ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

SCHOOL OF BUSINESS

ASSESMENT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICE: A CASE STUDY OF ETHIOPIAN SHIPPING AND LOGISTICS SERVICE ENTERPRICE

BY

JEMIL MUSEMA

December, 2018

Addis Ababa

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Internal Examiners   Signature &Date

DECLARATION

This is to certify that the thesis prepared by Jemil Musema entitled: Customer relationship management practice in the case of Ethiopian shipping and logistics service enterprise and submitted in partial fulfillment of the requirements for the Degree of Masters of Business

Administration in Management complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

_____   _____   _____

Name   **Signature**   **Date**

ENDORSEMENT

This thesis has been submitted to St.Mary's university school of graduate studies for examination with my approval as a university advisor Dr Temesgen Belayneh.

_____   _____   _____

Advisor   Signature   Date

Acknowledgement

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Acronyms

CRM   Customer Relationship Management

ESLSE   Ethiopian Shipping & Logistics Services Enterprise

GDP   Gross Domestic Product

IT   Information Technology

CPM   Customer Portfolio Management

ESL   Ethiopian Shipping Lines

MTSE   Maritime & Transit Services Enterprise

DPE   Dry Port Services Enterprise

CTTS   Cargo Tracking & Tracing System

Abstract

Recent trends on customer relationship management show that as a result of highly competitive market, managing customer relationships turn out to be number one job for most businesses and Customer Relationship Management (CRM) systems help to ensure that this process runs effectively and efficiently. Customer Relationship Management is at the center of logistics firms' strategy. Firms spend huge amounts of resources in Customer Relationship Management (CRM) related activities for the acquisition, retention and development of long term relationships with customers. The objective of the study is to examine the level of CRM practice in Ethiopian Shipping & logistics Services Enterprise by select model of CRM Pyne s Five process model. The study has incorporated both primary and secondary data; furthermore this study uses both qualitative and quantitative research methods as a primary source of data. Qualitative data was collected from an in-depth interview made with the responsible parties of Ethiopian Shipping & Logistics Services Enterprise; the quantitative data is gathered from questionnaire distributed to 199 sample customer respondents that are selected by convenience sampling technique. The study is descriptive in nature; Descriptive data analysis method through the use of statistical package for social science (SPSS) version 20 software was used to analyze the data. Using purposive sampling method the researcher select 12 management member around customer's relationship areas and strategy development areas was selected for interview. the findings of the research , the strategy development process is in slack both in creating sound customer strategy and integrating business strategy with customer strategy. performance level is low in receiving value from customers and its performance is middling in delivering value to customers. In multichannel integration process, the performance of the Enterprise is at par ,performance as to establish IT systems is estimable and in relation to analytical tools or data mining the performance is at low level. performance level is low and conventional customer relationship wise. the mission , vision ,objectives and values of ESLSE needs further refinement at the area of customer relationship .

Key words*: Customer relationship management (CRM), logistics, Servic*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Recent trends on customer relationship management show that managing customer relationships is number one job for most businesses and Customer Relationship Management (CRM) systems help to ensure that this process runs effectively and efficiently (Henn, Israch & Ogneva, 2011).

Nowadays, customers are more knowledgeable and the market is highly competitive. As a result, understanding and tracking needs of customers and satisfying in advance of competitors is a matter of life and death for businesses. With the increasing demand of customer relationship practices, relationship marketing is becoming imperative and transaction based marketing becomes obsolete.

Key objective of many CRM strategies is managing customer base in order to identify, acquire, satisfy and retain profitable customers. Managing customer retention and tenure wisely breeds two major benefits for companies; reducing marketing costs and better customer insight. Marketing costs are related to money spent to replace churned customers like money spent on advertising, sales and research. Again, as the customer tenure lengthens, marketers are able to develop a better understanding of customer requirement and expectations (Buttle, 2009).

Several business sectors have benefited from the use of customer relationship management activities. One of these sectors is logistics.

Growth of a country's economy significantly depends on the accessibility of excellent logistics services. If the case is in a developing country like Ethiopia, the importance of logistics services is more dominant. Logistics has been an important part of every economy and every business entity.

Logistics cost about 12% of the world's GDP (Cheong, 2003). Studies find that differences in logistics performance are driven only in part by poor quality of physical infrastructure services

such as road, rail, waterways, port services, and interfaces. Instead, the inadequacies often are caused by policy and institutional constraints such as procedural red tape, inadequate enforcement of contracts, poor definition and enforcement of rules of engagement, delays in customs, delays at ports and border crossings, pilferage in transit, and highly restrictive protocols on movement of cargo(Hausman & Subramanian, 2005). Customer Relationship Management is at the heart of logistics firms' strategy. Firms spend huge amounts of resources in Customer Relationship Management (CRM) related activities for the acquisition, retention and development of long term relationships with customers.

In Ethiopia, the command economy which the country went through was hampering competition and customer centric market practices, and logistics sector of the country was not an exception.

Ethiopian Shipping and Logistics Services Enterprise is incorporated by proclamation number 255/2004 of the Council of Ministers merging the former Ethiopian Shipping Lines Share Company, Maritime and Transit Services Enterprise and Dry Port Enterprise that have been operating independently. This radical transformation and merger is not only aimed at bringing the companies under one corporate management, but also aims at realizing sustainable change and continuous improvement in transportation and logistics sector and providing competitive services.(website : www.eslse.et)

The Vision of ESLSE Providing competitive Shipping and logistics service to become preferred and renowned Africa Logistics Company by 2025.The Mission is Through Building and upgrading organizational capacity to render world class and competitive and logistics services; there by contributing towards the rapid economic growth of the country. Values of ESLSE Reliability , transparency and accountability Efficiency, productivity and professionalism Readiness to learn excels. The objectives for which the Enterprise is established are: To render coastal and international marine and internal water transport services; To render freight forwarding agency, multimodal transport, shipping agency and air agency services; To provide the services of stevedoring, shore-handling, dry port, warehousing other logistics services for import export goods; To study the country's import and export trade demand and thereby develop technological capacity in order to render efficient maritime and transit transport services.

1.2 Statement of the Problem

CRM is a management approach that enables organizations to identify, attract, and increase retention of profitable customers through improved relationship management (Hobby, 1999 cited in Ramkelawon, 2010). However, successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes (Pritesh et al., 2010).

Several studies have been done on Customer relation Ship management practice on service organization in Ethiopia. most of these studies were conducted on service organization like banks and hotels Only few studies have been done on logistic transport sector for instance, *Fekadu M. Debela(2013)* conducted research on *logistics practice in Ethiopia*, the result indicates that ESLSE at logistic transport sector faces various problems especially with rendering quality service by a well designed delivery system for their customers and this study is not sufficient to give generalization about logistics transport service with few studies. So, the researcher wanted to assess the Customer relation Ship management practice in Ethiopian Shipping and Logistic Service Enterprise using the selected model of CRM i.e Pyne's Five process model.

The Ethiopian logistics sector was facing multiple problems in the past. Resulting from the country's growing economy both the cargo type and quantity is growing at an increasing rate but the logistics sector is held responsible for not coping up with the import and export cargo growth. Ethiopian Shipping & Logistics Services Enterprise as a multimodal operator remains under multiple pressure from customers, government and the media for lack of competency.

The Enterprise partially agreed with the claim stating its lack of groundwork preparations to accommodate both the inbound and outbound cargo of the country in a reasonably short period of time before the implementation of multimodal operation system. The initial stage of implementation of multimodal transport system, the Enterprise is claiming that many achievements are registered, and one of these achievements is the reduction of cargo dwell time on Djibouti Port which saves substantial spending both for customers and the county, Reducing warehouse cost, faster transit of cargo reducing the cost of export and increase the competitive

position in the international market, minimizing of Burden of documentation and formality , improve safety and security of goods Regardless of all these efforts customers are still raising their voice of dissatisfaction and the government as well urges for change. The negative aspects reported as weakness include unavailable enough container , inadequate dry port weak ship scheduling, poor problem solving capacity and inability to handle customers' requirements and very high freight charges, Extended waiting time to gate the transportation service,   higher customer expectation low perceived performance. long repetitive custom checking, lack of modern Cargo and handling equipments Such as forklifts and Cranes, Importer expectation of the multimodal transport system unsatisfied with cost, performance, time, reliability of information using the service. www.eslse.et

On some instances of open discussion between customers and top level management of the Enterprise customers express their good opinion for the Enterprise's move towards openness. This can show the existence of break with regard to customer relationship. Moreover, it is evident that service improvement effort is lame without active participation of customers and once again the struggle for change by the Enterprise is in question if it fails to strengthen its customer relationship management activities.

Creating a planned and comprehensive customer relationship can enhance the capacity of a logistics firm to create strong bond of affiliation with customers not only for the sake of understanding customer need, type, value and profitability but also to predict the future trends in the industry effectively.

ESLSE, in addition to its effort to improve its capacity with regard to vessel building, machinery acquisition, and dry port expansion has to enhance its relationship capacity with customers. After all, the overall effort is in vain if it fails to be geared towards the needs of customers.

Ethiopian Shipping & Logistics Services Enterprise is looking for solutions mostly around the above mentioned capacity development areas and one of the overlooked areas is customer relationship issue. www.eslse.et

This research tried to focus on this topic, shade light on the current state and highlight some possible route of way out.

1.3. Research Questions

In conducting the research, the following points are considered as the basic research questions:

 ➢ To what level ESLSE is integrating its customer relationship strategy with business strategy?

 ➢ To what level ESLSE is creating value through CRM activities?

 ➢ To what degree ESLSE is integrating its channel of interactions for CRM?

 ➢ To what extent ESLSE has established different IT systems and analytical tools to develop and extract CRM related data?

 ➢ To what extent ESLSE is assessing its CRM activities?

1.4. Objectives of the Study

In general, the objective of the study is to examine the level of CRM practice in Ethiopian Shipping & Logistics Services Enterprise.

Specifically, the study has the following objectives;

 ➢ To thoroughly examine the strategic soundness of CRM in ESLSE.

 ➢ To scrutinize the value creation process with regard to CRM in ESLSE.

 ➢ To study multichannel integration process in ESLSE.

 ➢ To determine the level of information management process in ESLSE.

 ➢ To determine to what level ESLSE is assessing CRM performance.

1.5. Significance of the Study

The study contributes to Ethiopian logistics sector literature at large and the findings from it help as a springboard from which further research into the subject under caption can be undertaken.

More specifically the study has the following potential contributions for Ethiopian Shipping & Logistics Services Enterprise;

- ➢ It enables the management of the Enterprise to take corrective or reinforcement measures.

- ➢ It provides key issues for the management to consider areas of enhancements while formulating their customer relationship strategy.

- ➢ Adds knowledge to those employees of the Enterprise who are entrusted in developing strategic documents.

- ➢ It builds understanding of employees who work at the customer touchline.

1.6. Scope of the Study

The research focuses only on customers and management members of Ethiopian Shipping & Logistics Services Enterprise who reside in Addis Ababa.

Moreover, the study assesses CRM practice of the Enterprise using only the select model of CRM i.e. Pyne's Five Process Model.

1.7. Organization of the Study

This report is organized under five chapters. The first chapter represents introduction of the study whereby background of the study, problem statement, objectives of the study, research questions, significance of the study, definitions of terms, scope of the study, and limitations of the study are included.

The second chapter is devoted to reviewing related literatures followed by the third chapter that discusses the methodology used to undertake the study. In chapter four and five, data analysis and discussion of the results, and conclusion & recommendations are presented consecutively.

Finally, references presented and copies of questionnaires are annexed.

1.8. Limitation of the Study

All the customers of the Ethiopian shipping and logistics service enterprise in logistic transport sector were not taken as the subject of the study. Even if the enterprise has many offices to make the research complete information from all dry port offices as well as Djibouti office, due to some constraints like money and time, the researcher has restricted himself only to head office which is located in Addis Ababa specifically found around Leghare for obtaining the information which help to make the research.

1.9. Definitions of Terms

Sea Liner

ESLSE's application software which has CRM module by which the Enterprise accumulates customer related data.

Multimodal Transport

Carriage of goods by at least two different modes of transport on the basis of a multimodal transport contract from a place in one country at which the goods are taken in charge by the multimodal transport operator to a place designated for delivery situated in a different country.

Dwell Time

The measure of the time beyond from the time the cargo arrives in the port to the time the goods leave the port premises after all permits and clearances have been obtained.

Customer Portfolio Management (CPM)

The realization of optimal business performance whether that means sales growth, improved customer profitability, or another aim through offering different value propositions to different segments of customers.

CHAPTER TWO

REVIW OF RELATED LITERATURE

2.1 Evolution, Definitions & Meaning of CRM

Revolution in customer relationship management (CRM) has been referred to as the new "mantra" of marketing (Russel S. Winer, 2001).With the emergence of knowledgeable customers, the marketing mix management paradigm with its Four P's is a much more clinical approach which makes the seller the active part and the buyer passive (Gronroos, 1994).

In today's highly competitive market, customers are at the heart of a business and success of a company significantly depends on effective management of relationships with them. As a result implementing CRM is non-negotiable in today's business arena.CRM helps companies to have a profound understanding of customers' needs so that they can in effect satisfy.

Many writers have tried to define CRM. Among these:

- CRM is a comprehensive approach for creating, maintaining and expanding customer relationships (Kristina & Carol, 2002)

- CRM is a core business strategy that integrates internal process and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer related data and enabled by information technology (Buttle, 2009).

- CRM is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer (Parvitiyar & Sheth, 2001).

- CRM attempts to provide a strategic bridge between information technology and marketing strategies aimed at building long-term relationship and profitability. This requires information-intensive strategies (Glazer, 1997).

• CRM is an enterprise approach to understanding and influencing customer behavior through meaningful communication to improve customer acquisition, customer retention, customer loyalty and customer profitability (Swift, 2000).

2.2 Types of CRM

The major types of CRM are Strategic CRM, Operational CRM, and analytical & collaborative CRM (Buttle, 2009).

2.2.1 Strategic CRM

Strategic CRM is focused up on nurturing customer-centric business culture. customer-centric business culture is devoted to attracting, winning and keeping customers by creating and delivering value better than competitors. Furthermore this culture is reflected through leadership behaviors, the design of formal systems, and stories that are created within the firm. In successful customer-centric business culture it is expected that resources are allocated to enhance customer value, reward systems to promote employee behaviors that enhance customer satisfaction and retention, and customer information to be collected, shared and applied across the business.

2.2.2 Operational CRM

Operational CRM on the other hand automates and improves customer-facing and customer supporting business process. Some of the major applications within operational CRM are marketing automation, sales force automation, and service automation. CRM software applications allow marketing, sales, and service functions to be automated and integrated.

2.2.3 Analytical CRM

The third type is analytical CRM. Analytical CRM is concerned with capturing, storing, extracting, integrating, interpreting, distributing, using and reporting customer-related data to enhance both customer and company values. Analytical CRM has become a critical part of many CRM implementations.

2.2.4 Collaborative CRM

The fourth type is collaborative CRM and it encompasses the strategic and tactical alignment of normally separate enterprises in the supply chain for more profitable identification, attraction, retention and development of customers. In this case, companies align their people, process and technologies to serve more efficiently and effectively.

Co-marketing, category management, collaborative forecasting, joint new product development, and joint market research are typical practices in this domain. Collaborative CRM allows valuable information to be shared along the supply chain (Kracklauer ,Mills and Seifert, 2004).

2.3 Theoretical Literature Review

Based on the works of Adrian Payne and Pennie Frow, CRM has five generic process namely strategy development process, value creation process, multichannel integration process, information management process, and performance assessment process (Pyne & Frow, 2005). The theoretical background of this research is derived from this work. Enriched with selected literatures, each dimension is discussed hereafter.

2.3.1 Strategy Development Process

The focal point of this process is to fundamentally inter-relate organization's business strategy to its customer strategy.

The business strategy process can commence with articulation or review of company's vision followed by review of industry and competitive environment. The development of business strategy is mostly the domain of executive officer, the board, and the strategy director.

Customer strategy entails examining the existing and potential customer base and identifying which forms of segmentation are most appropriate. The development of customer strategy is the responsibility of marketing department

One of the pertinent essential issues regarding CRM strategy development is customer portfolio management or (CPM). Customer portfolio can be defined as the collection of mutually

exclusive customer groups that comprise a business's entire customer base (Buttle, 2009). Hence, customer portfolio management aims to optimize business performance whether that means sales growth, enhanced customer profitability, or another aim. This can be realized through offering different value propositions to different segments of customers.

2.3.2 Value Creation Process

Value can be defined as the customer's perception of the balance between benefits received from a product or service and the sacrifice made to experience that product (Buttle, 2009).

Value creation process transforms the outputs of strategy development process in to programs that both extract and deliver value.

This process has three key elements, determining what value the company can provide to its customers, determining what value the company receives from its customers and maximizing the lifetime value of desirable customer segments.

The value that customer receives from the organization represents the benefit that enhance the customer offer. These benefits can be integrated in the form of a value proposition that explains the relationship among the performance of a product, the fulfillment of a customer needs, and the total cost of customer over the customer relationship life cycle.

The value the organization receives is the outcome of the coproduction of value, the deployment of improved acquisition and retention strategies, and the utilization of effective channel management. Achieving such value further requires determining how existing and potential customer profitability varies across different customers and customer segments. Besides, the economics of customer acquisition and customer retention and opportunities for cross selling, up-selling, and building customer advocacy must be understood. At the same time managing these elements effectively contributes to increasing customer lifetime value.

There are value delivery strategies for customers. Buttle (2009) explains three value disciplines, namely operational excellence, product leadership and customer intimacy. Operational excellence is about doing limited number of things very efficiently at very low cost, and passes on those savings to customers. On the other hand, product leadership is concerning providing

best products or services to customers. Customer intimacy all about meeting individual customer need based on customer insight. He further elaborates that how companies can create value for customer and since the Enterprise of concern for this study is service giving, only value creation techniques through services are discussed hereafter.

Delivering Quality Service

One of the value creation techniques through services is delivering quality service. With this regard, there are two major perspectives of quality. The first considers quality as conformance to specification. At this point conformance to quality means for ESLSE can be, producing error free documents, delivering cargo on time and acknowledging customer complaint within 24 hours. The other perspective of quality is fitness for purpose and it advocates that quality means crating products that are well suited to customer requirements.

Service Guarantee

Service guarantee is an explicit promise to the customer that a prescribed level of service will be delivered (Buttle, 2009).

From the customer's standpoint, service guarantee can be an effective way to increase value through the reduction of risk.

Service Level Agreements (SLA)

Contractual agreements can be made between customer and the service provider to indicate the mutual responsibilities of both parties with respect to the service that will be provided and the standard at which they will be performed.

Service Recovery Programs

Services can fail due to many reasons. Whenever failure exists, companies can execute different actions to resolve the failure. The speed and effectiveness to resolve the failures decides the consequences for customers' satisfaction, positively or negatively.

2.3.3 Multichannel Integration Process

Multichannel integration process focuses on decisions about the choice and mix of appropriate channels, how to ensure that a customer experiences a positive interaction within the selected channels, and how to create and present a single and unified view of the customer in case of interacting more than one channel.

Multichannel integration process is one of the critical processes in CRM because it takes the outputs of strategy development and value creation process and translates them into value-adding activities with customers.

In order to effectively manage multichannel integration process, the communication infrastructure (telephone, e-mail, and web systems), need to be integrated with the company CRM applications.(pyne & Frow,2005).

2.3.4 Information Management Process

The information management process is concerned with the collection, collation, and use of customer data and information from all customer contact points to generate customer insight and appropriate marketing responses.

One of the key elements of this process is data repository which provides corporate memory of customers by integrating enterprise wide data store that is capable of relevant data analysis.

The other element is information technology systems which refer to the computer hardware and the related software and middleware used in the organization.

Analytical tools that enable effective use of the data warehouse are the third elements of the information management process. These tools can be found in general data-mining packages and in specific software application packages. Through the use of data mining, analysis of large quantities of data to discover meaningful patterns and relationships can be possible.

The fourth element is front office and back office applications. Front office applications are the technologies a company uses to support all those activities that involve direct interface with customers including sales force automation and call center management. Back office applications

support internal administration activities and supplier relationships, including human resources, procurement, warehouse management, logistics software, and some financial processes.(Pyne & Frow,2005).

2.3.5 Performance Assessment Process

Performance assessment process engages in the task of ensuring that the organization's strategic aims in terms of CRM are being delivered to an appropriate and acceptable standard and that a basis of future improvement is established.

Here shareholder results provide a macro view of the overall relationships that drive performance, and performance monitoring provides a mere detailed micro view of metrics and key performance indicators. Tools like balanced scorecard can be useful with this regard.

2.4 Benefits of CRM

According to Gray and Byun (2001) the following are main benefits of CRM.

• To improve the company's ability to retain and acquire customers

• To maximize the lifetime value of each customer

• To improve service without increasing cost of service

They further added that, for an organization to get all these benefits, sales, marketing and service functions must work together.

Swift (2001) argues that organization can get a lot of benefit From CRM initiatives and these benefits could found be in areas like

• Higher customer retention and loyalty

• Increased customer profitability

• Evaluation of customer profitability

• Reduced cost of sales

  • Lower cost of recruiting customers

2.5 Misunderstandings about CRM

There are a number of common misunderstandings about CRM. According to Francis Buttle (2009) there are five common misunderstandings and these are described hereafter:

1. CRM is database marketing

In fact most companies collect data from a number of sources, build and exploit customer databases. Although database marketing has an appearance of analytical CRM, it is less evident in strategic, operational, and collaborative CRM. As a result CRM is much wider in scope than database marketing.

2. CRM is a marketing process

The implementation of CRM often means that customer related data is shared more widely throughout the enterprise than by marketing function only. Again, customer data can not only be used to integrate various internal departments, but also can be shared with outside suppliers and partners.

3. CRM is an IT Issue

CRM implementations are broader strategic initiatives. But, many CRM implementations are narrowly seen as IT initiatives. IT is an enabler and facilitator. Results and improvements come on the way customers are managed through a combination of improved process, the right competencies and attitudes of people, the right strategies and the right enabling technologies.

4. CRM is about loyalty schemes

Demographic information is used together with purchasing data to help companies become more effective at customer communication and offer development. Whereas some CRM implementations are linked to loyalty schemes, not all are.

5. CRM can be implemented by any company

Strategic CRM can be implemented in any company since every organization can be driven by a desire to be more customer-centric and executives can establish a vision, mission and a set of values that bring customers at the heart of the business. CRM technology may play a role in that transformation. An organization can also try to implement operational CRM in order to automate its selling, contact management process, marketing and service process, and complaints management. Analytical CRM is different from others as it is based on customer-related data. If these data are missing then analytical CRM cannot be implemented.

2.6 CRM Success Factors

Mohamed Almotairi (2009) identifies 10 CRM success factors.

1. Top management commitment

Top level management commitment entails the willingness of the top level management to grant sufficient and necessary resources needed to the implementation process.

2. Clear CRM strategy

This factor focuses on the definition of CRM strategy and its alignment to the organization's general strategy

3. Culture change

This factor is about the ability of the organization to transform itself into customer-oriented and to consider CRM as an organization philosophy that is shared organization-wide.

4. Process Change/structure redesign

It focuses on developing necessary changes in the organization's structure and the related process to fit CRM compatibility including the hierarchy and reporting relations.

5. Inter-departmental integration

The focal point this factor is integration of different departments and areas of the organization to meet the general objectives of CRM and the main company's objectives as well as the objectives of these departments.

6. Skilful, motivated, and trained staff

This factor focuses both on the availability of experienced and qualified personnel, and the ability of providing training programs.

7. IT systems

The availability and management of technological resources including data warehouse management, internet facilities, and software selection configuration.

8. Data management

Data management targets on acquiring and analyzing the right quantity and quality of information on customers to help to meet customer's needs.

9. Customer involvement/consultation

Consultation, interaction, and communication with customer through enhancing interaction between the organization and customers are the focuses of this factor.

10. Monitoring, controlling, measuring, and feedback

The realm of this factor is on constructing and implementing measurements for CRM implementation and CRM impact on the organization's performance as well as developing appropriate channels to gain feedback for enhancing the learning process of CRM implementation for further improvements.

2.7 Empirical Literature Review

2.7.1. CRM in the Logistics Industry

Ethiopia's performance of trade logistics: Ethiopia share the high cost of inland transportation with other landlocked countries (Rwanda, Uganda, and Zambia). In the apparel sector, for instance, higher inland transport costs adds more than a two percent production cost penalty and a ten-day delay, due to longer distances, inadequate transport infrastructure, and a lack of competition in the trucking industry (World Bank, 2012c) [25]. The cost of document preparation is also an additional cost penalty on exporters. Here Ethiopia stands out, also in relation to other landlocked countries. The cost of apparels increases by an estimated two percent as a result, according to World Bank (2012c)[25]. In Ethiopia, commercial banks charge three percent of the value of the shipment on imports and a two percent advisory fee on exports (compared with less than one percent in China).For achieving speed, frequency, and reliability in modern logistics services, firms require instant information and effective CRM for their customers (Shang & LU, 2012). They further explained that since logistics sector is customer intensive by nature, customer relationship management is a critical source of gaining competitive advantage and superior performance. Yang & Nguyen (2011) concluded that shipping companies should improve their computerized CRM systems in order to collect and analyze valuable marketing data from their customers, which will enable sales personnel and customer service staff to make appropriate decisions, improves service quality, and create greater value for customers in the highly competitive maritime transport business.

2.7.2. Logistics Industry in Ethiopia

Logistics is an age old industry in Ethiopia. For centuries past Ethiopia was known as a seafaring nation. Ethiopia's merchant fleet took off from ancient Red Sea port Adulis, loaded with merchandise of the Red Sea countries in the north to the coast of Egypt and Palestine thereby intensifying contacts to the East India and the Persian Gulf (Marcus, 1994). He further explains that rise and then the hegemony of Axum over the coast inland into Tigray and even its subsequent expansion within and without Ethiopia appears linked to the stimulus given to regional trade to Egypt (330-320 B.C.) and then to the Roman world economy.

The modern history of the country' logistics marked with the establishment of Ethiopian Shipping Lines Share Company in March 1964, under the agreement of the Imperial Ethiopian Government and Taurus Investment Group Inc. of USA. The initial capital at that time was 50,000 Ethiopian Birr, which is subsequently raised to 3,750,000. According to the agreement signed, Taurus subscribed to 51% share and the remaining 49% retained by Imperial Ethiopian Government. After the agreement, the new company entered into contract with Verolme Group, a Netherlands based company for construction of merchant ship.

In 1966, Ethiopia acquired the ownership title of two dry cargo ships namely "Lion of Judah" and "Queen of Sheba", and one oil tanker ship "Lalibela".Two years later, in 1968 Maritime and Transit Services Enterprise was established in order to provide port and port related services. After Eritrea declares its independence, Ethiopia became a landlocked country and most of its import-export cargo movement confined to Djibouti Port. Due to the souring cost of port related service costs, Dry Ports Enterprise was established by the government of Ethiopian to provide dry port services. After deregulation of the economy, the logistics sector is blooming.

In addition to the establishment of dry ports, the operation of multimodal transport system is stipulated and Ethiopian Shipping and Logistics Services Enterprise emerged as the multimodal operator of the country, by which the Enterprise takes the responsibility of the country's cargo movement.

The Study will aim to assess the level of Customer relationship management Practice in the enterprise. To Further Enrich the research, five area of focus will use in the conceptual frame work.

- The strategy development process,

- The value creation process,

- The multichannel integration process,

- The information management process and

- The performance assessment process.

The symbolic representation of the conceptual frame work is illustrated bellow
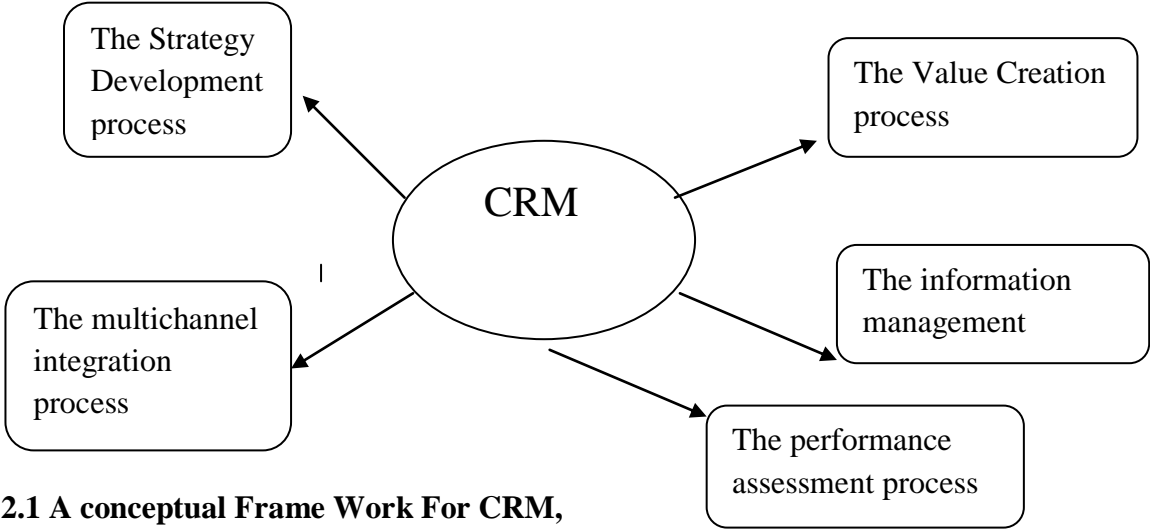

Figure 2.1 A conceptual Frame Work For CRM,

Source: Research constructed: 2018

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter deals with the methodology of the study whereby research design, sample & sampling technique, data collection methods, and data analysis techniques, Ethical Consideration are discuss.

3.1. Research Design

The study is descriptive in nature because this type of study conduct to provide detail description of about the existing phenomena and to justify the current condition of CRM practice of ESLSE. In that was collected data from one or more target groups and analyzes it in order to describe the present condition of CRM practice of ESLSE Specifically a survey data on five dimensions of CRM was collected from customers and interview was conduct from managers.

3.2. Source of Data

The data collection method is both primary and secondary. The primary data was collected from the customer through questioner in addition to this the research was conduct   interview the higher official of the ESLSE. The secondary data was collected with the strategic plan document of the enterprise, journals, books, articles and publication.

3.3. Population of the Study

The population of the study is the Customer and managements of Ethiopian Shipping and logistics service enterprise found in leghar office in Addis Ababa.

3.4. Sample & Sampling Techniques

The population of the study encompasses all customers, which is approximately 8,835 (ICT database of the Enterprise) and 48 management members of Ethiopian Shipping & Logistics Services Enterprise found at Addis Ababa.

The Sample Size Was Calculated based on Yamane Formula (Yamane 1967)

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

Where n= Sample Size

N= Population Size

e=the error of 7 percentage size

$$n= \frac{8835}{1+8835(0.07)^2}$$

n=199

Using a total population under study 8835 are Customer of ESLSE with an error limit of 7 % a sample size of 199 is consider a adequate as computed above this is because target population nature of homogeneity Because they need service like sea transport and inland transport.

Using purposeful sampling strategy the researcher select the people based on Knowledge and Experience of the managers 12 management members around customer relationship areas and strategy development areas was selected for interview.

Convenience sampling was implemented because this sampling procedure used to obtain those units of customer most conveniently available while selecting those customers to respond to the questionnaires easily a available to accomplish the research.

3.5. Data Collection Method

The research was used both qualitative and quantitative data. Questionnaires that are distribute to customers and in- depth interviews with higher official of the Enterprise are the primary data collection methods whereas strategic plan documents of the Enterprise, reports, journals, articles, books, and publications are use as secondary sources of data. The research therefore was conducted through the use of:

Questionnaires

Questionnaires refer to a series of questions asked to individuals to obtain statistically useful information about a given topic. When properly constructed and responsibly useful about a given topic . When properly constructed and responsibly administered questionnaires become

a vital instrument by which Statements can be made about specific groups or people or entire populations(Babbie,2004). It contains statements that are specifically designed to assess CRM practices of ESLSE . The questionnaires were composed of two sections. the first section collected data on the profile of respondents . The second section contained on five points likert scale to assess CRM practice.

Questionnaire consists of a set of closed ended questions presented to customers for answer. Questionnaires was distributed and collect back with the help of employees of enterprise and in-depth interview was conducted by the researcher.

In-depth interviews(semi-Structured)

The In-depth interview is a technique designed to obtain a clear picture of the managers perspective on the CRM also allows to managers to talk about their personal feelings opinions and experiences and appropriate for addressing sensitive topics.

Secondary data as general source

Strategic plan documents of the enterprise , reports , journals , articles, Books, and publications are use as secondary sources of data.

3.6. Reliability and validity

The reliability refers to a measurement that supplies consistent results with equal values [Blumberg et al., 2005]. It measures consistency, precision, repeatability, and trustworthiness of a research [Chakrabartty, 2013]. It indicates the extent to which it is without bias (error free), and hence insures consistent measurement cross time and across the various items in the instruments (the observed scores).

Validity is often defined as the extent to which an instrument measures what it asserts to measure [Blumberg et al., 2005]. Validity of a research instrument assesses the extent to which the instrument measures what it is designed to measure (Robson, 2011). It is the degree to which the results are truthful. So that it requires research instrument (questionnaire) to correctly measure the concepts under the study (Pallant 2011). It encompasses the entire experimental concept, and establishes whether the results obtained meet all of the requirements of the scientific research method.

3.7. Data Analysis

The data obtain from the participants of the research was processed and analyzed both qualitatively and quantitatively by aligning primary and secondary data and other relevant information in order to analyzed the findings and reach to conclusion. Descriptive data analysis method through the use of Statistical Package for Social Science (SPSS) version 20 software was used to analyze the data.

3.8. Ethical Considerations

It is compulsory to follow ethical measures for the research as guidelines. The researcher tries to establish good relationships with all the respondents because the selection of potential and appropriate people play important role for the reliability and validity of the data that was generate. The informants that contribute for this research first give their inform consent to participate in the study. In addition, the questions was made simple and clear to avoid any misunderstanding and avoid ambiguity, as well as sensitivity to the pieces of information the informants was provide to the researcher

CHAPTER FOUR

RESULTS AND DISCUSSION

In this chapter, the collected data from customers and interviews of management members of the Enterprise are summarized and analyzed in order to realize the ultimate objective of the study.

Accordingly, reliability test, demographic profile of customer respondents and the level of CRM practice of ESLSE as supposed by customers and management of the Enterprise are discussed. Lastly, discussion of findings is presented.

4.1. Reliability Test

Reliability test has been done to check whether the scale used on the questionnaire consistently reflect what it meant to measure or not. For the test of reliability Cronbach's alpha was used as a measure of internal scale consistency using SPSS (statistical package for social studies).

As per the result found from the survey the overall Cronbach's alpha is 0.924 which is above the standard threshold level 0. 7, (Nunnally, 1978). This shows that the data extracted from the questionnaire is reliable.

4.1.1 Reliability Statistics of Strategy Development process Dimension Items

Cronbach's Alpha	N of Items
.703	3

4.1.2 Reliability Statistics of Value Creation Process Dimension Items

Cronbach's Alpha	N of Items
.858	8

4.1.3 Reliability Statistics of Multichannel Integration Process Items

Cronbach's Alpha	N of Items
.788	3

4.1.4 Reliability Statistics of Information Management Process Items

Cronbach's Alpha	N of Items
.700	3

4.1.5 Reliability Statistics of Performance Assessment Process

Cronbach's Alpha	N of Items
.857	3

Source: survey result 2018

4.2. Response Rate and Demographic Characteristics of Respondents

4.2.1 Response Rate

A total of 199 questionnaires were distributed to customers of ESLSE and out of these 174 questionnaires were filled and returned, yielding 87% response rate. However; only about 170 copies with a response rate of 85% were usable

4.2.2 Demographic Characteristics of Respondents

The following table presents the summarized characteristics of respondents of customers' questionnaire.

Table 4.2 Background characteristics of the customer questionnaire respondents

Variable	Categories	Frequency	Percent
Gender	Male	88	51.8
	Female	82	48.2
	Total	170	100
Education Level	Below 12 Grade	5	2.9
	12 Grade complete	24	14.1
	Diploma	70	41.2
	First Degree	67	39.4
	Masters Degree	3	1.8
	Other	1	0.6
	Total	170	100
Length of Relationship	Less than a Year	9	5.3
	From 1 - 5 Years	64	37.6
	From 6 - 10 Years	70	41.2
	Above 10 Years	27	15.9
	Total	312	100

Source: survey result 2018

Respondents were asked to report their sex, their educational status, and relationship length with ESLSE to know in which level of education they are, and to understand their level of awareness concerning customer relationship management practice of the Enterprise Male respondents constitute 51.8% while 48.2% of the respondents were female. In terms of educational background 41.2% of the respondents were diploma holders, 39.4% first degree holders, 14.1%12th grade complete, and 2.9% below 12th grade.

For the enquiry regarding relationship length with the Enterprise, most of the respondents were found to be working with the Enterprise for years that range from 6-10 with 41.2% share , but those with least number of years of relationship with the Enterprise represent only 5.3%. This can substantiate the outcome of the study is revealing the perception of those customers that are in a position to evaluate the relationship they experience over the time.

4.3. Level of CRM Practice in ESLSE

The main objective of the study is to assess the level of CRM practice in Ethiopian Shipping & Logistics Services Enterprise as measured using five dimensions. To do so, customers were asked to rate the level of CRM practice on a scale of 1 through 5, where 5 represents strongly agree, 4 agree, 3 neutral, 2 disagree, and 1 strongly disagree. All questionnaires were filled by the customers of Ethiopian Shipping and Logistics Services Enterprise and interview was conducted with the Enterprise's management.

In the following section the data collected is analyzed in two sections, devoted for each group of respondents, so as to explore their perception as to ESLSE's extent of deploying the five dimensions of CRM.

The translation of level ranking is analyzed based on the following criteria of customer perceptions Designed by Best (1977:174)

Less than mean Value of 1.80 is lowest perception

Less than mean value 1.81-2.61 is low perception

Mean Value of the Score between 2.62-3.41 average perceptions

Mean Value of the Score between 3.42-4.21 is high perception and

Mean Value of the score above 4.22 is highest perception

4.3.1. Level of CRM practice - Customer Perception

The data was collected to solicit the perception of customers as to ESLSE's level of CRM practice measured using the five dimensions therein.

Consequently, the resultant output is shown in table 4.3 where the extent of CRM practice in ESLSE is demonstrated by the mean score achieved by each dimensions under consideration.

Table 4.3 Level of Practice of CRM Dimensions - Customers Perception

Components	N	Mean
Strategy development	170	3.6353
Value creation	170	3.0933
Multi-channel integration	170	3.2449
Information management	170	3.3382
Performance assessment	170	3.4980

Source: survey result 2018

As it can be seen from table 4.3 above, Strategy development dimension has got the highest mean score as compared to other dimensions, followed by performance assessment and Information management. In contrast, value creation attained the least mean score. Therefore, most customer respondents perceive ESLSE as a company that integrates its multi-channels well, whereas performs loosely on the subject of Value Creation.

4.3.1.1 Strategy Development

This assessment is done to assess to what extent customers perceive ESLSE as a company that endeavors to satisfy the needs of its most valuable customers by granulating their outstanding status in terms of their performance, relationship length and value, and then try to treat them separately rather than considering them as nameless.

Strategy development process with this regard mainly focuses on customer strategy which entails examining the existing and potential customer base and identifying which forms of segmentation are most appropriate.

The main objective here is to develop a strong focus and continuously delivering superior value to selected key customers to achieve a strong customer relationship that enable an organization to become a necessary partner to its most profitable customers (Parvitiyar et al., 2001).

A sample test was conducted on three items which was responded on a five item scale with highest strongly agree and the lowest strongly disagree.

The result of the sample statistics depicts that to what extent ESLSE identifies focuses on its key customers and has clear policies for customer relationship. The highest mean figure shows high level of agreement with the scale item while the lowest figure indicate high level of disagreement with the particular item being tested.

Table 4.4 Strategy Development Process

Strategy Development Process Dimension Items	N	Mean
The Enterprise identifies its core customers	170	3.7353
The Enterprise tries to satisfy its core customers separately	170	3.6941
ESLSE has clear objectives and policy for customers relationship	170	3.4765

Source: survey result 2018

Results show that the highest mean was recorded for identification of core customers followed by the effort made to serve core customers separately, while crafting a clear objectives and policy for customer relationship found to be the least.

Thus, it is confident to say that ESLSE is an Enterprise which identifies its core customers and yet its effort regarding satisfying core customers separately and stipulating customer relationship policy and objectives is at slack.

4.3.1.2. Value Creation Process

Value creation process entails the formation of programs that both deliver and extract value for and from customers based on the inputs of strategy development process.

The value that customer receives from the organization mainly represents the benefit that enhance the customer offer. These benefits can be integrated in the form of a value proposition that explains the relationship among the performance of a product, the fulfillment of a customer needs (Pyne et al., 2005).

The value organization receives from customers mainly focuses on co-value creation and customer advocacy. The more the company strengthens its relationship bond with customers, the more the possibility to transform its customers to partners.

Table 4.5 Value Creation Process

Value Creation Process Dimension Items	N	Mean
ESLSE provides satisfactory service	170	3.2294
ESLSE accepts and collects customers suggestions and complaints	170	3.6471
The Enterprise timely responds to customers suggestions and opinions	170	3.0824
The Enterprise uses customers' suggestions to improve its services	170	3.2412
Using customers idea as an input ESLSE introduces new services	170	2.8529
ESLSE actively understands customers' service requirements and expectations	170	3.4059
The Enterprise regularly discusses with customers about its services	170	2.4176
The Enterprise collaborates with customers and support their business	170	2.8706

Source: survey result 2018

To assess level of ESLSE's value creation process from customers' perspective, a five point scale with eight items were used to represent the dimension. The result of the sample statistics depicts the level of value creation process of ESLSE. The highest mean figure shows high level of agreement with the scale item while the lowest figure indicates high level of disagreement with the particular item being tested.

Results show that with regard to accepting and collecting customers' suggestions and opinions, the highest mean score was recorded and on regular discussion with customers the lowest mean score was recorded.

Accordingly, it is confident to say that, ESLSE is an Enterprise which accepts and collects customers' suggestions and complaints, actively understand customer service requirements and expectations, customer suggestions to improve its services, provides satisfactory service, timely responds to customers' suggestions and opinions. To the contrary, Enterprise's activities towards collaborates with customers and support their business, introduces new services with an input of customers' idea, regularly discussion with customers about its service at slack.

4.3.1.3. Multichannel Integration Process

Multichannel integration is an activity of determining the right choice and mix of channels, and make sure that a customer experiences a positive interaction within the selected channels. Creating and presenting a single and unified view of the customer in case of interacting more than one channel is a critical task here.

Table 4.6 Multichannel Integration Process

Multichannel Integration Process Dimension It	N	Mean
ESLSE uses modern communication ways to reach customers	170	3.4588
ESLSE uses phone calls, e-mails, and personnel visits to communicate with customers.	170	3.2176
Ways of communication used by the Enterprise are integrated	170	3.1000

Source: survey result 2018

Multichannel integration process was assessed through the use of a five point scale with three items were used to represent the dimension. At a glance, we can observe that all of the mean scores are above the simple average of the scale, which is 3.

As a result it is confident to say that, ESLSE's uses modern communication ways to reach customers, uses phone calls, e-mails, and personnel visits to communicate with customers, and Ways of communication used by the Enterprise are integrated.

4.3.1.4 Information Management Process

The information management process is all about collection, storage, manipulation and use of customer data and information from all contact points to generate customer insight and make appropriate decisions. Here data repository systems, IT systems (both computer hardware and software), and analytical tools like customer profiling play a critical role.

Table 4.7 Information management Process

Information management Process Dimension Items	N	Mean
Ways of information provision used by the Enterprise are understandable and user friendly	170	3.1353
The Enterprise furnishes timely information for customers about cargo status	170	3.3000
The Enterprise has a computer system to handle customer's information	170	3.6059
ESLSE retrieves data easily up on customers demand	170	3.3118

Source: survey result 2018

To assess level of ESLSE's information management process from customers' perspective, a five point scale with four items were used to represent the dimension. The inquiry on this topic depict that the highest mean score was evidenced on computer system to handle customer information

, followed by retrieves data easily up on customers demand, furnishes timely information for customers about cargo status. The least was the understandability and friendliness of information provision ways.

Again here, all of the mean scores are above the simple average of the scale. Therefore it is secure to say that Ways of information provision used by the Enterprise are understandable and user friendly, the Enterprise furnishes timely information for customers about cargo status, the Enterprise has a computer system to handle customer's information, and ESLSE retrieves data easily up on customers demand.

4.3.1.5. Performance Assessment Process

The essence of performance assessment process is to insure the strategic objectives and goals of CRM are being delivered to the acceptable standard. More over through the periodic assessment of performance companies can timely tune their condition to stand out from the crowd and make future improvements possible. Performance monitoring can be successfully managed through the use of tools like balanced scorecard which can translate a company's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system. Balanced scorecard measures organizational performance across four balanced perspectives namely financial, customers, internal business process, and learning and growth (Kaplan and Norton, 1996).

Table 4.8 Performance Assessment Process

Performance Assessment Process Dimension Items	N	Mean
Employees of the Enterprise are courteous and friendly	170	3.6824
Employees of the Enterprise are competent	170	3.5471
Employees of the Enterprise are responsive	170	3.2647

Source: survey result 2018

Performance assessment process was assessed through the use of a five point scale with three items were used to represent the dimension. Consequently, the highest mean score was recorded on employees' courteousness and friendliness, followed by Employees of the Enterprise are competent. On the other hand, the least mean score was recorded on responsiveness of employees.

All are all of the mean scores are above the simple average of the scale, except Employees of the Enterprise are responsive

Hence it is secure to say that, employees of the Enterprise are courteous and friendly and employees of the Enterprise are competent. Yet, ESLSE's performance to create responsive workers is at slack.

4.3.2. Level of CRM practice-Management Perception

As per the proposed mythology for this specific research both questionnaire and interview has been used. The interview on CRM practices of ESLSE has been conducted with management members of the Enterprise and the summarized result from the interview is presented as follows.

The response of management members of the Enterprise disclose that although the mission, vision, objectives and values of ESLSE are crafted with the consideration of customer, they still need further refinements especially at the area of customer relationship. Since the company is under reform, this can be possible so soon.

With regard to customer cluster or segments the company is harmonizing its strategy with government's priority sectors rather than pursuing profitable customers. That means, the Enterprise prefers to focus on serving Authorized Economic Operators, export oriented manufacturers which are identified by Ethiopian Revenue and Customs Authority. The Authority bestow waiver for these customer groups to directly transport their cargo from Djibouti to their warehouse, rather than clearing duties at dry ports and discount in sea fright, inland fright and port storage. The role of ESLSE is to facilitate this process.

The aforementioned Authorized economic operators are selected to be served and preparations are underway to serve them at separate or dedicated window.

To encourage customers to work as collaborators suggestion boxes are available at all premises of the Enterprise and management members are accessible for customers' demands and the management has already commenced visiting customers' plants.

ESLSE has been utilizing different channels to communicate customers like sales force, telephone and the internet/webpage. The sales force is mainly deployed for customer service

Activities and telephone and electronic commerce are mainly dedicated for notification of customers about their cargo status. Furthermore, in the use of these channels no significant discord is exhibited.

Almost every transaction at customer contact point is captured with computer aided recording system and information exchange with internal bodies through e-mails and using the home made information registration and sharing system called CTTS is at encouraging level. But, the CRM module for recording and managing data on Sea Liner is not fully operational due to lack of one responsible party to manage the system. Some say it is the duty of IT department, and others believe it is the task of marketing area.

Once again here since the CRM module is not operational; the information captured on different contact points and on CTTS is fragmented and difficult to mine. Besides, unless one party is designated for managing or coordinating CRM tasks and equipped with the necessary skilled personnel, the issue of data mining is unlikely.

Operational, financial and other performances are evaluated on monthly, quarterly, semi-annually and annually company wide. Every time there is an effort to minimize customer complaints as exhibited in suggestion boxes or in person. In fact, the evaluation system is deficient in measuring customer relationship areas generally and customers' satisfaction level specifically.

To some level the Enterprise is injecting new blood to the experienced workforce and extensive trainings are being conducted and further planned both on operational areas and customer service.

4.4. Discussion of Findings

So far, the extent of CRM implementation in ESLSE is presented as perceived by customers and management members of the Enterprise. For that reason, as it is depicted on Table 4.3, for customer respondents the strategy development related activities of ESLSE are unconvincing. Specifically from the customer respondents' standpoint, with regard to formulating customer cluster or segments and policy development for customer relationship the Enterprise performs poorly. Table 4.4 illustrates this fact. On similar topic, respondents at management of the Enterprise side believe in that the overall mission, vision and values need to be further refined and policy and procedures for customer service need to be crafted. Although Enterprise's effort to align with other stakeholders' activity like Ethiopian Revenue and Customs Authority is commendable, there should be further classification or cluster of customer groups taking the wider customer base of the Enterprise in to account. Moreover, the existence of policy and objective for customer relationship is compulsory. At this point it is clear that although ESLSE manages to strengthen its business strategy through cooperating with industry wide stakeholders; this is not aligned with customer strategy.

As to value creation process, although the Enterprise performance perceived by customers not better than that of strategy development customers still perceive that ESLSE is managing relationships poorly in terms of conducting regular discussions with customers, improving services with the help of customers proposition, supporting customers and collaborating with them, and joint new product development with an input from customers. For the issue at stake management views reflect that the value creation effort is reactive, confined to outside guidelines in terms of separate value proposition and grievance handling. So, findings manifest that ESLSE' value creation particularly value organization receives from customer is in slack.

In multichannel integration effort, as per to the customers viewpoint the Enterprise is doing better activity and their viewpoint is in line with that of managements'.

Concerning information management, customers believe that ESLSE is managing activities relatively better specifically at areas of capturing customer data in computerized systems. Management views in this regard, is in accord especially on data keeping through computer aided systems, but deviates in that integration of data from all contact points and mining data for

decision making is the weakest link of the system. This fact shows that ESLSE is in a better position with regard to establishing IT systems and slack in using analytical tools. At this point management's perspective reveals the existence of misunderstanding about CRM in which departments argue about the responsibility administer CRM, when CRM is a companywide practice.

Finally, although employees' service and relationship related performance is at acceptable level except willingness to help customers, performance evaluation system of the Enterprise is confined to the conventional financial measures and lacks the perspective of customer relationship aspect. This in turn can expose further improvements in customer relationship.

When we see the research done by Fekadu M.Debela logistics practices In Ethiopia In the discussions parts there are similar results like this study for instance dose not emphasize the customer satisfaction adequately, information technology does not meet business requirements use at rudimental level, electronic commerce not developed all for business opportunity.

Customer satisfaction survey done by Addis Ababa University In ESLSE the finding are Overall weighted SERVQUAL gap score of -2.54 was recorded, indicating a significant shortfall in meeting customer satisfaction across all service quality dimensions. However, this is mainly due to higher customer expectation and is not due to too low perceived performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This section of the study report presents summary concluding remarks considering the overall findings of the study and provides some valuable recommendations that can upgrade the prevailing customer relationship management practice of Ethiopian Shipping and Logistics Services Enterprise.

5.1. Summary of the Major Finding

Literatures advocate the execution of CRM as core business strategy to integrate internal process and functions, and external networks, to create and deliver value to targeted customers at a profit.

To do so, approaching through critical and logical process like strategy development, value creation, multichannel integration, information management, and performance assessment is imperative.

Based on this foundation, the CRM practice of Ethiopian shipping and Logistics Services Enterprise has been assessed and as per the preceding findings the following summary are drawn:

- In the CRM practice of ESLSE the strategy development process is in slack both in creating sound customer strategy and integrating business strategy with customer strategy.

- Concerning the value creation process, the Enterprise's performance level is low in receiving value from customers and its performance is middling in delivering value to customers.

- In multichannel integration process, the performance of the Enterprise is at par.

- Regarding information management, ESLSE's performance as to establish IT systems is estimable and in relation to analytical tools or data mining the performance is at low level.

- In performance assessment process dimension the observed performance level is low and conventional customer relationship wise.

5.2. Conclusion

Customer relationship management is the heart of logistics firm's strategy. In Service rendering organization the key components of their function is providing quality service to their customers. The main objective of this study is to assess the customer relationship management practice of ESLSE based on payen model. The result of the study conducted by Questionnaires distributed to customer and in depth interviews higher official of the enterprise are the primary data collection method whereas strategies plan document of the enterprise , report , journals ,articles and publication are use as secondary source of data. According to the finding some of the main slack are there is no clear objective and policy for customer relationship , introduce new service with an input of customer idea, regular discussion with customer ,collaborate with customers and support their business, create responsive workers ,mission , vision ,objectives and values of ESLSE needs further refinement at the area of customer relationship ,segment is only in government priority sector rather than pursing profitable customers.

5.3. Recommendations

Based on the conclusions of the study, the following measures are recommended for ESLSE so as to exploit the benefits sought in adopting CRM.

➢ First and for most, ESLSE has to create organization wide understanding on the benefit of CRM and the role of every department and employee for the success. Likewise, organizational structure of the Enterprise must be modified to insure the existence of a hub which is in charge to coordinate CRM activities.

➢ Specifically to enhance strategy development towards customer relationship, ESLSE has to work on customer portfolio management (CPM) to come up with peculiar relationship strategies of its own in order to cluster and serve customers efficiently with differentiated value propositions.

➢ ESLSE has to strengthen its service value for customers through improving service quality, setting up service level agreements (SLA) both for external and internal customers, providing service guarantees, and endowing service recovery programs.

➢ Furthermore, in order to receive ultimate value from customers it is essential for the Enterprise to form strong bond and collaboration with customers through the formation of customer advisory board (CAB) which meets on regular basis like bi-annually basis to deal on service improvement issues and collaborate for change and industry wide development at large.

➢ To further strengthen its multichannel integration and information dissemination, the Enterprise has to develop and exercise supplementary user friendly and individualized techniques like text messages through cell-phones and toll-free lines by which customers can access information about their cargo status easily.

➢ ESLSE has to nurture its IT capacity through the ultimate use of its CRM module on Sea Liner and the systematic integration of information which captured at different customer contact points. In addition, it is crucial to make sure the existence of analytical tools and skills to excavate inputs for decision making and to forecast industry trends in ad

➢ Pertaining to performance assessment, rather than relying on financial perspectives, ESLSE has to establish customer relationship evaluation mechanisms so as to insure greater customer care. Programs like Balanced Scorecard (BSC) can help to emphasize on customer perspectives nd timely. Vance.

➢ ESLSE has to provide its customer contact employees and management with indispensable theoretical and practical knowledge of customer relationship management through training and benchmarking.

➢ Last but not least, since top management commitment is decisive for CRM success, management has to show its perseverance by crafting sound business and customer strategy, and stipulating clear policies for customer relationship

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APPENDICES

SURVEY QUESTIONNAIRE

A SURVEY OF CUSTOMER RELATONSHIP MANAGEMENT PRACTICE

STMARY University Post Graduate Program

Department of General MASTERS OF BUSSINESS ADMINISTERATION

I am a post graduate candidate at ST MARY University: Department of General Masters of Business administration; currently working on a thesis project.

This study aims to assess the level of customer relationship management practice in Ethiopian Shipping and Logistics Services Enterprise. Your participation in this survey and the response you give provides a critical input to the assessment. Hence, I kindly request you to fill this questionnaire in 7 days time from the day it reaches you and provide your frank and right answer to each question. While thanking you in advance for your valuable time and contribution, I want to guarantee you that your response will be treat confidentially and the results of this study will be used wholly and exclusively for academic purpose and will be reported anonymously.

For any enquiry about this survey; please feel free to contact me at 0904149411 or email me at jemilmusema321@gmail.com

Thank you for your cooperation and participation.

INSTRUCTION: Please put "√" in the box.

Part I. General information

1• Gender:

1 ☐ Male   2 ☐ Female

2• Age

1 [   ]   18-30   2 [   ]   31-40 years 3 [   ]   11-15 years   4 [   ]
>15 years

3. Educational Background:

1 [   ]   <12 grade   2 [   ]   12 grade complete   3 [   ]
Diploma

4 [   ]   First Degree 5 [   ]   Masters Degree 6 [   ]   Other

4• Years in relationship with ESLSE:

1 [   ] years   2 [   ] years 3 [   ] years 4 [   ] years

Part II. Information about CRM Practice

For each of the following questions, please evaluate Ethiopian Shipping and Logistics Services Enterprise's customer relationship performance.

Rate each of the following questions by placing a "√" mark on the boxes based on: **1.** Strongly Disagree **2.** Disagree **3.** Neither Agree Nor Disagree **4.** Agree **5.** Strongly Agree	1	2	3	4	5
STRATAGY DEVELOPMENT PROCESS DIMENTION ITEMS					
5	The Enterprise identifies its core customers					
6	The Enterprise tries to satisfy its core customers separately					
7	ESLSE has clear objectives and policy for customers relationship					

	VALUE CRATION PROCESS DIMENTION ITEMS					
8	ESLSE provides satisfactory service					
9	ESLSE accepts and collects customers suggestions and complaints					
10	The Enterprise timely responds to customers suggestions and opinions					
11	The Enterprise uses customers suggestions to improve its services					
12	Using customers idea as an input ESLSE introduces new services					
13	ESLSE actively understands customers' service requirements and expectant					
14	The Enterprise regularly discusses with customers about its services					
15	The Enterprise collaborates with customers and support their business					
	MULTICHANNEL INTEGRATION PROCESS DIMENSION ITEMS					
16	ESLSE uses modern communication ways to reach customers					
17	ESLSE uses phone calls, e-mails, and personnel visits to communicate with customers.					
18	Ways of communication used by the Enterprise are integrated					

	INFORMATION MANAGEMENT PROCESS DIMENSION ITEMS					
19	Ways of information provision used by the Enterprise are understandable and user friendly					
20	The Enterprise furnishes timely information for customers about cargo status					
21	The Enterprise has a computer system to handle customer's information					
22	ESLSE retrieves data easily up on customers demand					
	PERFORMANCE ASSESSMENT PROCESS DIMENSION ITEMS					
23	Employees of the Enterprise are courteous and friendly					
24	Employees of the Enterprise are competent					
25	Employees of the Enterprise are responsive					

Interview Guide

GENERAL INFORMATION

Interview questions related to the respondent/respondents:

- Name?

- Title?

- For how long have you been employed?

Questions related to the company:

- History of the company?

- Enterprise's Mission, Vision, Objectives, Values?

SRTATEGY DEVELPMENT

- Do you believe that Vision, Mission, Objectives, Values and policies of the Enterprise are customer oriented?

- Are there clustered customer groups with aspiration to offer different value propositions?

VALUE CREATION

- Does the Enterprise offer different value propositions to different segments of customers?

- Likewise, does the Enterprise encourage customers to work as collaborators?

MULTICHANNEL INTEGRATION

- How do you evaluate the choice and mix of channels used by ESLSE?

- Are these channels integrated?

INFORMAITON MANAGEMENT

- How do you evaluate the performance of the Enterprise with regard to data acquisition and accumulation over the customer contact points?

- How about mining/interpreting the accumulated data for decision making?

PERFORMANCE ASSESMENT

- Do you periodically evaluate your company's CRM activities?

- How do you assess customers' level of satisfaction? What are the tools used to evaluate CRM performance with this regard?