the Beta coefficient. The average response obtained from the customer of Abyssinia Bank under the dependent variable, **customer loyalty** and each of the predictor variables, **Trust, Commitment, Communication, Conflict handling and Competence** was used.

The regression model Table –4.13 model summary of the regression result considered customer loyalty as dependent variable and the relationship marketing score for the individual dimensions as the independent variables. A multiple regression analysis is conducted to evaluate how well the five dimensions predict customer loyalty. As it is depicted under the model summary table, the linear combination of the five dimensions is significantly related to customer loyalty ($R^2=0.573$, $F=91.254$ and $P<0.001$). This means that, **57.30** percent of the positive variance of customer loyalty in the sample can be accounted for by the linear combination of the five construct dimensions of relationship marketing (i.e. **Trust, Commitment, Communication, Conflict handling and Competence.**) in Abyssinia Bank SC

Table –4.15: ANOVA on components of RM

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	132.837	5	26.567	93.486	.000 ^b
	Residual	96.623	340	.284		
	Total	229.460	345			

a. Dependent Variable: Customer loyalty

b. Predictors: (Constant), Competence, Communication, Trust, Conflict handling, Commitment

ANOVA (Analysis of variance), Used to compare whether the mean of one dependent variable differ significantly across the categories of another independent variables. ANOVA provides, the result of test of significance for R and R² using an F-statistic. According to Cohen, J (2010), if the result of the test is significant, with P-value below 0.05, then we reject the null hypothesis that R² is equal to zero and accept the research hypothesis that R² is significantly different from zero and there is a relationship between the independent and dependent variable in the population.

As it is depicted on the ANOVA table above, the P-value of the dependent variable customer loyalty and the independent variables of relationship marketing constructs of trust, commitment, communication, conflict handling and competence is well below .05($P < 0.001$).

Therefore, we concluded that the R and R^2 between the dependent variable customer loyalty and the independent variables of relationship marketing constructs are statistically significant (different from zero), based on the opinion collected from customer of Abyssinia Bank.

Table-4.16: Beta coefficient of regression result

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.828	.148		5.594	.000
	Trust	.170	.035	.231	4.825	.000
	Commitment	.217	.035	.281	6.126	.000
	Communication	.182	.029	.266	6.343	.000
	Conflict handling	.079	.034	.112	2.312	.021
	Competence	.107	.035	.146	3.062	.002

a. Dependent Variable: Customer loyalty

Source: Research data

Under the Beta Coefficient table, the researcher was highly emphasized on the values of the standardized Beta coefficient in order to figure out the relative importance of each independent variable, in predicting the dependent variable and on the unstandardized Beta coefficient in order to formulate the linear regression equation.

A. Standardized Beta Coefficient

Standardized beta coefficient is sometimes called relative importance weight. More specifically, RIWs are the proportionate contribution from each predictor to R^2 , (i.e. in our case to the $R^2=0.573$), after correcting for the effects of the inter-correlations among predictors (Lorenzo-Seva et al., 2010). This method is recommended when the researcher is examining the relative contribution each predictor variable to the dependent variable Johnson, (2000, and 2004).

From table 4.10 we can infer that, **commitment** is found to be the most important dimension of relationship marketing construct in Abyssinia Bank in determining the variation in customer loyalty which accounted for 31.4% of the beta coefficient. The second most important element of relationship marketing that contributed most, to the positive variation in the dependent variable customer loyalty is **Communication** accounted for 26.6 of the beta coefficient, followed by, **trust** and **competence** which had a beta coefficient share of 23.1 and 14.7% respectively.

In the case of Abyssinia Bank, **Conflict handling** dimension of relationship marketing contributed least to the variance in the response variable among the others, accounted for only 11.2 % and it is statically significant at p-value less than Alpha,(**0.112 p<0.05**)

B. Un standardized Beta Coefficient

This is sometimes called, the Beta Weights. According to Pedhazur, (1997), a β weight coefficient informs us, as to how much change in the criterion variable (i.e. customer loyalty in our case) we might expect with a one-unit change in the predictor variables, (i.e. Trust, Commitment, Communication, Conflict handling and Competence in our case) holding all other predictor variables constant.

The linear multiple regression formula for on dependent variable, customer loyalty and more than one independent variable of relationship marketing constructs ,Trust, Commitment, Communication, Conflict handling and Competence, took the form of:

$$Y' = a + b_1X_1+ b_2X_2+ b_3X_3+ b_4X_4+ b_5X_5 + e$$

Where, Y'= the dependent variable customer loyalty

a = y axis intercept (the constant beta value)

b1, b2, b3, b4, b5 =beta weight for each independent variables

X1, X2, X3, X4, X5= representing, trust, commitment, conflict handling, communication and competence respectively.

e = the error term (0.05 in our case)

Taking in to consideration the UNstandardized beta value in the table above, the regression equation of this particular study to the nearest decimal was written as:

$$Y' = 0.828 + 0.17X_1 + 0.22X_2 + 0.08X_3 + 0.18X_4 + 0.11X_5 + 0.05$$

The positive value for the constant intercept should be a cause for concern here. This simply means that, the expected value of the dependent variable *customer loyalty* was greater than zero when all independent variables are set to zero.

Findings from the equation

- ✓ For every unit increase in the value of Trust in BOA, setting all other predictor variable to zero, the value of response variable customer loyalty will increase by 17%.
- ✓ For every unit increase in the value of Commitment in BOA, setting all other predictor variable to zero, the value of response variable customer loyalty will increase by 22%.
- ✓ For every unit increase in the value of Conflict handling in BOA, setting all other predictor variable to zero, the value of response variable customer loyalty will increase by 8%.
- ✓ For every unit increase in the value of Communication in BOA, setting all other predictor variable to zero, the value of response variable customer loyalty will increase by 18%.
- ✓ For every unit increase in the value of Competence in BOA, setting all other predictor variable to zero, the value of response variable customer loyalty will increase by 11%.

4.2. Discussion

The discussion part is important to give a clearer understanding on the subject under study. The present research was conducted in order to see, the impact of relationship marketing on customer loyalty in Abyssinia Bank. The study included five relationship marketing dimensions such as Trust, Commitment, Conflict handling, Communication and competence, to see their effect on customer loyalty.

Increased customer loyalty is frequently argued to be the single most important driver of organizations' long-term financial performance. Eisingerich & Bell (2007) find empirical support that customer loyalty emerges as the dominant, significant, direct determinant of repurchase intention. Globalization of banking service market and the appearance of new

leading parties are both the result of technological developments and the loosening of administrative and monetary interventions, and have led to stronger competition and the risk of reducing market shares for each banking institution. Therefore, in this competitive and globalize banking era, the customers of each bank constitute one of the most important assets that a banking institution should preserve and continuously expand. As customers are of significant importance, it is essential for the banks to satisfy their needs and wants (Mylonakis, 2009).

Relationship marketing is one of the most important tools in securing a high level of customer loyalty in today's dynamic and vibrant business environment, especially for service providing companies like Abyssinia Bank.

Relationship Marketing is an emerging concept that facilitates the business organizations to view their customer requirements in a more personalized way. It is a marketing approach that acknowledges the importance of both the buyer and the seller in the marketing process. It integrates customer service and quality with a market orientation. Relationship marketing usually involves providing more personalized service and providing service quality that exceeds customer expectations at each step. Higher quality relationship helps to create customer loyalty and a competitive edge and then increase market share, which in turn leads to higher profitability. It is proved that there exist a positive impact of customer loyalty and retention on companies' profitability.

The present study showed that, relationship marketing has a significant positive relationship with customer loyalty at a significance level of $R^2=0.573$ ($F=91.254$, $P<0.001$). Thus the finding is in line with the hypothesis number six; (**H6**) stated in the paper that the relationship marketing had a high influence on customer loyalty. Thus the major hypothesis stated is well accepted.

This result is consistent with some previous studies in different setting. According to the study conducted by S.Sivesa, and S.Achchuthan (2012), RM contribute significantly to customer loyalty and the result showed an $R^2=0.30$ ($F=12.229$, $P<0.001$). Peyman J, Freyedon A and Motreza F (2013), on their study on the effect of relationship marketing (RM) on customer loyalty in the case of Mehr Bank in Iraq, they also found that the same components of relationship marketing used in the present study showed an $R^2=0.931$ ($F=2432.113$, $P<0.001$)

which is statistically significant in explaining the variation in the dependent variable customer loyalty.

Other authors like, Mukhiddin J, DeleepKumar.M, Jalal R (2012), Mohammad Y, Abdolrazagh M, and Inda S (2012), Somayeh O, Hasan Z, Gholamreza J and Abolfazi S (2014), Ndubisi on (2007), found that relationship marketing has a significant positive impact on customer loyalty.

In the present study, the correlation between the dependent variable customer loyalty and each of the independent variables, together with their relative importance was identified.

Trust is the first relationship marketing construct that was considered under this particular study. Trust has been mentioned in a number of studies as one of the important underpinnings of relationship marketing. Moorman et al. (1993) defined trust as “. . . a willingness to rely on an exchange partner in whom one has confidence. A betrayal of this trust (by the supplier or service provider) can lead to customer dissatisfaction and defection, as it was cited by Ndubisi on (2007).

Morgon and Hunt also believe that establishing the trust in a relation requires a level of confidence to the truth of the promises of a partner by every other partner. They also have viewed the reason of emphasizing the trust as a variable of relationship marketing, its necessity in establishing relationship contracts (Morgon and Hunt, 1994; pp.20-38), as it was cited by, Somayeh O, Hasan Z, Gholamreza J and Abolfazi S (2014).

Seven questions were adopted; Ndubisi & Wah (2005), in order to evaluate how well the trust dimension of relationship marketing can explain the variance in the response variable customer loyalty and the level association between them. The results of the present study showed that, trust is the most important relationship marketing dimension that contributed significantly towards maintaining customer loyalty in Abyssinia Bank (RIW=17%). The dimension was also positively correlated with the dependent variable customer loyalty at a statistically significant level of ($R=0.602$, ($P<0.01$)).

Even if the result of the regression analysis showed that, trust is one of the major contributor factors to the positive variance in customer loyalty, few of the customers of Abyssinia bank agreed one of the questions brought forward regarding the trust dimension. From the frequency distribution table attached at the end of this paper we can see that, meaningful

number of customers rated below disagree on the fact that, the Bank is consistent in providing quality services, the banks promises are reliable, and I have confidence in the Banks service at a cumulative percentage of 90.8%, 85.8%, and 85.5% respectively. According to the researcher, the dissatisfaction of customers on the above three facts, limited the contribution of trust variable to the positive variance on customer loyalty than what it deserved now, (i.e. RIW=17%).

4.2.1 Analysis of Data Collected From Interview

Trust dimension within the eyes of the division heads

According to the division heads, currently there are more than 685,450 customers who rested their bestowed interest in the Bank, which ranked Abyssinia the fifth among private Banks in Ethiopia in terms of number of customers. According to them, this is an indication of the fact that, the Bank has worked hard towards developing trust in the minds of the customers through keeping their promise, very much concerned with the security of their transaction and fulfilling its obligation. The very important question under the trust dimension brought forward by the researcher was, is really the bank providing consistent and quality services to customers. Regarding this issue they don't want to deny that, there is problem related to providing consistent and quality services and they tried to mention some of the problems like, lack of attractive physical evidences, lack of respect to customers by some of the employees, lack of innovative ideas to bring new products and services and etc. as main causes for quality problem which further might erode the trust developed in the mind of the customer, unless it is corrected soon. The opinion of the customers was also consistent with the opinion of the division heads regards quality issues.

Commitment is another important dimension of relationship marketing that was considered under the present study.

Relationship commitment is also an important component of relational exchanges. It is defined as, an enduring desire to maintain a valued relationship"" (Moorman, Zaltman, and Deshpandé, 1992). Research suggests that relationship commitment is at the core of all successful working relationships and that it is an essential ingredient in successful long-term relationships, including supplier–buyer relationships (Anderson and Narus, 1998).

In the relationship marketing literature the concept of commitment plays a central role, as it is a major characteristic of relationship marketing models (Scanzoni, 1979). Commitment refers to an implicit or explicit pledge of the continuity of a relationship between exchange partners (Dwyer et al. 1987). As Scanzoni (1979) stated commitment is the most advanced phase of partners' interdependence" as all cited by Laith A and NahlaA (2010).

The present study composed of five questions under commitment dimension, which were adopted from Ndubisi & Wah (2005). As it was described earlier, commitment is positively correlated with the response variable customer loyalty (i.e. $R=0.566$) and contributed to the variance in the dependent variable at a rate of (i.e. $RIW=21.7\%$).

The result ranked commitment is the first as compared to the remaining relationship dimensions considered under the study. From the frequency distribution table attached at the end of this paper, we can see that, customers of the bank rated commitment below disagree on the opinion related to, the Bank offers personalized services to meet customers' needs, the Bank is flexible when its services are changed, the Bank is flexible in serving my needs, Employees of the Bank are always willing and Contact person of the Bank strives to know and understand my needs at a cumulative percentage of 62.1 % , 63.6% , 91.6 % , 90.2 % and 91.6 % respectively. Therefore, the researcher concluded that, the negative response obtained from the customers of Abyssinia Bank under the above questions, significantly affected the contribution of commitment dimension towards explaining the variation in the response variable

Commitment dimension within the eyes of the division heads

The head marketing and promotion division explained commitment by quoting „without involvement there is no commitment“

The division heads was agreed on the fact that, Abyssinia Bank was not providing personalized services to its customers and its service provision was strictly followed the rules and regulations of the governing bank and hence, the issue of flexibility was very much limited in this regard. Hence, the opinion of the division heads was consistent the opinion of customers.

Conflict handling was the third relationship marketing construct, considered under the present study.

In a financial service organization, conflict handling is an important aspect in managing relationships. By welcoming complaints, organization will get a chance to understand the problem of the customer and it creates a chance to satisfy him. If a customer is unhappy but doesn't complain, then the organization risks losing that customer (MozadZineldin, 2006). For success, it is necessary for an organization to have a formal complaint management system, proactive efforts to avoid conflicts and there should be sincere efforts to openly discuss and solve problems if it arises. As cited by, Krishnakumary.M. And Santhosh.P (2015).

Six questions were adopted from Ndubisi & Wah (2005), in order to measure the relative importance and the correlation level of conflict handling dimension on the dependent variable customer loyalty. Based on the response obtained from the customers of BOA , conflict handling was found to be the least important predictor of customer loyalty among other independent dimension ,(RIW=7.9%).

The Pearson correlation test conducted so far was also showed that, there is a significant positive association between the predictor variable conflict handling and the response variable customer loyalty at ($R=0.490\%$),($P<0.01$).

Among the six questions provided to the customers, the researcher was highly interested on the question which was rated highly below the level of disagree, so that the Bank should direct its attention and strive to correct same. Accordingly, a significant number of customer of BOA was not agreed on the fact that, The bank tries to avoid potential conflict, The Bank tries to solve manifest conflicts before they create problems, The Bank values and uses customer feedback to improve service delivery and The Bank frequently asks for customer opinion and suggestions which accounted for a cumulative percentage of 59 %, 92.2 %, 90.8% and 90.2 % respectively which affects the relative importance weight of this variable.

Conflict handling dimension within the eyes of the division heads

In any transaction, where there are two or more parties involved in the operations of a given business, conflict of interest is a must to happen. According the interviewee, what matters most is how to effectively deal with the conflict before it affects the relationship between the parties involved.

Regarding the captioned case, Abyssinia Bank is good in terms of handling conflicts both before and after their occurrences, in terms of frequently asking for customer's opinions and in terms of accepting criticism and complaints. The problem of the Bank here is the culture of openly discussing with customers whenever problem arises was not yet developed and customers are simply forced to give their opinion via the suggestion box installed at each Bank branches . The very problem of collecting complains using suggestion box was it consumes time until it was further processed by the experts and sent to the top management for the consecutive actions, where customers cannot tolerate such a time lap. The other most important issue is on valuing and using customer feedback to improve one's services. According to the interviewee, it is only very recently that, customer opinion got the attention of the top management and started to be utilized to improve customer services. Hence, the opinions of the interviewees are consistent with the opinion of the customers.

Communication is the fourth dimension of relationship marketing that was considered under the present study.

Communication is the ability to provide timely and trustworthy information. Today there is a new view of communication as an interactive dialogue between the company and its customers that takes place during the pre-selling, selling, consuming and post-consuming stages (Anderson and Narus, 1990). Communications in relationship marketing means providing information that can be trusted; providing information when delivery problem occurs; providing information on quality problems and fulfilling promises. It is the communicator's task to build awareness, build consumer preference by promoting quality, value, performance and other features, and encourage interested buyers to make a purchase decision. Communication also tells a dissatisfied customer what the organization is doing to rectify the source of dissatisfaction, as cited by Ndubisi & Wah (2005).

The researcher included five questions adopted from Ndubisi & Wah (2005), in order to evaluate the relative importance and the correlation level of communication dimensions in securing customer loyalty in Abyssinia Bank. Based on the response obtained from the customers of Abyssinia Bank, communication was found to be the second most important predictor of customer loyalty next to trust dimension.(**RIW=18.2%**).

The Pearson correlation test conducted so far, showed that there is a significant positive association between the predictor variable communication and the response variable customer

loyalty at, ($R=0.532$), ($P<0.01$). Here, the researcher was concerned on figuring out, which questions included to measure this particular variable was rated below the expected compared to the others, as it helps the Bank to put a policy direction for correcting same. Accordingly, the cumulative percentage of the customer opinion who rated below the level of disagree, on the question related to the fact that, The Bank provides timely and trustworthy information , The Bank makes and fulfils promises , and Information provided by the Bank is always accurate at a cumulative percentage of 61.9% , 89.6 % and 86.7 % respectively. Therefore, the researcher concluded that, the negative opinion obtained from the customers of Abyssinia Bank related to the above question, impeded the communication variable from not to contribute more to the positive variance in the dependent variable customer loyalty.

Communication dimension within the eyes of the division heads

The division heads explained communication dimension of relationship marketing as an important tool in having an active customers who are well informed about what is going on in the Bank. In doing so, multiple channels was employed to keep the customers informed which includes, preparing annual statement (which is cross checked by external auditors for accuracy), releasing advertisement on Radio, TV, newspapers and company web-sites, brochures, participated on exhibition in order to showcase the products and services of the Bank, conducting personal selling or face-to-face communication with customers to sell the products and services of the Bank and etc.

According to them, the problem with creating effective communication in BOA came to alive on the frequency of conducting all the above channel of communication. This means that, even if their importance is paramount, the Bank rarely advertise it products and services via the mentioned channels. Despite this problem, the Banks always tries to provide timely, trustworthy, and accurate information to its customers. Hence, the opinions of the customers are consistent with the opinion of the interviewees.

Competence was the last relationship dimension considered under the present study. It is defined as the buyer's perception of the organization's technological and commercial competence (Anderson and Weitz, 1989). It is said that people seldom attempt to obtain the best services, but instead seek fair services and consistent treatment from their organization. Customers are more satisfied if they receive a service similar to what other customers

receive. But competitive advantage of own organization over other creates customer loyalty. As cited by, Krishnakumary.M. and Santhosh.P (2015).

Seven questions which were adopted from Ndubisi & Wah (2005), was considered in order to evaluate the predictive power, as well as the degree of relationship between the independent variable competence and the response variable customer loyalty. Hence, the response obtained from customers of BOA showed that, even if the two variables are positively correlated at ($R=0.536$), the relative importance weight of this variable was found to be the fourth all the other relationship marketing constructs considered under the present study, ($RIW=10.7\%$). The frequency distribution table attached at the end of the paper showed that, customers of BOA was not agreed on five of the seven questions brought forward to them, which laid a significant ground for the least contribution of this variable to the variance in the dependent variable customer loyalty.

Those opinions which was highly rated below disagree includes, my Bank help me to plan my investment, My Bank makes adjustment to suit my needs, my Bank provides me with advice on how I should invest my money, The Bank is competent in terms of adopting new banking technologies and in improving my living standard and My Bank provides effective sales promotion among the others which accounted for a cumulative percentage of 91%, 90.5%, 90.2%, 89.3% and 88.4% respectively. Therefore, from the above result we can conclude that, Abyssinia bank has a serious problem of competence related to creating its relationship with customers to maintain their loyalty.

Competence dimension within the eyes of the division heads

According to the interviewee, based on the measurements presented to evaluate the competence of Abyssinia Bank, most of them are disregarded by the Bank, overlooking their paramount importance in maintaining strong relationship with customers. In terms of competence, the Bank is only good at having knowledge about banking services and analyzing market trends, coupled with adopting new banking technologies. Whereas, the Bank was not good at offering an advisory services on how customers plan should and invest their money, provides effective sales promotion to increase customers repurchase intentions and frequently makes adjustments to suit customers' needs. This result was consistent with the opinion obtained from customers of Abyssinia Bank.

Some more issues from the interview

Beyond the interview result used under the discussion part, the following points were also gathered by the researcher from the interviewee:

The first question brought forward for the division heads was, as to whether there is a separate relationship marketing division established in the Bank or not. Accordingly, they confirmed that, even if the name of the division was not coined as relationship marketing, there is a division called customer relationship management where, a very little aspect of relationship marketing is undergoing.

The second question was as to whether the division established for conducting relationship activities with customers got the necessary attention from the top management or not. According to the division heads, very little attention was given to this particular division despite its paramount importance in securing the loyalty of customers.

The Third question was related to, as to whether customer loyalty is a pressing issue in Abyssinia Bank or not. the division heads reached an agreement that, in today's dynamic and volatile banking industry where new competitors were born frequently and customers are very sensitive in shifting their preferences, definitely customer loyalty was remained a headache for Abyssinia Bank SC, unless and otherwise extensive work has been done as part of developing the relationship marketing strategy of the Bank.

The researcher was also asked a question on how they describe the importance of relationship marketing in securing the loyalty of customers in BOA. According to the division heads, no business can exist without customers and hence it is a must for BOA to focus on its relationship marketing activities so that it can win the hearts and minds of its customers.

According to them, in a now day's banking industry in Ethiopia where there is a strong and fierce competition among players to share the customer's wallet, its only through developing a strong relationship marketing strategy that Abyssinia Bank should withstand the competition and maintain the loyalty of its customers.

Finally they recommended the following important points to enhance the relationship marketing activities of the Bank:

- ✚ Bringing a customer centric orientation to the Bank, where everybody involved in the operation has to show the necessary respect to the customers.
- ✚ Developing compliant handling procedures, where customers get the necessary feedback quickly.
- ✚ Hiring a fresh graduate who had the necessary service orientation and providing continuous training to them to develop their skill.
- ✚ Creating the marketing orientation in general from top level managers to the lower level operational employees.
- ✚ Reassessing the technology as to whether it is really the business model that push the Bank to adopt the present technology.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. SUMMARY

This research was conducted in order to see, the impact of relationship marketing on customer loyalty in banking industry in the case of Abyssinia bank. The study includes five relationship marketing dimensions such as Trust, commitment, communication conflict handling and competence. Based on the data collected from customers of Abyssinia Bank and the analysis made so far, the following important summary of the finding was obtained.

- ✓ The reliability test conducted to check the dependability and consistency of the instrument showed, a Cronbach Alpha of **0.964**.
- ✓ Sex of the respondents showed, **56.1 % (194)** are Male and the remaining **43.9 % (152)** are Female respondents.
- ✓ The age of the respondents showed that, **52.6 % (182)**, were between the age category of 40-59 year
- ✓ The educational qualification of the respondents showed, **41.7% (116)** are holding below degree in cumulative percentage, **58.1% (201)** was degree holders and the remaining **4.3% (15)** and **4% (14)** was postgraduates and from other qualification.
- ✓ The occupational status of the respondents showed, **58.9 % (206)** were both from the government and private sectors at a cumulative percentage, **34.1% (118)** are from those who run their own business and the remaining **6.1% (21)**, **0.9% (3)** are from other occupations and students respectively.
- ✓ The monthly income of the respondents showed, **59.5 % (206)** were earning a monthly income of above the category of birr 6000, **35.8 % (124)** of the respondents were earning a monthly income between 4000- 5999 and **3.5% (12)** and **1.2 % (4)** are a monthly income between 2000-3999 and below 2000 respectively.
- ✓ Regarding the service time, **46 % (159)** are using the Bank service above seven (7) years, **26.3 % (91)**, using the Bank services between 5-7 years, **23.1 % (80)** are using

the Bank services between 3-5 years, 4% (14) are using the bank services between 1-3 years and the remaining 0.6% (2) are using the bank services for below 1 years.

- ✓ Pearson correlation test between the dependent variable *customer loyalty* and the predictor variable *Trust* showed, an (**R=0.602**), (**P<0.01**), where **H1** was accepted.
- ✓ Pearson correlation test between the dependent variable *customer loyalty* and the predictor variable *Commitment* showed, an (**R=0.566**), (**P<0.01**), where **H2** was accepted.
- ✓ Pearson correlation test between the dependent variable *customer loyalty* and the predictor variable *Communication* showed, an (**R=0.532**), (**P<0.01**), where **H3** was accepted.
- ✓ Pearson correlation test between the dependent variable *customer loyalty* and the predictor variable *Conflict Handling* showed, an (**R=0.490**), (**P<0.01**), where **H4** was accepted.
- ✓ Pearson correlation test between the dependent variable *customer loyalty* and the predictor variable *Competence* showed, an (**R=0.536**), (**P<0.01**), where **H5** was accepted.
- ✓ Pearson correlation test between the dependent variable *customer loyalty* and the predictor variable *Relationship Marketing* in general showed, an (**R=0.623**), (**P<0.01**), where **H6** was accepted.
- ✓ The normality test conducted so far showed skewness and kurtosis value of the entire dependent and the independent variables are within the acceptable ranges of plus or minus 1.
- ✓ The linearity test conducted so far which considered customer loyalty as a dependent variable denoted as **Y** and trust, commitment, conflict handling, communication and competence as an independent variables denoted as **X1,X2,X3,X4,X5** showed, a positively sloped least square regression line.
- ✓ The Homoscedasticity test conducted so far showed relatively there an equal variance across the population.

- ✓ The independence of residual test result showed a Durbin Watson of **2.120**.
- ✓ The Multicollinearity assumption test result showed that, the inter correlations between all the independent variables are well below the acceptable range of **0.80**, the tolerance values of all greater than the acceptable range of **0.10** and the VIF value of all less than the acceptable range of **2.5**.
- ✓ The model summary results showed that, a linear combination of all the independent variables considered under the study predicts (**$R^2=0.579$**), of the variance in the dependent variable customer loyalty.
- ✓ The ANOVA test result showed that, the value of **R** and **R^2** obtained under the model summary part was statistically significant at (**$F=93.486$**), (**$P<0.001$**).
- ✓ The standardized beta coefficient (RIW), of each independent variable showed, (Trust=0.231, Commitment=0.281, Conflicthandling=0.112, Communication=**0.266**, and Competence=0.146).
- ✓ The un-standardized beta coefficient values for each independent variables showed, (**$\beta_{x1}=0.170$** , **$\beta_{x2}=0.217$** **$\beta_{x3}=0.079$** **$\beta_{x4}=0.182$** and **$\beta_{x5}=0.107$**).

5.2. CONCLUSION

This study has pointed out the impact of relationship marketing activities on the customer loyalty in banking sector in the case of Abyssinia Bank SC. The study considered five relationship marketing constructs such as, Trust, Commitment, Communication, Conflict handling and competence as independent variables and witnessed their impact on the response variable customer loyalty. The data collection instruments were adopted from previous studies conducted by Ndubisi and Wah (2005). Reliability test was also conducted to check the consistency and dependability of the instruments and accordingly the Cronbachs Alpha value obtained from the respondents helped the researcher to concluded that, the instruments was proven to be reliable.

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

Relationship Marketing is the heart of all successful Financial Service Institutions. It can help to develop a satisfied customer base and improve customer loyalty. To succeed, every business needs to take a customer centric approach and build long lasting relationship with customers. The need to understand the customer perception about the relationship marketing activities of Abyssinia Bank is proved through this study. It is evident from the study that, building trust, showing commitment to customers, developing competence, proper customer communication and conflict handling activities would help Abyssinia Bank to serve customers according to their expectations and thereby to build customer satisfaction and loyalty.

Therefore, from the findings the present study, the researcher concluded that:

- ✚ All the relationship marketing constructs considered under the present study was positively correlated with the response variable customer loyalty using Pearson correlation test and hence, we concluded that, for every unit increase in the independent variables, the dependent variable customer loyalty will increase in Abyssinia Bank SC.

- ✚ Since there was a significant positive association between components of relationship marketing and the response variable customer loyalty, the researcher concluded that, all the hypothesis presumed were well accepted.
- ✚ All the multiple regression assumptions of normality, linearity, independence of residuals, homoscedasticity and multicollinearity were proven to valid under the present study.
- ✚ From the model summary part of multiple regressions we concluded that relationship marketing has significant impact in explaining the variance in the dependent variable customer loyalty in Abyssinia Bank SC.
- ✚ From the ANOVA test result, we concluded that, the **R** and **R²** of the linear combinations of relationship marketing components were statistically significant in explaining the variance in the response variable customer loyalty in Abyssinia Bank SC.
- ✚ From the standardized Beta coefficient we concluded that, commitment dimension of relationship marketing was the most important predictor of the response variable customer loyalty in Abyssinia Bank SC, followed by communication, trust and Competence according to their order of importance. Whereas conflict handling was the least contributor to the positive variance in the response variable customer loyalty.
- ✚ In general from the descriptive statistics, bank of Abyssinia has to a moderate extent, adopted all components of relationship marketing practice. Though, components of RM have a positive effect on the behavioral intention of customer loyalty, like, confidentially providing positive word of mouth to others and not intending to leave this bank. Therefore, the bank engaged at a good status on insulating its customers to be loyal and promote its goodwill through building strong customer relationship.

Finally, considering the paramount importance of relationship marketing, especially in service providing company like Abyssinia Bank in securing the loyalty its customers, much attention has to be paid on the dimensions of RM discussed so far, so that it will be useful in formulating customer relationship management strategies for the Bank as well as, to be able to lay the ground for future researchers.

5.3. RECOMMENDATIONS

In today's volatile and dynamic business environment where, customers are very sensitive in changing their preference across many service providers, relationship marketing plays a rampant role in maintaining the loyalty of customers. So, in order for Abyssinia Bank, to be benefited the most out of its relationship with customers, the following constructive suggestion was forwarded by the researcher, armed the response obtained from customers of the Bank:

- ✓ It is obvious that, today's customers were very demanding than ever. So, Abyssinia Bank has to work hard towards providing consistent and quality services than players in the industry, in order to further develop trust in the minds of its customers, which otherwise costs the Bank in losing its loyal customers.
- ✓ The Bank should focus on its recruitment and selection policy, especially on those who are bringing the front image of the Bank and on promoting customer oriented culture, as today's customers are highly demanding of being honored.
- ✓ The Bank should conduct a regular training session for all members of staff on proper customer relation, so that customers are well treated and respected at any point in time and hence develop a sense of trust on the Bank.
- ✓ The Bank should consider offering personalized services to its customers, where they are served based on their will and interest. In doing so, Abyssinia Bank needs to consider knowing who is his customers and at the same time identify what is important to them than, simply offering a mass services.
- ✓ The Bank should consider avoiding the highest level of rigidity, while it ponders to change its services and at the same time while striving to fulfill customer's needs. Meaning that, the Bank has to exercise tolerable range of flexibility in offering its services to customers.
- ✓ The Bank should aggressively communicate its existing as well as new products and services, so that the largest majority of its customers are aware of what is going on in the Bank.

- ✓ The Bank should understand the power of social media and needs to have an **active profiles** set up on all the popular social sites such as Face book, Twitter, LinkedIn, and Google+, in order to further strengthen it communication with customers.
- ✓ It is recommended to the Bank, to solve conflicts in a manner that will eliminate unimportant loss and inconvenience to customers. Most of the time, it is better for the Bank to handle conflicts using face to face communication with its customers.
- ✓ The conflict handling mechanism of the Bank should be automated, in such a way that customers get a quick solution on the problem they encountered in the service delivery process of the Bank. One way of doing this is thorough developing a call centre.
- ✓ The Bank should strive to **integrate customer feedback** as much as possible in order to improve its products and services.
- ✓ The Bank should seriously scrutinize what is going on, in the domestic and international banking environment and be proactive in adopting new banking technologies and regularly making adjustments related to service charges and others, to rectify its competence to customers, which further strengthen it relationships.
- ✓ The Bank should conduct regular surveys on its customers to understand the current challenges and needs of the market.
- ✓ The data obtained from customers of Abyssinia Bank showed that, the majority of them were not agreed on the fact that, the Bank helped them in planning and investing their money by the time they evaluate the banks competence. So, in order for the Bank to capacitate its incapacitation related to the captioned case, mechanisms has to be stretched in extending advisory services at least for customers with a very important transactions.
- ✓ Respondents were also replied that, the Bank could not manage to provide effective sales promotions. To come up with this problem, Abyssinia Bank should have to provide its customers with different kinds of gifts for their transaction with the Bank, in order to stimulate their purchase intensions. One way of doing this is through

conducting a loyalty campaign, as it was done by the exemplary Commercial Bank of Ethiopia, but in different ways.

- ✓ Finally, for Abyssinia Bank to make its customers **not only like it, but also love it**, it should have to consistently go out of its ways to let them know how much it valued them, in order to develop a strong relationship and maintain their loyalty.

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WEB

<http://www.bankofabyssinia.com/>

<http://www.nbe.gov.et>

APPENDICES

APPENDIX -A: Questionnaire



Saint Mary's University

Post Graduate Studies

Master of Business Administration (MBA): Program

Questionnaire to be filled by customers of Abyssinia Bank S.C

Dear Participants:

I am a graduate student in the department of General MBA, Saint Mary's University. Currently, I am undertaking a research entitled **“The Impact of Relationship marketing on Customer Loyalty in Banking Industry, the Case of Bank of Abyssinia Sc.”** You are one of the respondents selected to participate on this study. I would like to express my warm appreciation in advance for the cooperation you will show in completing the questionnaires.

Your identity will be maintained strictly confidential and your response will be merging and analyze with the other respondents for better result. Your support in answering the questionnaire is helpful for doing the right and meaning full problem solving research.

Thank you in advance!

Sincerely yours,

Shiferawu Worku

Note:

- ✓ “BOA” represents Bank of Abyssinia
- ✓ Use a tick mark ‘√’ to show your preference in the box provided
- ✓ No need of writing your name or any address

Part one: Demographic or General information

1. State your gender below:

Male

Female

2. In what age group below do you belong?

Under 20 years

40 - 59 years

21 – 39 years

60 years and above

3. Indicate your educational qualification below:

Primary

Degree

Secondary

Postgraduate

Diploma

Others

4. Occupation

Government sector

Private sectors

Own business

Student

Others

5. Monthly income

Below Birr 2000

Birr 2001-3999

Birr 4000-5999

Birr 6000 and above

6. Length of years as a customer of BOA?

Below 1 year

3-5 year

above 7 years

1-3 year

5-7 year

Part two: Basic Information

Please indicate your opinion by marking the appropriate box on the five point scale where:

1= strongly disagree, 2=Disagree, 3= Neutral, 4= Agree and 5= strongly Agree.

Components of relationship marketing	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1. Trust dimension					
1.1. The bank is very concern with security for my transactions					
1.2. The bank's promises are reliable					
1.3. The Bank is consistent in providing quality service					
1.4. Employee of the Bank show respect to customers					
1.5. The Bank fulfils its obligation to customers					
1.6. I have confidence in the Banks service					
1.7. My bank has the ability to meet its promises					
2. Commitment dimension					
2.1. The Bank offers personalized services to meet customers need					
2.2. The Bank is flexible when its service are changed					
2.3. The Bank is flexible in serving my needs					
2.4. Employees of the Bank are always willing					
2.5. Contact person of the Bank strives to know and understand my needs					
3. Communication dimension					
3.1. The Bank provides timely and trustworthy					

information					
3.2. The Bank provides information when there is new banking services					
3.3. The Bank makes and fulfils promises					
3.4. Information provided by the Bank is always accurate					
3.5. My Bank provides information when there is a problem with my transaction					
4. Conflict handling dimension					
4.1. The Bank tries to avoid potential conflict					
4.2. The Bank tries to solve manifest conflicts before they create problems					
4.3. The Bank has the ability to openly discuss solutions when problems arise					
4.4. The Bank values and uses customer feedback to improve service delivery					
4.5. The Bank frequently asks for customer opinion and suggestions					
4.6. The Bank accepts criticism and complaints					
5. Competence dimension					
5.1. My Bank has knowledge about banking services					
5.2. My Bank has knowledge about market trends					
5.3. My Bank provides me with advice on how I should invest my money					
5.4. My Bank help me to plan my investment					
5.5. My Bank provides effective sales promotion					
5.6. My Bank makes adjustment to suit my needs					
5.7. The Bank is competent in terms of adopting new banking technologies and in improving my living standard					
1. Customer loyalty					
1.1. Considering the Bank as first choice among other banks in the area;					
1.2. The Bank that first comes to my mind when making purchase decision on bank services					
1.3. I want to remain as a customer of this Bank because I genuinely enjoy my relationship with them.					

1.4. I expect my relationship with the Bank to continue for a longer period					
1.5. I would recommend this service provider to others					
1.6. This service provider stimulates me to buy repeatedly					
1.7. I do not like to change to another bank because I value the bank					

Please indicate the degree to which you agree with the following relationship marketing under pings that have a direct influence on customer loyalty?

No	General Factors	5	4	3	2	1
1	Trust					
2	Commitment					
3	Communication					
4	Conflict Handling					
5	Competence					

የመጀመሪያ ደረጃ ትምህርት ሁለተኛ ደረጃ ት/ትምህርት

ዲፕሎማ

ድግሪ

ማስተር

ሌላ

4. የስራ ሁኔታ የመንግስት በግል ድርጅት ተቀጣሪ

የግል ስራ

ስራ የሌለው

ተማሪ

5. ወርሃዊ የገቢ መጠን 2000

2001-3999

4000-5999

6000 እና በላይ

6. ከባንኩ ጋር ያለዎትን የጊዜ ቆይታ

ከ1 አመት በታች

ከ1-3 አመት

ከ 3-5 አመት

ከ 5 አመት በላይ

ክፍሉ ሁለት፡ ዝርዝር መረጃ

ለእያንዳንዱ ጥያቄ ከአማራጮቹ አንድጊዜ ብቻ የ ”✓” ምልክት በማድረግ ምላሽ ይስጡ፡፡

5. በጣም አስማማለሁ 2. አልሰማማም

4. እስማማለሁ 1. በጣም አልሰማም

3. ለመወሰን እቻገራለሁ

መግለጫ	በጣም አልሰማም (1)	አልሰማም (2)	አስተያየት የለኝም (3)	እሰማማ ለሁ (4)	በጣም እሰማማለሁ (5)
1. ከሀቀኝነት አኳያ					
1.1 አቢ.ሲ.ኒያ ባንክ የሚሠጠውን የባንክ አገልግሎት ደህንነት ትኩረት ሰጥቶ ይሰራል።					
1.2 ባንኩ ለገባው ቃል ታማኝ ነው።					
1.3 የባንኩ አገልግሎት አሰጣጥ ጥራት ወጥነት አለው።					
1.4 የባንኩ ሰራተኞች ደንበኞችን ያከብራሉ።					
1.5 ባንኩ ለደንበኞች ማድረግ የሚጠበቅበትን ግደታዎች ይወጣል።					
1.6 ባንኩ በሚሰጠው አገልግሎት እተማመናለሁ።					
1.7 ባንኩ የገባውን ቃል የመጠበቅ አስተማማኝ ችሎታ አለው።					
2. ከቁርጠኝነት አኳያ					
2.1 ባንኩ የደንበኞችን ፍላጎት ለማሟላት ግላዊ /ልዩ/ አገልግሎት ይሰጣል።					
2.2 ባንኩ የአገልግሎት ለውጥ ሲያደርግ እንኳን በማያስቸግር መንገድ ነው።					
2.3 ባንኩ ፍላጎቴን ለማሟላት የማያደርገው ጥረት የለም።					
2.4 የባንኩ ሰራተኞች ቅኖች ናቸው።					
2.5 የባንኩ አገልግሎት ሰጭ ሰራተኛ/ ሀላፊ ፍላጎቴን ለማሟላት ይታትራል።					
3. ከመረጃ አኳያ					
3.1 ባንኩ ትክክለኛና ወቅታዊ መረጃ /ምላሽ/ ለደንበኞቹ ያደርሳል።					
3.2 አዳዲስ የባንክ አገልግሎቶች ሲኖሩ ባንኩ ለደንበኞች መረጃ ይሰጣል።					
3.3 ባንኩ በቃሉ ለመገኘትና የገባውን ቃል ለማሟላት ይጥራል።					
3.4 ባንኩ መረጃ ትክክለኛ ሁልጊዜ ይሰጣል።					
3.5 በባንክ አገልግሎቴ ላይ ችግር ሲኖር ወዲያው ባንኩ ያሳውቀኛል።					
4. አለመግባባትን ከመፍታት አኳያ					
4.1 ባንኩ ሊያጋጥሙት የሚችሉትን አለመግባባቶች አስቀድሞ ይከላከላል።					

4.2	ባንኩ የሚያጋጥሙትን ድንገተኛ አለመግባባቶችን በባንኩ አገልግሎት ላይ ችግር ከመፍጠራቸው በፊት ለመፍታት ይጥራል።					
4.3	ችግር ሲያጋጥም ግልጽ ውይይት በማድረግ ባንኩ የመፍትሔ አቅጣጫ ያስቀምጣል።					
4.4	የሚሰጠውን የአገልግሎት ለማሻሻል ባንኩ ከድንበኞችን ለሚገኝ ግብረ-መልስ ዋጋ ይሰጣል።					
4.5	ባንኩ ነክደንበኞች በየጊዜው ሀሳብና አስተያየት ይቀበላል።					
4.6	ባንኩ የሚቀርቡለትን ቅሬታዎችና ሒሶች ይቀበላል።					
5. ከብቃት አኳያ						
5.1	ባንኩ ስለልዩ ልዩ የባንክ አገልግሎት በቂ እውቀት አለው።					
5.2	ስለገበያ አዝማሚያ /የገበያ ሁኔታ/ ባንኩ መረጃ አለው።					
5.3	ባንኩ ገንዘቤን ለልማት እንዴት እንደማውለው የምክር አገልግሎት ይሰጠኛል።					
5.4	ብንኩ ሀብቱን ለልማት ለማፍሰስ እቅድ እንዳዘጋጅ ይደግፈኛል።					
5.5	ባንኩ ውጤታማ የሽያጭ ማስተዋወቅ ስራ ይሰራል።					
5.6	ፍላጎቱን ለማሟላት ባንኩ የአገልግሎት ማስተካከያ ያደርጋል።					
5.7	አዳዲስ ቴክኖሎጂዎችን በማላመድ እና ህይወቴ የሚቀየርበትን መንገድ በመቀየስ ረገድ ባንኩ የተዋጣለት ነው።					
6. ከደንበኞች አመኔታ አኳያ						
6.1	በአካባቢያ ከሚገኙ ሌሎች ባንኮች ይልቅ አቢሲኒያ ባንክ ተቀዳሚ ምርጫ ነው።					
6.2	የባንክ አገልግሎት ግዥ ውሳኔ ሳሳልፍ ቅድሚያ የሚታወሰኝ አቢሲኒያ ባንክ ነው።					
6.3	በሚሰጠው አገልግሎት ደስተኛ ስለሆንኩ አቢሲኒያ ባንክ በውስጤ አለ።					
6.4	ከባንኩ ጋር ያለኝ ደንበኝነት ዘለቄታዊ ማድረግ እፈልጋለሁ።					
6.5	የአቢሲኒያ ባንክ ደንበኛ እንዲሆኑ ሌሎችን እመክራለሁ።					
6.6	የባንክ አገልግሎት ግዥ እንዳደርግ የአቢሲኒያ ባንክ ያነቃቃኛል።					
6.7	ለአቢሲኒያ ባንክ ትልቅ ግምት ስላለኝ ደንበኝነቴን ወደሌላ ባንክ መቀየር አልፈልግም።					

ተ.ቁ	እባክዎትን ከዚህ በታች ከተዘረዘሩት የደንበኞች ግንኙነት አጠቃላይ ጉዳዮች በቀጥታ የደንበኞች ታማኝነት ላይ ይበልጥ ተፅኖ የሚያሳድሩትን በመጠን ያመልክቱ	5	4	3	2	1
1	ሀቀኝነት (Trust)					
2	ቁርጠኝነት (Commitment)					
3	መረጃን መስጠትና መቀበል (Communication)					
4	አለመግባባትን መፍታት (Conflict Handling)					
5	ብቃትና ተወዳዳሪነት (Competence)					

አመሰግናለሁ፡፡

St. Mary's University

School of Graduate Studies Faculty of Business

Interview questions with BOA Marketing and Promotion division

This interview will conduct to gather data for MBA Thesis entitled **'The Impact of Relationship marketing on Customer Loyalty in Banking Industry, the Case of Bank of Abyssinia Sc.'** I assure you that your responses will be used only for academic purpose.

1. Is there a separate relationship marketing division in BOA?
2. Considering the utmost significance of the division, do you think that it has got the necessary attention from the top management?
3. Do you think that, customer loyalty is a pressing issue in BOA?
4. How can you describe the importance of relationship marketing in securing the loyalty of customer in BOA?
5. Do you think that BOA builds a strong trust in the minds of its customers through, keeping its promise, very much concerned with the security of their transactions, fulfilling obligations and providing consistent quality services?
6. Do you think that BOA is committed enough in securing the loyalty of its customer through, offering personalized and flexible services and at the same time showing respect to customers in fulfilling their needs.
7. How do you evaluate the communication dimension of relationship marketing in BOA with regards to providing timely, trustworthy and accurate information to the customers, coupled with informing them regularly by the time the Bank introduce new banking services and when there is a problem related to their transaction.
8. How do you evaluate the conflict handling procedures of the Bank in terms of, trying to avoid potential conflict before and after their occurrences, the ability of the Bank in openly discussing with customers when problem occurred, in valuing and using customer feedback to improve its services and in asking customers opinion and suggestions frequently and accepts criticism and complaints.
9. How do you evaluate the competence of BOA in terms of, its knowledge about banking services, market trends, providing advisory services on how customers should plan and invest their money, providing effective sales promotion, making adjustment to suit customer's needs and adopting new technologies.
10. Finally, What do you recommend to do, to improve the relationship marketing activities of the Bank and secure the loyalty of its customers.

APPENDIX -B: SPSS Data output

Correlation analysis

Correlations Matrix

		Customer loyalty	Trust	Commitment	Communication	Conflict handling	Competence
Customer loyalty	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	346					
Trust	Pearson Correlation	.602**	1				
	Sig. (2-tailed)	.000					
	N	346	346				
Commitment	Pearson Correlation	.566**	.595**	1			
	Sig. (2-tailed)	.000	.000				
	N	346	346	346			
Communication	Pearson Correlation	.532**	.355**	.239**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	346	346	346	346		
Conflict handling	Pearson Correlation	.490**	.423**	.218**	.493**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	346	346	346	346	346	
Competence	Pearson Correlation	.536**	.418**	.404**	.420**	.601**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	346	346	346	346	346	346
Relationship marketing	Pearson Correlation	.623**	.951**	.634**	.347**	.425**	.426**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	346	346	346	346	346	346

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

Regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.757 ^a	.573	.567	.53681

a. Predictors: (Constant), Competence, commitment, Communication, Trust, Conflict handling

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	131.482	5	26.296	91.254	.000 ^b
1 Residual	97.977	340	.288		
Total	229.460	345			

a. Dependent Variable: Customer loyalty

b. Predictors: (Constant), Competence, commitment, Communication, Trust, Conflict handling

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.828	.148		5.594	.000
Trust	.170	.035	.231	4.825	.000
commitment	.217	.035	.281	6.126	.000
Communication	.182	.029	.266	6.343	.000
Conflict handling	.079	.034	.112	2.312	.021
Competence	.107	.035	.146	3.062	.002

a. Dependent Variable: Customer loyalty

APPENDIX -C: Descriptive Statistics for Scale Typed Questionnaires

Trust questions

The bank is very concern with security for my transactions

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	7	2.0	2.0	2.0
D	19	5.5	5.5	7.5
N	210	60.7	60.7	68.2
A	103	29.8	29.8	98.0
SA	7	2.0	2.0	100.0
Total	346	100.0	100.0	

The banks promises are reliable

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	2	.6	.6	.6
D	295	85.3	85.3	85.8
N	12	3.5	3.5	89.3
A	30	8.7	8.7	98.0
SA	7	2.0	2.0	100.0
Total	346	100.0	100.0	

The Bank is consistent in providing quality service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	93	26.9	26.9	26.9
	D	221	63.9	63.9	90.8
	N	14	4.0	4.0	94.8
	A	18	5.2	5.2	100.0
	Total	346	100.0	100.0	

Employee of the Bank show respect to customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	13	3.8	3.8	3.8
	D	17	4.9	4.9	8.7
	N	6	1.7	1.7	10.4
	A	289	83.5	83.5	93.9
	SA	21	6.1	6.1	100.0
	Total	346	100.0	100.0	

The Bank fulfils its obligation to customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	14	4.0	4.0	4.0
	D	26	7.5	7.5	11.6
	N	103	29.8	29.8	41.3
	A	199	57.5	57.5	98.8
	SA	4	1.2	1.2	100.0
	Total	346	100.0	100.0	

I have confidence in the Banks service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	2	.6	.6	.6
	D	294	85.0	85.0	85.5
	N	15	4.3	4.3	89.9
	A	32	9.2	9.2	99.1
	SA	3	.9	.9	100.0
	Total	346	100.0	100.0	

My bank has the ability to meet its promises

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	5	1.4	1.4	1.4
	D	26	7.5	7.5	9.0
	N	280	80.9	80.9	89.9
	A	29	8.4	8.4	98.3
	SA	6	1.7	1.7	100.0
	Total	346	100.0	100.0	

Commitment questions

The Bank offers personalized services to meet customers need

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	7	2.0	2.0	2.0
	D	208	60.1	60.1	62.1
	N	117	33.8	33.8	96.0
	A	14	4.0	4.0	100.0
	SA				
	Total	346	100.0	100.0	

The Bank is flexible when its service are changed

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	14	4.0	4.0	4.0
	D	206	59.5	59.5	63.6
	N	99	28.6	28.6	92.2
	A	18	5.2	5.2	97.4
	SA	9	2.6	2.6	100.0
	Total	346	100.0	100.0	

The Bank is flexible in serving my needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	88	25.4	25.4	25.4
	D	229	66.2	66.2	91.6
	N	2	.6	.6	92.2
	A	22	6.4	6.4	98.6
	SA	5	1.4	1.4	100.0
	Total	346	100.0	100.0	

Employees of the Bank are always willing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	197	56.9	56.9	56.9
	D	115	33.2	33.2	90.2
	N	9	2.6	2.6	92.8
	A	5	1.4	1.4	94.2
	SA	20	5.8	5.8	100.0
	Total	346	100.0	100.0	

Contact person of the Bank strives to know and understand my needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	D	308	89.0	89.0	89.0
	N	9	2.6	2.6	91.6
	A	25	7.2	7.2	98.8
	SA	4	1.2	1.2	100.0
	Total	346	100.0	100.0	

Communication questions

The Bank provides timely and trustworthy information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	14	4.0	4.0	4.0
	D	199	57.5	57.5	61.6
	N	7	2.0	2.0	63.6
	A	112	32.4	32.4	96.0
	SA	14	4.0	4.0	100.0
	Total	346	100.0	100.0	

The Bank provides information when there is new banking services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	10	2.9	2.9	2.9
	D	108	31.2	31.2	34.1
	N	200	57.8	57.8	91.9
	A	13	3.8	3.8	95.7
	SA	15	4.3	4.3	100.0
	Total	346	100.0	100.0	

The Bank makes and fulfils promises

		Frequency	Percent	Valid Percent	Cumulative Percent
	D	203	58.7	58.7	58.7
	N	107	30.9	30.9	89.6
Valid	A	25	7.2	7.2	96.8
	SA	11	3.2	3.2	100.0
	Total	346	100.0	100.0	

Information provided by the Bank is always accurate

		Frequency	Percent	Valid Percent	Cumulative Percent
	SD	183	52.9	52.9	52.9
	D	117	33.8	33.8	86.7
Valid	N	20	5.8	5.8	92.5
	A	18	5.2	5.2	97.7
	SA	8	2.3	2.3	100.0
	Total	346	100.0	100.0	

My Bank provides information when there is a problem with my transaction

		Frequency	Percent	Valid Percent	Cumulative Percent
	SD	5	1.4	1.4	1.4
	D	113	32.7	32.7	34.1
Valid	N	193	55.8	55.8	89.9
	A	15	4.3	4.3	94.2
	SA	20	5.8	5.8	100.0
	Total	346	100.0	100.0	

Conflict handling questions

The bank tries to avoid potential conflict

		Frequency	Percent	Valid Percent	Cumulative Percent
	SD	6	1.7	1.7	1.7
	D	198	57.2	57.2	59.0
Valid	N	116	33.5	33.5	92.5
	A	26	7.5	7.5	100.0
	Total	346	100.0	100.0	

The Bank tries to solve manifest conflicts before they create problems

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	115	33.2	33.2	33.2

	D	204	59.0	59.0	92.2
	N	12	3.5	3.5	95.7
	A	15	4.3	4.3	100.0
	Total	346	100.0	100.0	

The Bank has the ability to openly discuss solutions when problems arise

		Frequency	Percent	Valid Percent	Cumulative Percent
	D	28	8.1	8.1	8.1
	N	87	25.1	25.1	33.2
Valid	A	211	61.0	61.0	94.2
	SA	20	5.8	5.8	100.0
	Total	346	100.0	100.0	

The Bank values and uses customer feedback to improve service delivery

		Frequency	Percent	Valid Percent	Cumulative Percent
	SD	93	26.9	26.9	26.9
	D	219	63.3	63.3	90.2
Valid	N	12	3.5	3.5	93.6
	A	20	5.8	5.8	99.4
	SA	2	.6	.6	100.0
	Total	346	100.0	100.0	

The Bank frequently asks for customer opinion and suggestions

		Frequency	Percent	Valid Percent	Cumulative Percent
	SD	110	31.8	31.8	31.8
	D	204	59.0	59.0	90.8
Valid	N	15	4.3	4.3	95.1
	A	13	3.8	3.8	98.8
	SA	4	1.2	1.2	100.0
	Total	346	100.0	100.0	

The Bank accepts criticism and complaints

		Frequency	Percent	Valid Percent	Cumulative Percent
	SD	101	29.2	29.2	29.2
	D	112	32.4	32.4	61.6
Valid	N	121	35.0	35.0	96.5
	A	10	2.9	2.9	99.4
	SA	2	.6	.6	100.0

Total	346	100.0	100.0	
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Competence questions

My Bank has knowledge about banking services

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	13	3.8	3.8	3.8
D	25	7.2	7.2	11.0
N	3	.9	.9	11.8
A	288	83.2	83.2	95.1
SA	17	4.9	4.9	100.0
Total	346	100.0	100.0	

My Bank has knowledge about market trends

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	14	4.0	4.0	4.0
D	21	6.1	6.1	10.1
N	181	52.3	52.3	62.4
A	110	31.8	31.8	94.2
SA	20	5.8	5.8	100.0
Total	346	100.0	100.0	

My Bank provides me with advice on how I should invest my money

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	189	54.6	54.6	54.6
D	123	35.5	35.5	90.2
N	13	3.8	3.8	93.9
A	16	4.6	4.6	98.6
SA	5	1.4	1.4	100.0
Total	346	100.0	100.0	

My Bank help me to plan my investment

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	93	26.9	26.9	26.9
D	222	64.2	64.2	91.0
N	10	2.9	2.9	93.9
A	19	5.5	5.5	99.4
SA	2	.6	.6	100.0

Total	346	100.0	100.0
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My Bank provides effective sales promotion

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	106	30.6	30.6	30.6
D	200	57.8	57.8	88.4
N	16	4.6	4.6	93.1
A	23	6.6	6.6	99.7
SA	1	.3	.3	100.0
Total	346	100.0	100.0	

My Bank makes adjustment to suit my needs

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	118	34.1	34.1	34.1
D	195	56.4	56.4	90.5
N	2	.6	.6	91.0
A	18	5.2	5.2	96.2
SA	13	3.8	3.8	100.0
Total	346	100.0	100.0	

The Bank is competent in terms of adopting new banking technologies and in improving my living standard

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	3	.9	.9	.9
D	306	88.4	88.4	89.3
N	3	.9	.9	90.2
A	21	6.1	6.1	96.2
SA	13	3.8	3.8	100.0
Total	346	100.0	100.0	

Customer loyalty questions

Considering the Bank as first choice among other banks in the area;

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	187	54.0	54.0	54.0
D	123	35.5	35.5	89.6
N	8	2.3	2.3	91.9
A	21	6.1	6.1	98.0

	SA	7	2.0	2.0	100.0
	Total	346	100.0	100.0	

The Bank that first comes to my mind when making purchase decision on bank services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	189	54.6	54.6	54.6
	D	121	35.0	35.0	89.6
	N	8	2.3	2.3	91.9
	A	23	6.6	6.6	98.6
	SA	5	1.4	1.4	100.0
	Total	346	100.0	100.0	

I want to remain as a customer of this Bank because I genuinely enjoy my relationship with them.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	11	3.2	3.2	3.2
	D	207	59.8	59.8	63.0
	N	100	28.9	28.9	91.9
	A	23	6.6	6.6	98.6
	SA	5	1.4	1.4	100.0
	Total	346	100.0	100.0	

I expect my relationship with the Bank to continue for a longer period

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	21	6.1	6.1	6.1
	D	19	5.5	5.5	11.6
	N	286	82.7	82.7	94.2
	A	14	4.0	4.0	98.3
	SA	6	1.7	1.7	100.0
	Total	346	100.0	100.0	

I would recommend this service provider to others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	3	.9	.9	.9
	D	311	89.9	89.9	90.8

	N	4	1.2	1.2	91.9
	A	14	4.0	4.0	96.0
	SA	14	4.0	4.0	100.0
	Total	346	100.0	100.0	

This service provider stimulates me to buy repeatedly

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	113	32.7	32.7	32.7
D	197	56.9	56.9	89.6
N	14	4.0	4.0	93.6
A	8	2.3	2.3	96.0
SA	14	4.0	4.0	100.0
Total	346	100.0	100.0	

I do not like to change to another bank because I value the bank

	Frequency	Percent	Valid Percent	Cumulative Percent
SD	9	2.6	2.6	2.6
D	206	59.5	59.5	62.1
N	103	29.8	29.8	91.9
A	23	6.6	6.6	98.6
SA	5	1.4	1.4	100.0
Total	346	100.0	100.0	

Descriptive Statistics

	N	Mean	Std. Deviation
The bank is very concern with security for my transactions	346	3.2428	.67589
The banks promises are reliable	346	2.2630	.70827
The Bank is consistent in providing quality service	346	1.8757	.70947
Employee of the Bank show respect to customers	346	3.8324	.76571
The Bank fulfils its obligation to customers	346	3.4422	.81533
I have confidence in the Banks service	346	2.2486	.66075
My bank has the ability to meet its promises	346	3.0145	.53549

The Bank offers personalized services to meet customers need	346	2.3988	.60183
The Bank is flexible when its service are changed	346	2.4277	.76650
The Bank is flexible in serving my needs	346	1.9220	.80017
Employees of the Bank are always willing	346	1.6590	1.02964
Contact person of the Bank strives to know and understand my needs	346	2.2052	.61487
The Bank provides timely and trustworthy information	346	2.7486	1.07828
The Bank provides information when there is new banking services	346	2.7543	.76161
The Bank makes and fulfils promises	346	2.5491	.76455
Information provided by the Bank is always accurate	346	1.7023	.95756
My Bank provides information when there is a problem with my transaction	346	2.8035	.78875
The bank tries to avoid potential conflict	346	2.4682	.65971
The Bank tries to solve manifest conflicts before they create problems	346	1.7890	.70526
The Bank has the ability to openly discuss solutions when problems arise	346	3.6445	.71277
The Bank values and uses customer feedback to improve service delivery	346	1.8988	.76036
The Bank frequently asks for customer opinion and suggestions	346	1.8353	.76823
The Bank accepts criticism and complaints	346	2.1329	.89099
My Bank has knowledge about banking services	346	3.7832	.79990

My Bank has knowledge about market trends	346	3.2919	.82973
My Bank provides me with advice on how I should invest my money	346	1.6272	.87295
My Bank help me to plan my investment	346	1.8873	.74718
My Bank provides effective sales promotion	346	1.8815	.79517
My Bank makes adjustment to suit my needs	346	1.8815	.93892
The Bank is competent in terms of adopting new banking technologies and in improving my living standard	346	2.2341	.73827
Considering the Bank as first choice among other banks in the area;	346	1.6647	.93733
The Bank that first comes to my mind when making purchase decision on bank services	346	1.6532	.92059
I want to remain as a customer of this Bank because I genuinely enjoy my relationship with them.	346	2.4335	.72825
I expect my relationship with the Bank to continue for a longer period	346	2.8988	.63122
I would recommend this service provider to others	346	2.2052	.71105
This service provider stimulates me to buy repeatedly	346	1.8815	.90111
I do not like to change to another bank because I value the bank	346	2.4480	.72144
Valid N (listwise)	346		