



ቅድስት ማርያም ዩኒቨርሲቲ
St. Mary's University, Ethiopia

MSc Thesis

**The Impact of Customer Relationship Management on
Customer Loyalty in The Case of Dashen Bank S.C**

Prepared By:

Samson Resom

ID No SGS/0354/2011

Advisor

Zemenu Aynadis

St Mary's University

School of Graduates Studies

Department of Marketing Management

December, 2020

Addis Ababa, Ethiopia

DECLARATION

This thesis paper entitled “**The Impact of Customer Relationship Management on Customer Loyalty in The Case of Dashen Bank S.C**” is my original work towards the award of Masters in Marketing Management . To the best of my knowledge all sources of material used had been properly acknowledged. I also confirm that this paper has not been accepted before for any degree in any University or College. Therefore, I hereby declare that I am the only author/person produced this paper in consultation with my advisor.

Declared by: Samson Resom

Signature: _____

Date: _____

Advisor: _____

Signature: _____

Date ; _____

CERTIFICATION

This is to certify that the thesis prepared by Samson Resom , entitled, “**The Impact of Customer Relationship Management on Customer Loyalty in The Case of Dashen Bank S.C**” is submitted in partial fulfillment of the requirement for the degree of Masters of Marketing Management complies with regulation of the University and meets the accepted standard with respect to originality and quality.

Signed by the Examining Committee:

Examiner_____

Signature_____

Date_____

Examiner_____

Signature_____

Date_____

Advisor_____

Signature_____

Date_____

Table of Content

Acknowledgements...	I
List of tables and figures.....	II
Acronyms	III
Abstract	V
CHAPTER ONE-	
INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the Problem	5
1.3 Research Questions	7
1.4 Objective of the Study.....	7
1.5 Significance of the Study	8
1.6 Scope of the Study	8
1.7 Limitation of the study	8
1.8 Definition of Terms	9
1.9 Organization of the Study	11
CHAPTER TWO	
REVIEW OF LITERATURE	12
2.1 Chapter Overview	12
2.2 Evolution of CRM	12
2.3 The Theoretical Framework of CRM	13
2.4 Definition of Customer Relationship Management (CRM)	16
2.4.1 Three Types of CRM Systems:	19
2.5 Dimension of Customer relationship Management (CRM) and Customer Loyalty	20
2.5.1 Key Customer Focus	20
2.5.2 Knowledge Management	21
2.5.3 CRM Organization	21
2.5.4 Technology-based CRM	22
2.5.5 Customer Loyalty	22
2.6 CRM and Customer Satisfaction	23
2.7 Customer Relationship Management (CRM) in Banking Sector	24
2.8 Benefits of CRM in Banking Sector	26
2.9 CRM Objectives in banking sector	27
2.10 CRM Concept Success Factors	28
2.11 Challenges of Implementing CRM in Banks	30
2.12 Empirical Evidence on CRM implementation	31
2.13 Conceptual Framework of CRM	32

CHAPTER THREE-	
RESEARCH METHODOLOGY	34
3.1 Introduction	34
3.2 Research Approach	34
3.3 Research Design	35
3.4 Population and Sampling Techniques	35
3.5 Sample Size	36
3.6 Data source and Type	36
3.7 Data Collection instrument	36
3.8 Data Collection Procedures	37
3.9 Reliability and Validity	37
3.10 Data Analysis	38
3.11 Model specification	38
3.12 Ethical Consideration.....	39
CHAPTER FOUR	
DATA PRESENTATION AND ANALYSIS	40
4.1 Profile of the Respondents.....	51
4.2 Response Rate.....	51
4.3 Reliability Statistics	52
4.4 Profile of the Respondents.....	52
4.5 Descriptive analysis.....	53
4.6 Assumptions of Regression analysis.....	59
CHAPTER FIVE	
CONCLUSION AND RECOMMENDATIONS	66
5.1 Summary	66
5.2 Conclusion	67
5.3 Recommendation	68
5.4 Future studies	69
REFERENCE	
APPENDEX	

LIST OF TABLES

Table 4.1 Age and Gender distribution in the study population.....	44
Table 4.2 Educational Background, years and services of the Bank in the study population.....	44
Table 4.3 Likert item category.....	46
Table 4.4: Mean and standard deviation of Value of independent variables by category.....	47
Table 4.5 Key customer Focus items for in the study population.....	49
Table 4.6. Knowledge Management	50
Table 4.7 CRM organization.....	51
Table 4.8 Technologies -Based CRM.....	51
Table 4.9 Customer loyalty.....	52
Table 4.10 Tests of Normality.....	53
Table 4.11 Z test	53
Table 4.12 VIF Values predictors and The Durbin-Watson statistic.....	57
Table 4.13 Pearson Correlations	58
Table 4.14 Model Summary	58
Table 4.15 ANOVA F test.....	59
Table 4.16 Coefficients.....	60
Table 4.17 Summary of Hypothesis Test Result.....	67

LIST OF FIGURES

Figure 1-The CR Models	19
Figure 2- Operational model of CRM.....	33
Figure 3Analytical CRM model.....	55
Figure 4- CRM process in the Bank	56
Figure 5- Conceptional framework of the research.....	58

Acronyms

ATM-Automated Teller Machine

CBE- Commercial Bank of Ethiopia

CL - Customer Loyalty

CLV –Customer Lifetime Value

CRM -Customer Relationship Management

POS -Point of Sales

SD - Standard Deviation

SPSS- Statistical Package for Social Science

VIF – Variance Inflation Factor

Acknowledgment

I would first like to thank our advisor MrZemenuAynadisof the St Mary's university. The door to His office was always open whenever I ran into a trouble spot or had a question about our research or writing. He consistently allowed this paper to be our own work, but steered us in the right the direction whenever we thought we needed it.

I would also like to thank the Respondents who were involved directly and/ or indirectly in the survey for this research and employees of Dashen Banks S.C at all level.

I would also like to thank all my families for their special caring and moral support. Without their passionate participation and input, this paper could not have been successfully conducted. I must express my very profound gratitude to all instructors in St Mary's university College for providing us with unfailing support and continuous encouragement throughout our years of study and through the process of researching and writing this research. This accomplishment would not have been possible without them.

More importantly, Praises and Thanks to GOD, the Almighty and his Beloved MOTHER, for their showers of blessings throughout our research work to complete this research successfully. This paper is heartily dedicated to all my instructors and staffs of St Mary's university who showed the way to the then road of professional career and Life.

Thank you All Again.

Samson Resom
The Researchers

Chapter One

Introduction

1. Introduction

It is the desire of every business organization to achieve its stated objectives. These objectives may incorporate profit maximization, increase in sales, expansion, growth, product accessibility, product awareness, customer satisfaction etc. However, profit maximization serves as the backbone of business objectives. In a similar view, the degree of maximization of profit depends on the level of customer satisfaction which has direct link with customer loyalty. (Bolanle O 2015)

Customer loyalty is one of the most important indicators of good performing organizations. Since customer loyalty is directly linked to customer satisfaction, it is evident that measuring customer relation management must incorporate customer loyalty. customer relation management is the foundation for any organization to achieve its objective. In other words, the degree of customer satisfaction reflects the rate of achievement of organizational objectives. Customers that are satisfied tend to create favorable and friendly relationship with the organization.

The loyalty of a customer to the organization arises from the satisfaction received from the consumption, uses or services received from the organization. The vital nature of the understanding of the degree of customer loyalty to an organization in this contemporary environment is a necessity for creating and sustaining favorable relationship. In other words, a driving force needed for creating sustainable relationship is customer loyalty. However, customer loyalty depends to a greater extent on the degree of satisfaction derived from the organization's services or output.(Xu, M. & Walton, J. 2006)

The Subject Matter has gained a lot of attention from researchers and practitioners across the globe. It is a necessity that must be put in place for organization to constantly achieve it stated objective in the face of competitive globalization. The issue of customer relation management cannot be over emphasized because it is a factor that must be considered in order to give room for consumer loyalty.

In the service industry, strong emphasize is placed on the significant importance of service quality perceptions and association between service quality and consumer satisfaction (Cronin

and Taylor, 1992; Taylor and Baker, 1994). It is therefore presumed that some researchers concluded that service quality is an important indicator of customer satisfaction. In essence, consumers will be loyal to a bank if the services rendered are satisfiable to the consumers.

Satisfaction is a critical scale of how well a customer's needs and demands are met while customer loyalty is a measure of how likely a customer is to repeat the purchase and engage in relationship activities. They were of the opinion that customer relationship management customer satisfaction has a positive significant relationship with customer loyalty. They also included that it is impossible to have loyalty without satisfaction. (Faizan et al 2011). The most important goal that companies follow up is to maintain customer loyal to the firm so they more focus on customer centric approach in their organizational and marketing strategies (Jain and Singh, 2002).

Bowen and Chen (2001) said that having satisfied customers is not One of the basic elements of modern marketing understanding is customer satisfaction. Businesses can survive as long as they can meet the customers' needs and enable customer satisfaction. Determining the consumer's wishes and needs and meeting them is one of the ways of enabling consumer satisfaction. For this reason, it is pretty important in our intensively competitive environment to be in regular contact with the customers and to follow the changes in them closely.

One of the sectors in which competition is experienced intensively is that of banking. Banks are the finance institutions that meet the economic needs of the individuals and businesses and that perform such economic activities as collecting bank deposits, giving credits, providing capital, and etc. In recent years there have appeared important developments in the understanding of modern banking. With the transition to automation, customer satisfaction and management of customer relationships have taken place among the subjects spoken of in the banking sector.

Whether enterprises can make their current customers loyal depends on whether they can manage the customer relationships well. As customers have grown to be more conscious consumers, enterprises have had to pay the prices of the errors and faults they do in customer relationships. Customer relationship management has been accepted as a management philosophy in literature at times and as a marketing strategy at others, while different definitions have been made of it. Customer relationship management is a business strategy that aims to create in enterprise the information technologies which will help the management system listen

to the customers, be customer-based and offer the customers perfect products and service, and aims to make the whole staff in the enterprise able to conduct customer-based team work. (Anton 1996).

Today the most important thing to do about the reduced customer satisfaction is the customer-centered practices adapted to each customer's needs and values. By treating different customers in different manners, firms can achieve customer loyalty (Tarhan, 2004). Customer loyalty is the long and uninterrupted retention of the relationship by offering service that meets and even goes beyond the customer needs (Acuner, 2001).

In recent years, important developments have been made in the banking sector in Ethiopia. Although the costs are high in the banking sector, the banks increase the number of their branches day by day and this adds fuel to the competition. Forming and sustaining healthy and long-term customer relationships have become an important means of competition in the banking sector. The attempt to retain the customer affects the success of the banks due to the fact that one-to-one communication is achieved with the customer especially in field of commercial credit and the rate of profitability is taken from the credit customers.

As the numbers of private banks increases in Ethiopia over a time, banks start to operate in a competitive environment. Nowadays there are about 16 private banks and 2 state owned banks in Ethiopia and as a result of increasing the number of private banks in Ethiopia banks are competing to attract new customers and they are using CRM as a tool and strategy to attract, to satisfy and retain customers. The objective of the study is revealing the effect of CRM on customer loyalty and its importance to customer relationships in selected dashen Banks.

1.2 Statement of the problem

Customer relationship management has gained wide attention in both business and service literatures recently and become of pivotal importance to many organizations as the key to profitability, through building and maintaining sustainable relationships with profitable customers. Zakaria (2014) stated that it is very important in our intensity changing competitive environment in the banking industry to be in direct contact with the customers in order to build up good relationship so that satisfaction can be attained.

As a result of this knowing the main elements of customer relationship management which can achieve customer satisfaction and loyalty is a critical issue for financial Institutions; especially with the intensive competition between such institutions. In applying the CRM, the goal of the banks is to identify their own profitable customers and to provide personalized services, in order to enhance and increase both customer satisfaction and loyalty in the long run (Shani and Chalasani, 1992).

Thus, customer relationship management becomes the main tool used to satisfy and retain customers in the banking industry. As the numbers of private banks increases in Ethiopia over a time, banks start to operate in a competitive environment. Nowadays there are about 16 private banks and 2 state owned banks in Ethiopia and as a result of increasing the number of private banks in Ethiopia banks are competing to attract new customers and they are using CRM as a tool and strategy to attract, to satisfy and retain customers.

heavy competition threatening banks revenues and putting downward pressure on operating margins and profits, so retail banks are facing increasing pressure to increase their growth rate and they are using CRM as a Main tool for competition.(Yatish and Ehtesham 2013) financial market place becomes more dynamic and competitive in Ethiopia, banks also need to focus on retaining existing clients through effective relationship marketing. Hence, in recent times CRM is adopted as a marketing tool and strategy in Ethiopian banking industry. (CherinetB 2015).

The increasing number of private banks further intensifies competition and further increases the importance of maintaining your customers and gaining their loyalty. The phenomenon of migrating customers is becoming a common occurrence in today's banking sector this is evident through observation and some of the reasons are due to staff migration and ease of substitution amongst banks and especially amongst private banks. This presents the banks with an immediate danger of losing customers in numbers and losing them fast. This danger only helps to signify the importance of customer relationship management increasing the consequences of being caught with a weak relationship with your customers which makes the bank an easy prey for others with its customers being targets for having very low loyalty towards their bank.(Chernt B. 2015, chong S et al 2012)

The other key point that makes sense to conduct this study is that most studies which were conducted before mainly examined the effect of CRM on loyalty in Ethiopian banks' case bases their CRM dimensions on trust, commitment, conflict handling, empathy and communications which are attitudinal aspect of customers. Evidence from marketing literature suggests that CRM has strong relationship with several customer behavioral outcomes (Sin et al, .2005).

Therefore, undertaking studies about the impact of customer relationship management on customer loyalty in Ethiopia banking industry is quite necessary to improve its implementation and practice. The current study in general will examine the effect of CRM through its four dimensions namely -Key customer focus, knowledge management, CRM organization and technology -based CRM on Customers Loyalty. Limited researches are done to examine the effect of CRM on loyalty in Ethiopian private banks. Therefore, the current study filled knowledge gap by examining the effect of CRM on loyalty in this regard.

Moreover, the current study attempts to expand our understanding of the relationship between CRM and customer loyalty through the behavioral components of CRM i.e. Key customer Focus, Knowledge Management, CRM organization and technology-based CRM in the context of the banking industry and which dimension of CRM has strong or weak influence on customer loyalty in Dashen Bank in Ethiopia.

As 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. The longer a bank can retain a customer, the greater revenue and cost savings from that customer so that customer loyalty is an important factor that contributes to an organization's earning and profits.

Customer loyalty can contribute to an increase in a firm 's revenue, reduce customer defection rate thus, at the end of the day, the bank's assets are not only primarily registered on the balance sheet, but also related to the fact that customers have been successfully retained. In recent years, there has been a refocusing of CRM away from customer acquisition to that of customer retention.

Narang et al. (2011) agreed that CRM not only builds a better relationship with customers but also helps cultivate the loyalty of the customers which is very crucial and important for developing a competitive advantage over the competitors. CRM can shorten the distance between customers and the organization, contributing to organizational success through customer loyalty, superior service, better information gathering, and organizational learning. Xu and Walton (2006),

This study, therefore tries to assess the impact of customer relation management on the customer loyalty in selected Dashen bank that currently providing services in Ethiopia.

1.3 Research Questions

The study will attempt to address the following questions: -

1. How is the relationship of Key customer focus on customer loyalty in the study population?
2. How is the relationship of knowledge management on customer loyalty in the study population?
3. How is the relationship of CRM organization on customer loyalty in the study population?
4. How is the relationship of technology -based CRM on customer loyalty in the study population?

1.4 Objective of the Study

1.4.1 General Objective

- To study the impact of customer relation management on the customer loyalty in Dashen Bank.

1.4.2 Specific Objective

- To examine the relationship between Key customer focus and customer loyalty in the Dashen Bank.
- To assess the relationship between Knowledge Management and customer loyalty in the Dashen Bank.
- To study the relationship between CRM Organization and customer loyalty in the Dashen Bank
- To investigate the relationship between Technology based CRM and customer loyalty in the Dashen Bank

1.5 Research hypothesis

For the purpose of analyzing the impact of customer relation management on customer loyalty in the study population, the following the following relationships are hypothesized,

H1: Key Customers focus positively impacts customer loyalty in Dashen Bank

H2: Knowledge management positively impacts customer loyalty in Dashen Bank

H3: CRM Organization positively impacts customer loyalty in Dashen Bank

H4: Technology based CRM positively impacts customer loyalty in Dashen Bank

1.5 Significance of the study

Customer Relation management system is one of the strategic issues for any organization that focuses on bringing significant change on CRM and as Dashen Bank is one of these organizations, this research paper will provide invaluable ideas that could enable Dashen Bank to implement CRM system in the very effective way to bring most wanted change regarding to the customer loyalty.

More importantly, the results would provide pertinent information to senior management in forecasting through the use of various performance management systems for the improvement and betterment of their respective organizations.

In addition, it is expected that findings from the study would help the management of the respective organizations in understanding how the use of CRM systems would improve customer loyalty and ultimately organizational performance and productivity. Furthermore, it is also expected that the study results would help the organizations in setting out their own tailor-made CRM systems that would suit the firms' mission, strategic goals and their nature of business operations.

More significantly, results from the study will be important for ensuring that all employees would focus their skills and talent on their job responsibilities and this in turn will help in the growth of the organization.

1.7 Scope of the Study

It is preferable to study the impact of performance management system by taking larger sample size from diverse geographical area to bring the role of cultural differentiation in the effectiveness of CRM and commitment. But as the practice of CRM is new to the study area and because of cost and time constraints', the scope of this study is by large limited to assessing the effect of CRM on customer in selected branches in Addis Ababa. Besides, the study was mainly focused on the effect of CRM on customer loyalty but does not present in detail about literatures, only to four behavioral components of CRM dimensions i.e. Key Customer Focus, knowledge Management, CRM Organization, and Technology based-CRM to conduct the study. and other related issues.

1.8 Limitation of the Study

In our country's organization context specifically in the Dashen Bank much is not done on this topic. It is very difficult to get compiled data on the implementation phase and on its final result. Because of the big size and scattered location of the banks, it is difficult to take large sample size from different geographical area. So, it is concentrated to one geographical area therefore it may not be generalized to all.

1.9 Organization of the Paper

This study will be organized into five chapters. The first chapter is the introduction which includes background of the study, statement of the problem, objective of the study, research question, significance of the study, scope of the research, limitation of the study and hypothesis of the study. The second chapter is about literature review. The third chapter is the methodology of the research. The fourth chapter is research findings and results and the last chapter goes to the conclusion and recommendation.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction

The banking industry has become one of the key pillars of Ethiopian economy due to its significant contribution to development. It is subjected to changing regulatory, structural, and technological factors and to withstand these changes, financial organizations need to cultivate customer-oriented strategies aimed at maintaining loyal customers as they are the backbone of all business activities.

Studies showed that the top 20 percent of customers contribute 80 percent of profit for the business. Therefore, firms aiming for profit should retain the top 20 percent of customers by preventing them from defecting. Firms can achieve these statistics by implementing practices of CRM, which primarily purports to cultivate prolonged relationships with customers by comprehending the factors that impact customer retention and loyalty (Nguyen & Mutum, 2012). The three components of CRM are customer knowledge, customer orientation, and technology capability. To survive the service revolution, service organizations require focusing on customer preferences, quality, and technological interfaces.

Banks need to use CRM as a key strategy in order to coordinate a customer-centric approach (Zadeh et al., 2013). It is hard to define CRM strategy due to its multidimensional nature. CRM has been explicated by Wang and Feng (2012) as a cross-functional course of action aimed at constituting and conserving prolonged relationships with customers. Kincaid (2003) describes CRM as the strategic use of information, processes, technology, and people to manage the relationship with customers across the whole customer cycle. On the other hand, the banks are adopting the techniques of customer relationship management to design and develop a customer-focused environment inside banks, build and enhance the long-lasting relationship with their targeted customer, produce and deliver the best products and services to the customers and to find out the most cost-effective customers for the banks (Foss & Stone, 2002).

The banking sector is a knowledge-intensive, skill-based and relationship-rich industry (Mavrides, 2004). Banks have now started to take advantage of the CRM technologies in order to metamorphose from an epitome of account centricity to product centricity (Sivaraks et al., 2011). These days, banks are focusing on self-service technologies with the help of which customers can use bank services when and where they want without time or place barriers and without any personal contact with the banks (Durkin & Howcroft, 2003).

Customers spend less time to get more information, as these days, almost everyone is busy doing something so when a bank saves precious time of its customers, it makes its customers more loyal (Lindgreen, 2005). Not only does CRM build relationships and uses systems to collect and analyze data, but it also includes the integration of all these activities across the firm which generates customer value (Boulding, 2005). According to Sayani (2015), the relationship of the banks with the customers eventually leads to higher customer loyalty and retention. Due to the ever-changing environment and globalization, the banks in Ethiopia are trying to adapt to various CRM activities.

2.2.1 Theoretical Frame work

2.2.1.1 Customer Relationship Management (CRM)

Customer relationship management is the process of carefully managing detailed information about individual customers and all customers touch point to maximize loyalty (Kotler & Keller, 2016). This program's dimensions affect customer loyalty and its dimensions are Customer satisfaction, switching barriers, service recovery, relationship bonds and trust (Ashour, 2006). Services quality has a strong relationship with customer satisfaction, which leads to customer loyalty (Rehman et al., 2014). Call quality, sales promotions and network coverage have a strong relationship with customer loyalty (Adjel & Denanyoh, 2014).

Customer relationship management concept has a significant relationship on customer loyalty, retention and it is gaining more and more in the present business world. Different definitions of customer relationship management are provided by the researchers. Some consider it as strategy, some consider as technology, some other consider it as information system. Sin et al. (2005) have defined CRM as a comprehensive strategy and process that enables an organization to

identify, acquire, retain and nurture profitable customers by building and maintaining long-term relationships with them.

According to Zakaria (2014) Customer relationship management (CRM) is a philosophy and a strategy to manage a company's interactions with customers, clients, and sales prospects which can achieve financial institutions goal such as customer satisfaction, customer loyalty and profit. It involves using technology to organize, automate, and synchronize business processes.

Sanjay (2012) stated that the goal of CRM is to manage all aspects of customer interactions in a manner that enables the organization to maximize profitability from every customer. CRM is not a concept that is really new but rather due to current development and advances in information and enterprise software technology, it has assumed practical importance. Peppers and Rogers (2004) stated that Customer relationship management (CRM) has been called an inevitable relentless movement because it represents the way customers want to be served and offers a more effective and efficient way of conducting business. Shani and Chalasani(1992) have defined relationship marketing as an integrated effort to identify, maintain and build a strong network with individual customers and continuous strengthening of relationship for mutual benefits of both sides. CRM is an enterprise wide approach to understanding and influencing customer behavior through meaningful communication to improve customer acquisition, customer retention, customer loyalty, and customer profitability.

CRM plays a critical role for customers being loyal to their service provider. Bhaskar (2004) has analyzed that when good service is provided to a customer, then a loyal customer will work as an ambassador and help in the organization's growth. Vavra(1992) considers CRM as a technique of retaining customers by using various marketing tactics thus leading to bonding with customer even after sale.

Lamber(2010) defined Customer Relationship Management as one of the strategies to manage customers as it focuses on understanding customers as individuals instead of as part of a group. Dyche (2002) defines CRM as the infrastructure that enables the delineation of an increase in

customer value, and the correct means by which to motivate valuable customers to remain loyal—indeed, to buy again.

Nbuoli and Thiruvengatraj (2013) defined CRM for banks as a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, reprising, discretionary decision making, and customized service—all delivered through the various sales channels that the bank uses. CRM involves using technology to organize, automate, and synchronize business processes. The objectives of CRM are to enhance profitability, income, and customer satisfaction. To attain CRM, many organizations use set of tools, technologies, and procedures to support the relationship with the customer to enhance sales.

2.2.2.1 Customer Loyalty

Customer loyalty divided into attitudinal and behavioral. Attitudinal loyalty has been a major study marketing researcher (Shafiee&Bazaegan, 2018). The continuous relationship between the brand and customers is the customer loyalty (Ltifi&Jamel-Eddine, 2012). The attitudinal loyalty is simply about the positive word of mouth. It helps to test factors of loyalty and avoid behavior of switching (Caceres &Paparoidamis, 2007), and to predict the remaining of customer loyalty (Pandey et al., 2015).

Auh& Johnson (2005) indicated that this kind of loyalty helps organizations to integrate investigating of consequences of customer loyalty. Behavioral Loyalty is the continuing long-term relationship between consumers and the organization (Ltifi&Jamel-Eddine, 2012). The rebuying from the same organization is customer loyalty. One of the most popular definitions of loyalty is the mental commitment of repurchase always from the same brand (McMullan & Gilmore, 2008). Education Excellence and Innovation Management through Vision 2020 7275 Loyalty is the long-term profitability relationship between customers and the same firm (Hallowell, 1996). A small increment in the retention of customer rates can increase profits (Huffmire, 2001).

According to Oliver (1997) stated that loyalty is a deeply held commitment to re-buy the product or service in the future. Customer loyalty is generally a very strongly related to profitability a long-term growth of the organization (Richheld, 1996). Customer may repurchase behavior to a

limited choice available and desire (Lovelock & Wirtz, 2017). The repeated desire of rebuying over long turn from the same brand than others (McMullan & Gilmore, 2008).

Loyalty is one of major concepts in marketing which leads to benefits for any firm, and it is very important because it does not require a huge promotion (Amir et al., 2014; Abuhashesh, M.Y., 2014).

This aspect is helpful in expecting sales and profits for organizations and it solves financial problems for firms (Allame & Noktedan, 2010). Customer loyalty is a strong commitment to rebuy always from the same brand no matter the services or marketing efforts are, and it is psychological process, which evaluate goods and services from organizations (Amir et al., 2014). Amir et al. (2014) believe that customer commitment to repurchase from the same firm is created by loyalty. Loyalty is the behavior of the brand (Kocoglu et al., 2015). Customer loyalty is the deep promise to rebuy from the same company despite the influences and competitors (Beerli et al., 2004).

It decreases the price sensitivity of customers (Reichheld, 2006), and increase barriers to joining the markets (Sharp & Sharp, 2007). It can increase the market share and revenue (Sharp & Sharp, 2007). Loyal customers would deal from the same company even if the competitors have a strong promotion on goods and services, spend money on the firm's services and products line, speak well about the company to others and offer a trustful feedback regards the performance of their outcomes (Reichheld & Sasser, 1990). Loyalty refers to repurchase in the future the favorite product or services despite of customers' financial situation (Too et al., 2001).

It is the strong connect of customers' retention with the same brand (Too et al., 2001). Customer loyalty is the most important factor of organizations success, and it develops the customers' long-term relationship with firms (Arbore & Este, 2013). Advantages of customer loyalty are a lot such as continues profits, decreases the marketing costs, increases referrals and increase customers' growth (Reichheld, 1996). It makes customers less likely to deal with other companies if they have a great sales and promotions (Tepeci, 1999). It makes customers to cover the losses of companies when they lose customers (Kee & Ghazali, 2011). Because of the importance of customer loyalty; organizations are trying to reach their loyalty by retention and customer relationship management strategies (Hallowell, 1996; Khan, 2012).

Reichheld&Sasser (1990) found that loyal customers have the ability and willing to rebuy, try the company's other services and goods, bring more customers to firms, and an increase of a 5 percent in customer loyalty leads to an increase between 25% to 75% in organizations profits. In This study, the dimensions of customer loyalty are; Attitudinal and behavioral loyalty and the elements are; the positive word of mouth and rejoin the gym.

2.3 Various models of CRM

2.3.1 Traditional CRM process:

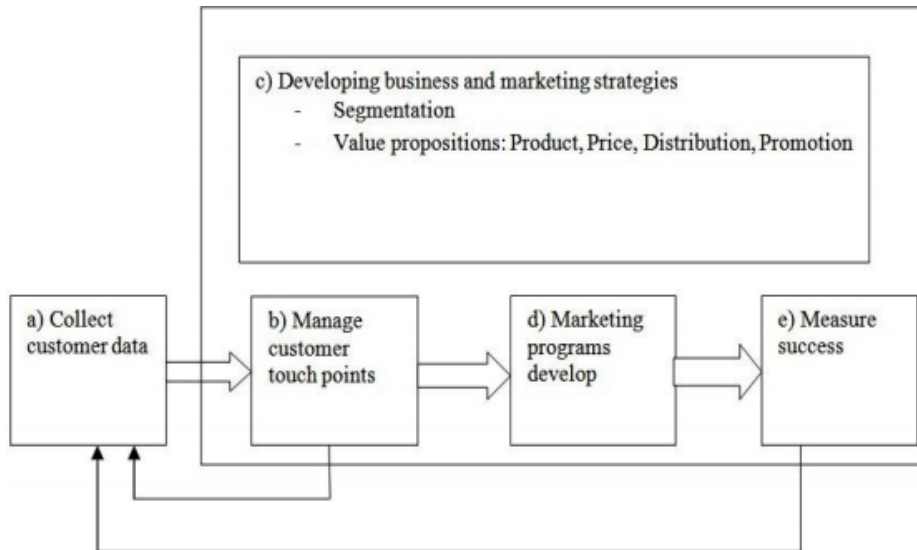
In this regards the traditional CRM process model and the potential disconnection between the process of CRM and relationship marketing. This section describes a traditional CRM process and highlights the potential disconnect between the CRM process and a relationship marketing approach. CRM systems are operated as integral tools of the IT to improve the customer relationship and satisfaction and also to support the business front office. In fact, CRM could be considered as an application of IT including an input which is a collection component, a data storehouse, and a system for delivery (Zikmund et al., 2010).

However, there perhaps some other components are involved analysis and management tools (Ngai, 2005). Figure 1 explains the process model of CRM which is divided to 5 steps consist of:

- Customers' data collecting continuously
- Implementing the collected information to manage customers' contact
- Development of marketing and business strategy
- Marketing programs development
- Measuring of successfulness while refining and increasing customer data base (Roberts, 2003; Zablah et al., 2004a).

In this model information collect, refine and enhance continuously and they would be applied appropriately by the organization. This collected information is stored to be used by the customer contact staff. After analyzing the information and crating the new information marketing programs would be developed and approved. This is a feedback control system which updated constantly, and new marketing programs would be developed based on new information. As is clear in the figure, this system is iterative and continuously (Zablah et al., 2004b).

Figure 1. The CRM process model (Roberts, 2003).



2.3.2 Operational model of CRM

There is another name available for operational CRM which is front office CRM. The front office refers to the areas which are in direct contact with customers in an organization that also known as touch points. The touch points divide to inbound customer contact and outbound customer contact, for example if a customer call to a hotline customer service means he/she has a inbound contact and some promotions such as in person sales call or email refer to the outbound contact points (Dyche, 2002). In fact, the application of operational CRM is capturing the data from customers.

Actually, operational CRM at the primary level consists of contact software that acquires the information from customers, stores and retrieves them in a standalone pattern, as an example we can refer to the Microsoft outlook contact application (Zikmund et al., 2003).

In other scale CRM consists of a large number of integrated and complex IT components such as data stores, data markets and analytical tools and software to capture data from inbound touch points and At the other end of the scale, CRM consists of a number of complex, integrated IT components including data warehouses, data marts, analytical tools and applications used to

capture and analyze customer information from a variety of inbound touch points, and make them integrated to outbound touch points (Turban et al., 2003).

Figure 2 The framework of operational CRM.

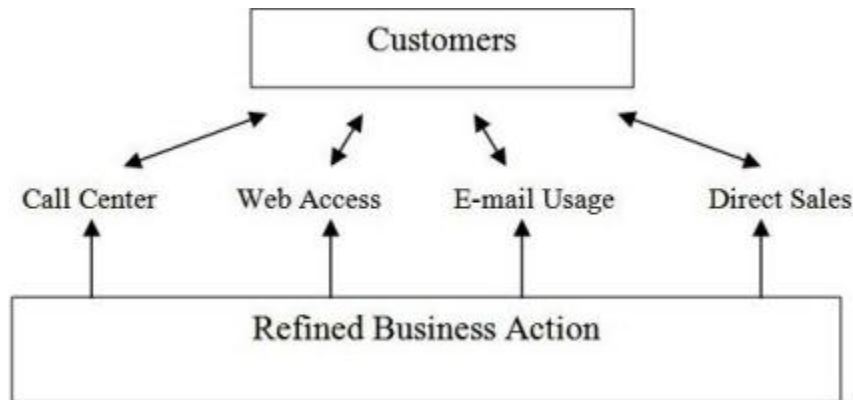


Figure 2. Operational model of CRM (Dyche, 2002).

2.3,3 Analytical model of CRM

As is clear, understanding to analyze the activities of customers those occurred in the front office called analytical CRM and is known as back office CRM. In this type of CRM, technology is required to process and compiles the captured data from customers to make the analyzing of the data more facilitate and refining the practices of customer facing by implementing new business processes to increase profitability and customer loyalty (Dyche 2002). As explained before, CRM act as a glue to stick back office to the front office that is very important point because if the customer loyalty supposed to be a door, the integration is the key (Dyche 2002).

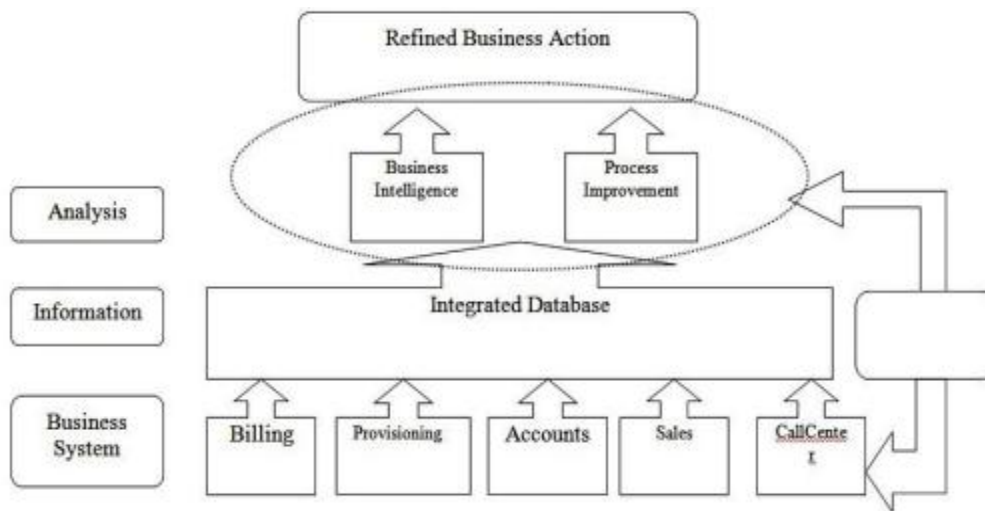
Furthermore, Adebajo (2003) defined analytical CRM as a tool to build data storehouses, increasing relationship, and analyzing the captured data from customers. Analytical CRM is used to analyze customers' data for different purposes described as follow:

- Optimization of marketing effectiveness by designing and implementing appropriate target market
- Designing and implementing effective strategies to customer acquisition and retention, cross-selling and up-selling.

- Analyzing customer inquiries and behavior to support the decision making for the services and products.–Doing churn analysis to predict the probability of customer defection.

The framework of analytical CRM is presented in figure 3.

Figure 3: Analytical CRM model (Dyche 2002).



2.3.4 Collaborative model of CRM

The most common definition of collaborating CRM implies that collaborative CRM share different information from captured from customers by different departments such as sales, marketing, customer service, technical support services and so on. For example, the feedback from customers gathered by customer service could aid marketing department to know more about the potential services those are interest of customers. In fact, increasing customer loyalty and satisfaction is the main aim of the collaborating CRM by improvement of customer service quality.

On the other hand, the principal application of collaborative CRM is making online communities, development of business to business (B2B), and personalizes services (Rollins and Halinen, 2005; Adebajo, 2003).

Collaborative CRM is divided to two broad aspects. The first one is Interaction Management, which implies that, designing the appropriate interaction channel process within the firm in association with customer could increase the extent communication between both the parties. The interaction channel varies according to the variety of the customers, for example some of the customers prefer to have communication via telephone, or email result in comfort ability or less time consuming, however, some others prefer to contact via online web such as online chatting or web meeting to reduce the travelling cost and also saving time.

There are some customers who prefer to have face to face meeting through the agent conduct services as they believe this method is more reliable. So this is very important for the organization to implement these methods into the CRM to meet the customer needs and enhance the interaction power for collecting the best information firm customers. The second aspect is Channel Management after implementation the interaction channels. The latest technological aspects have to be applied to improve the channel communication that aid organization to contact with customers in best ways to understand customers' requirements more. Therefore, clearly arrangement of the channel duties is very important in an organization.

2.4 Dimension of Customer relationship Management (CRM) and Customer Loyalty

Different researchers tell us that there is no one universal definition of CRM. However, occasionally, people define it based on the context within which it is being considered for specific study. Hence, some researchers described CRM dimensions from customer's attitudinal aspects like trust, commitment, conflict handling and empathy. But on this study behavioral aspect of customers is chosen to describe the CRM dimensions. Hisham,S (2011) posited that CRM means the desire and ability of the institution to custom its behavior towards every customer on the basis of information the customer tells and what the institution knows about that customers.

Sin et al. (2005) and Yim et al. (2005) suggest that the concept of CRM is a multidimensional construct consisting of four broad behavioral components. These behavioral components are: Key Customer Focus, CRM organization, Knowledge Management and Technology-based CRM. It is strongly emphasized that all behavioral components or dimensions must be integrated in order to achieve Customer Loyalty and company profitability. Other studies like those of

Abdullatif et al. (2010) and Wang et al. (2010) also find customer orientation as part of behavioral components.

2.4.1 Key Customer Focus

Key customers are customers who are more important for organization strategically and who have a greater profitability (Ryals and Knox, 2001). It can be said that organizations that apply CRM are customer-driven in a sense that all their decisions must take into consideration customers' interest and welfare. In doing so, the companies should promise superior value to their customers and try to deliver the desired satisfaction more effectively and efficiently than their competitors. This involves an attempt to design its offer in a personalized way to its key customers. Key elements of this dimension consist of customer-centric marketing, key customer lifetime value identification, personalization and interactive co-creation marketing. Customer orientation refers to the employee's predisposition to meet the customers' needs.

It has a positive impact on employees' performance and customers' satisfaction. Moreover, customer-oriented behaviors can maintain a good relationship between the service provider and the customers; leading to improvement in the organization's performance (Brown et al., 2002). The essence of customer orientation is to increase long-term satisfaction and to create customer loyalty (Jain & Singh, 2002; Schmid & Weber, 1998).

2.4.2 Knowledge Management

Recent studies on CRM, suggest that customer knowledge has been considered as a valuable organizational resource such that any technique which is geared towards transmitting knowledge regarding customers are core resources that serves a sustainable competitive advantage for firms and allows a company to strengthen its link with the customers (Croteau and Li, 2003; Shi and Yip, 2007). Therefore, customers' knowledge plays a vital role in CRM. Organizations can use it to build and develop their relationship with customers (Zahay and Griffin, 2004), and it enables organizations to gain a competitive advantage in the market (Sin et al., 2005). In the words of Ryals and Knox (2001), information on customer knowledge needs to be shared and disseminated throughout the organization because the potential of knowledge occurs when it is shared within various functions of the organization in order to meet current customers and their anticipated needs. Knowledge management helps an organization to succeed by building better

customer relationships and it has a positive impact on an organization's performance. (Sin et al., 2005)

2.4.3 CRM Organization

For a better CRM implementation and total quality assurance of those strategies, there is a need to employ total participation from all levels of the organization. The organizational structure is supposed to be redesigned to include proper and effective lines of communication (Liu, 2007). Mechinda and Patterson (2011) and Dutu and Halmajan (2011) stated that for service employees to display customer-oriented behavior, organizations must develop a climate for service in the work which includes providing staff with modern tools and technology, customer satisfaction tracking and complaint management systems, inspiring service leadership, and an appropriate reward system. In implementing CRM many changes are required in the way that firms are organized (Ryals and Knox, 2001), business processes are conducted (Hoffman and Kashmeri, 2000) and the qualified employees that are involved in delivering value to the target customers.

The researchers also argue that CRM cannot be successful even if the organizations enjoy the most advanced technology and adapt a customer - oriented approach, unless the project is completely integrated by them (Sin et al., 2005; Yim et al., 2005). The key considerations in order to successfully organize the whole company around CRM are as follows: organizational structure, organization-wide commitment of resources, and human resources management. Therefore, we can say that CRM organization has to be an essential means through which firms effect fundamental changes in the way they organize their actual business processes for employees and customers (Sin et al 2005; Yim et al., 2005).

2.4.4 Technology-based CRM

With advances in information communication technology (ICT), a modern system can be used to improve the power of organizations to reduce internal costs, better interact with the environment, and increase economic profit in the long term (Mohammad, Basri, Rashid & Tahir, 2013). CRM involves gathering a lot of data about the customer. The data is, then, used to facilitate customer service and transactions in order to meet customers' needs. This results in more satisfied customers, a more profitable business and more resources available to the support staff.

Technology based CRM enables organizations to plan and implement successful marketing actions for retaining customers long-last and making them more profitable, because of the customer database and other information-storing systems (Roberts et al., 2005). Additionally, Chang et al., (2010) confirm that CRM technology improves marketing capabilities by providing valuable information about customers, which, in turn, will help both managers and employees to achieve specific marketing goals much more effectively.

2.4.5 Customer Loyalty

Loyalty is a prejudice to behavioral response over time in which the person prefers a particular brand than other brands and made decisions as a mental commitment (McMullan and Gilmore, 2008). Loyalty is one of the key concepts in the field of marketing management that plays an important role in creating long-term benefits for the organization because loyal customers do not require extensive promotion efforts. Loyal customers help the organization in determining the expected increase in sales and profit. In addition, customers who are familiar with the brand are likely to recommend it to their friends and relatives and affect the feedback and evaluation cycle of the product and these issues are critical in today's business environment (AllamehandNoktedan, 2009).

Beerli et al. (2004) defined Loyalty as a strong commitment to repurchase a product or service in the future, so that the same brand or product is purchased despite the marketing efforts and potential competitors. Uncles et al. (2003) defined loyalty as customer's commitment to do business with a particular corporation, buying their products and services frequently and recommending the corporation's offerings to friends and associates. Behavioral loyalty attempts to define brand loyalty in terms of the actual purchases observed over a time period, whereas attitudinal loyalty measures are based on stated preferences, commitment or purchase intentions (Rundle-Thiele & Bennett, 2001).

Another definition of loyalty from point of view of the concept of commitment is provided by Taylor et al. (2004) that customer Loyalty is a deep commitment to purchase a product or service again in the future that means buying one brand again despite environmental influences and marketing efforts of competitors to change behavior.

2.5 Customer Relationship Management (CRM) in Banking Sector

Ethiopia's banking market is at its beginnings, but the variety of customer requirements and a large number of banks in the market forces firms (banks) to use different systems and strategies in order to keep their customers. The Customer Relationship Management System (CRM) is a strategy but a day-to-day philosophy of working with Kosovo banks. CRM for bank executives is the key to their success in the market, the total of all the tools, technology and processes that manage, improve and facilitate sales, but also support customer relationships.

Banks, in addition to maximizing profit, they aim to create a stable relationship with their clients, by identifying their preferences and competing in real time. Almost all of the banks under review used the same CRM process but understood with different development strategies, Figure 1 gives an overview of CRM processes.

Managing client relationships is a strategic platform that has its origins in relationship marketing. Marketing of relationships is considered one of the main areas of modern marketing development, which has generated great research interest for years (Bowen, J. T. & Chen, S. L. 2001). After the 1990s, CRM increased the ability of banks to better understand the actual needs of their clients and also helped them develop strategies for meeting their benchmarks (Choi Sang Long 2012). CRM as a strategy offers companies (banks) the attributes to compete with them for a limited number of customers in order to absorb more and more of the market segment. In seeking the current trend of the globalizing economy, competition from substitutes and from entirely new off-the-shelf offers or packages is becoming increasingly harsh (Bohling, T., et al 2006).

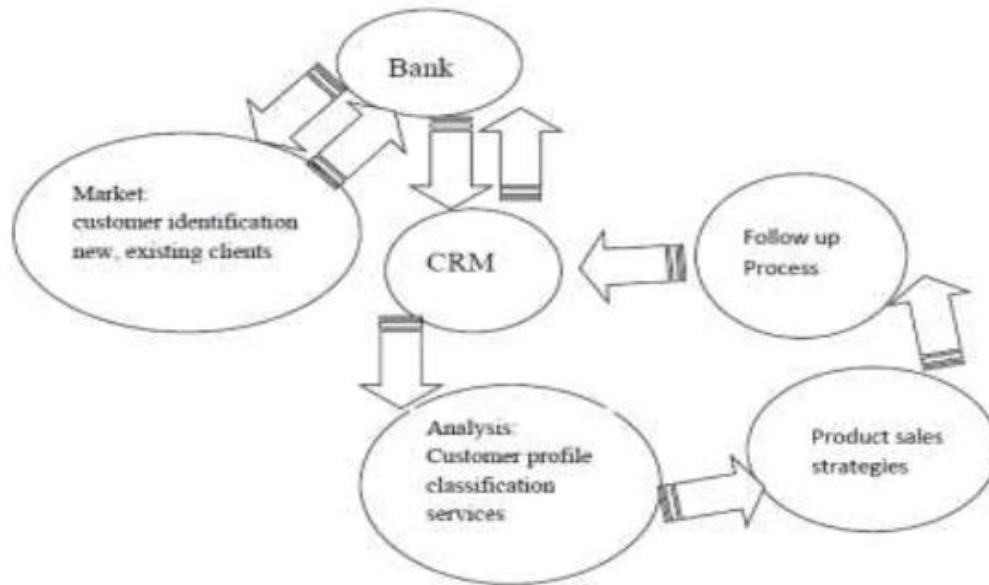
In today's developments, customers are the key assets for an organization, and customer relationship management is equally critical for organizations (Payne, A., & Frow, P. 2006). Customer Relationship Management (CRM) from a financial institution perspective is a sound strategy to identify clients and the bank's most lucrative prospects and takes time and attention to expanding account relationships with those clients through individualized marketing, repricing, decision making - discretionary and customized service - all offered through various sales channels used by the bank.

The overall success of the organization depends on customer satisfaction and customer satisfaction cannot be achieved without being managed Relationships with clients (Payne, A., &Frow, P. (2006). CRM aims to coordinate all customer-related business processes and includes collecting, comparing, and interpreting customer data to determine purchasing behavior models that can be used to support effective marketing programs (Bohling, T., et al 2006). Being competitive and the products are easily copiable, many companies (banks) are trying to gain a foothold over the competition through customer relationship management policies.

In this situation, consumer behavior is volatile as they have a wider choice of products that are often less distinct and they are much more informed. For many bids, the balance of power moves toward the customer that raises their expectations of how companies should look after them. The tendency to develop a strong relationship between customers and a company can prove to be an important opportunity for competitive advantage.

CRM has focused on assessing critical dimensions of satisfaction and defining customer groups with preference and distinctive expectations in the private sector of banks. CRM helps companies improve their profitability with their clients while at the same time making interactions seem friendly through individualization. Customer Relationship Management (CRM) is therefore evolving and involves interaction between the organization and its clients normally referring to a customer. CRM can also mean holding or raising the client base of the company as managers can now walk by talking to clients

Figure 4 CRM process in the Bank



2.12 Empirical Review

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

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

In fact, according to finding, this model believes to the customer perception to know more about their needs and treat each of the customers as they are only customer of the organization to solve

the customer's problems. Then customer satisfaction and loyalty would be achieved through a successful CRM implementation.

Therefore, organization should discover different requirements of the customer and adjust their policies according to the needs to increase the firm's profit. According to the conceptual framework proposed by Faed (2010), customer relationship management amplifies the relationships of customers and competitors in a firm to increase the share of the organization in marketplace by integrating technology, procedures and people. In fact, the aim of CRM is to maintain the customer and increase customer loyalty and organization profit result in strategies and business function transformation. Customer satisfaction and pleasing are two main elements in a successful CRM implementation for retaining customer's loyalty to a firm.

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

Findings illustrates that, the factor which is very important to increasing customer satisfaction, customer loyalty and benefits of the firm is measurement of the performance as all the vagueness and implicit problems are exist in the top level strategic managements would be cleared, the single and explicit language would be provided in for accurate communication in the organization the speed of the change would be accelerated and facilitated.

According to the results of a study of the CRM-implementation at 100 firms who are active in different area of industry such as: manufacturing, communication, financial and so on, Bohlinget al. (2006) develop a number criteria to implement CRM successfully which are divided to three main groups:

- Project focused
- Internally oriented metrics, employees' adoption
- Externally oriented metrics, customer satisfaction and loyalty

According to the findings, the most important externally oriented criteria are as follows: Sang Long., Khalafinezhad., 2012 10

- a). verified customer influence in terms of loyalty and satisfaction and
- b). measurable revenue development and the rest of the criteria are including:
- c). enhanced information and perception
- d). measurable cost drop
- e). enhanced employee efficiency f). practice by employees
- g). compliance to particulars

Wang and Lo (2004) found that CRM model is based on two perspectives. The first one, measures the factors related to customer behavior such as: repurchasing, cross and up selling and customer acquisition rate, and the second one measures the relationship quality, such as customer satisfaction and customer loyalty (Wang and Lo, 2004). Data were collected from 400 randomly selected customers of two security china's company.

According to the emphasizing customer equity-base view, findings explores that emotional and functional behavior of customers has positive impact on customer satisfaction and customer satisfaction has positive effect on customer behavior-based CRM. Finally, the result of this study shows that customer behavior based CRM have a positive effect on customer and brand loyalty (Wang and Lo, 2004).

Zineldin, (2006) developed a triangle strategy between quality, CRM, and customer loyalty which is leading to company's competitiveness. This research was designed to measure satisfaction and loyalty of the customers based on two main conditions where the customer database information and strategy of CRM should be structured well, and the system should be enough capacity for data producing to accurate analysis. According to the findings of the research, any changes of the quality of the services or productions or any other segments in a firm over time could be used as an indicator to find the level of customer loyalty through a well-structured CRM strategy.

Also finding shows that, if the indicators of interaction, infrastructure, and atmosphere would be linked to the object and process quality it helps to the researchers to find what changes are required in CRM strategy to improve customer satisfaction and loyalty. Izquierdo et al. (2005)

developed a model in which, car repair and maintenance are tested as a case where long term customer relationship is frequentative. Path analysis used to evaluate the hypothesis, associated with customer perception customers' perception, market loyalty and market position which all provide market activities.

The hypotheses were evaluated using a path analysis, which associates relationship marketing activities and performance with economic performance. This model proposed based on performance of marketing and economic. The measures proposed as follows Izquierdo et al. (2005):

- The position of Market
- Customer Loyalty
- Customer insight
- Economic and market performance

The findings suggest that the CRM implementation including attraction activities such as service quality and commercial practices and loyalty programs such as bonus, contact, satisfaction and complaints result in appropriate perception of customers leading to increasing customer loyalty; therefore, economic performance of the firm would be increased.

As Feinberg and Kadam (2002) indicated, transferring to online business rather than traditional way of business is necessary nowadays. So, in this way, implementing the internet provide an opportunity for business to use it as a tool for customer relationship management. However, there are a lot of evidences shows CRM affects customer satisfaction, profits and customer loyalty but there should be more research about the significant influence of CRM on customer satisfaction and loyalty.

So in this regards, the relationship between CRM and customer satisfaction and loyalty is attempted to uncover. According to the finding of the research there are 42 different e-CRM features that retailers differ from. The finding shows that there is significant relationship between CRM implementation on websites of the retailers and customer satisfaction which leads to customer loyalty. However all attributes of implemented CRM are not equal in terms of affecting the customer satisfaction and loyalty, some are more effective and some are less (Feinberg and Kadam , 2002).

Now days CMR is being considered as one of the most important tools in most companies all over the world and numerous studies have showed a positive links among CRM, customer loyalty and firm's profitability in a fierce competitive business environment. According to Reichheld and Sasser (1990) as a customer's relationship with firm lengthens, profits rise. Reichheld (1996) state that customers who are retained through CRM are more profitable than new customers for the following reasons:

- (1) Customer acquisition costs may be high, so customers may not become profitable unless they are retained for one or more years,
- (2)Loyal customers buy more over time, so revenues go up; companies become more efficient at serving them, so costs go down.
- (3)Loyal and satisfied customers may refer other potential customers.
- (4) The relationship has a value to the customer too, so that retained customers tend to become less price-sensitive. Loyalty leads the customers to increase their volume of business with the firm and subsequent profits for the firm (Roig et al., 2006).

As Reichheld and Sasser (1990) stated, reducing defections by 5% boots profit 25% to 85%, which means that a relatively small increase in customer loyalty will drive relatively large increase in firm's profits. Baldauf et al. (2003) emphasized that high level of loyalty which is created through CRM should substantially enhance sales, and higher sales are in return expected to increase profitability. Reichheld and Teal's (1996) empirical study showed that a 5 % increase in customer retention can have a 30% to 95 % effect on customer net present value and a similar effect on firm's profitability. Another support was proposed by Gupta and Lehmann (2003) who estimated a less dramatic increase of 22 % to 37 % in customer life time value (CLV) or revenue, for a 5 % increase in customer retention.

Payne and Frow, (2005) emphasizing the role of CRM in achieving value for customers and contributors, shareholders and employees and reducing costs. The study mentioned customer's satisfaction and retention have been achieved in 36% and 51% of the companies respectively when it was applied CRM.

Hisham. S(2011) stated that in a modern study of De Paul University about the best practices of sales administrator, only 50% of companies of which sales reached more than one milliondollars- admitted that they practice CRM, and only 55% of these companies made it clear that their CRM programs greatly helped to establish relationship with customers. While,81% of the companies, which achieved sales of less than 100 million dollars adopted ready-made CRM programs, admitted that these programs were useful; 75% mentioned that this helped to establish customer relationships.

According to recent research, strong customer relationships can yield both higher profits and increased market share. Dawkins and Reichheld (1990) stated in their study that a 5 per cent increase in customer retention generated customer net present value of between 25 per cent and 95 per cent across a wide range of business environments. Stated another way, it is five times more expensive to acquire new customers than it is to keep existing customers. This means that as marketing relationships lengthen, companies can increase profits by almost 100% by retaining just 5% more of their customers (Reichheld and Sasser, 1996). That is, money invested in keeping a customer is more productive than money spent trying to replace customers that have been lost.

CRM is effective as described by Schell (1996) Royal Bank of Canada (RBC), which won the first international award for CRM excellence in large corporations was started their CRM initiative in 1995 and to date they have invested over \$100 million. Today the Vice President for CRM claims “we no longer view CRM as a program. It is our core strategy”. Revenue growth is running at 10-15%, and profit growth at 25%. He further said that the CRM is paying us back and enabled us to grow both top of the house revenue line and at the same time achieve huge cost savings”. The Banks’s retention of customers is exceptionally high in an industry where some 22% of commercial customers change banks every five years (Schell 1996)

Different studies were conducted on the impact/ effect of CRM on customer loyalty in different private and governmental Banks. In Ethiopia Numerous studies have been conducted throughout the world regarding the banking industry of several countries and there exist many studies that are in depth and are focused on the effects of customer relationship management on customer loyalty. In the case of Ethiopia not many studies in the area of customer relationship management and its effect on customer loyalty.

The Effect of Relationship Marketing on Customers' Loyalty (Evidence from Zemen Bank) by CherinetBoke(2015) and Principles and Practices of Customer Relationship Management in Ethiopian Banks by Srinivasan et al (2012) examples to name a few but customer relationship management is a major area of studies which requires further studies now and, in the future, as well. One can further understand the need for more research specifically in Ethiopia when considering the uniqueness of Ethiopian banking sector; with its governing body having several distinctive regulations and with the banking sector being closed to foreign investors and foreign banks.

The banking industry in Ethiopia is a highly competitive industry with little product differentiation; so, the main competitive advantage any bank can have is a relationship with customers and customer loyalty. While every bank in the country is trying to achieve that, they all are having a hard time trying to gain the loyalty of their customers; this can be understood through conversations with managers of different banks. The researcher will try to investigate the cause of this weak relationship.

2.13 Conceptual Framework of the study

The term CRM acronym as customer relationship management which consists of three words such as customer, relationship, and management? The first component is the customer or a potential buyer; the second one the relationship means the connection or association between customer and firm, and finally, the management which is concerned about identifying, creating, attracting, developing and retaining the customers. So, the customer relationship management means an integrated strategic decision process which is concerned about identifying the target customers, developing strategies for attracting the customers, and retaining the existing customers by creating and delivering value to the customers with long term relationship.

The key objective of customer relationship management in every organization is creating loyalty. It means the fidelity of the activities by the sellers in the consumer mind through customer loyalty programs there by motivating the customers for a repeat purchase. In other words, the conceptual framework is the researcher understands of how the particular variables in his study

connect with each other. Thus, it identifies the variables required in the research investigation. It is the researcher's "map" in pursuing the investigation.

A conceptual framework in this study is based on Sin *et al.* (2005) and Yimet *al.* (2005) behavioral component that identified four CRM dimensions which are responsible for formation of Customer loyalty. As it can be seen in figure (2) CRM elements, as an independent variable represented on the left side of the model with four main elements i.e Key Customer Focus, Knowledge Management, CRM organization and Technology-based CRM. On the right side of the model the dependent variable is represented by customer Loyalty.

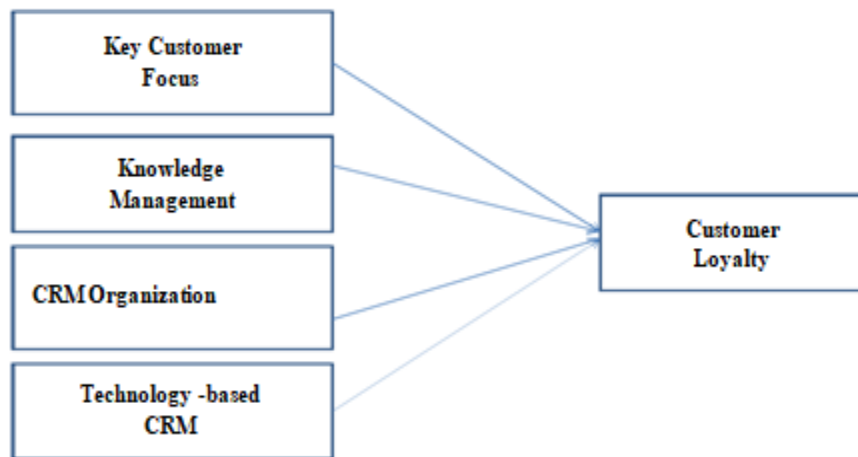


Figure 5A conceptual model frame work developed by the researcher (Sin *et al.*, 2005)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

In this section the researcher tries to demonstrate the methodology that was used in the research work. It consists of research design, sample, population & sampling techniques, types of data and instruments of data collection, procedure of data collection and methods of data analysis.

3.1. RESEARCH DESIGN

To meet the objective of the study and answer the research questions, both descriptive and explanatory research designs were employed. An Explanatory and Descriptive research design is deeper in the sense that it describes phenomena and attempts to explain why behavior is the way it is. In other words, it enables us to understand the very nature of what we are actually looking at.

This type of research aims at, for instance, explaining social relations or events, advancing knowledge about the structure, process and nature of social events, linking factors and elements of issues into general statements and building, testing or revising a study variable whereas explanatory design was used to analyze the relationship between Explanatory (Creswell et al, 2007). Descriptive design was applied for demographic and other relate variables and Explanatory designs were used for the purpose of determining the relationship among the dependent and independent variables.

3.2 Data Source and Data Type

The relevant information required to answer the research questions were include data obtained from respondents through structured questionnaire, and review of relevant policy procedures, annual reports, Banks directives and other related publications. Hence, both primary and secondary data were used during the study.

3.3. POPULATIONS AND SAMPLING TECHNIQUES

3.3.1 SOURCE POPULATION

All customer of Dashen Banks in Addis Ababa, that have served more than two years by dashen bank was the source of population of the study.

3.3.2 STUDY POPULATION

Customers in selected Dashen Bank Branch office that are currently receiving services will be the study population

3.3.3 DATA GATHERING TOOLS AND PROCEDURES

Both quantitative and qualitative data were collected using different instruments and methods such as structured and unstructured interview, systematic visiting, and other primary and secondary data such as official records that will be obtained from the annual and quarterly reports of the reports that contain financial performance of the bank. Besides, as reference material NBE directives were used in order to collect data and pertinent information for the study.

The primary data collection method was unstructured interview with key informants through close ended questionnaires to both the institution and its clients. Questionnaires were prepared in English, and necessarily translated into Amharic for the purpose of clarity and to facilitate the data collecting process.

In addition to this method, unstructured interviews and observation were used in order to gather additional information, for crosschecking the opinions given by the clients. The study was also employed the use of secondary data and review of various documents, journals, bulletins, proclamations, reports and other sources relevant to the research problem, Questionnaires were first administered to few respondents from the study population as pre-test and appropriate adjustments were made.

The closed ended questions were also to collect the respondents background information covering demographic variables (e.g., age, sex, educational background, services), institutional and explanatory variables that affects the CRM on customer loyalty at different phase such as key customer focus, knowledge management, technology and CRM organization and other related questions such as challenges. Besides, a wide variety of variables relating the respondent's condition were included.

Sources of the secondary data were official records that were obtained from the annual and quarterly reports of the reports that contain CRM of the bank and reference material NBE directives.

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES

Sample Size

There are several references to determine the sample size even though no one really standard for it. The sample size was determined by the statistical formula. A total population (N) 2000 customer were currently serving in the selected branch. ofDashen Bank in study population, at a confidence level of 95%, the sample size for the analysis was 333. The sample size is determined by the statistical formula (Israel, G.D. 2013).

$$N = N / (1 + Ne^2)$$

$$N = 2000 / (1 + 2000 \times 0.05^2)$$

$$N = 333$$

Where N=population, n= sample size and e= level of precision

Random sampling technique was used to give equal chance of participation. Customers were selected purposefully in order to assess their opinion on the CRM. Purposive sampling was used with the view that customer will give relevant data that would help in assessing the CRM of the Bank.

3.5 DATA ANALYSIS TECHNIQUES

Data gathered through questionnaire from the customers semi structured interview with the manager of the branch, records of the institution concerning its operation and additional responses from experiences of the researcher during the data collection were used for the

analysis. Presentation of data were arranged in table and chart form along with percentage in a descriptive way by using simple static tools. First, respondents on general profile, next other study variables were discussed. To simplify the data analysis, after the collection of both primary and secondary data information on the institution and staffs, tabulation of qualitative data was performed. Quantitative data were analyzed using the statistical package for social science (SPSS)

Data analyses were conducted through a descriptive statistic (percentage, frequency, SD, mean) to provide details regarding the demographic question and the various factors and to evaluate the effects of various factors on CRM in the study and customer loyalty, the correlation analysis was used.

And also, the inferential statistics will be used to show the relationship between dependent and independent variables using correlation and regression analysis. In order to assess the reliability and consistency of the instrument the Cronbach's Alpha (α) analysis will be used conducted. Whereas, to determine the relationship among the variables and to test the research hypothesis correlation and regression analysis method will be used by meeting the ordinary least square (OLS) assumptions of the linear regression.

3.8 Variables of the Research

The dependent variable for this research is the customer loyalty and the independent variables were the independents variables are Key customer focus, Knowledge management, CRM organization and Technology based CRM and the dependent variable is the customer loyalty.

3.9 Model Specification

The following model was formulated for this research in order to test the research hypothesis set above. Most of the independent variables included in the model are extensively used in prior researchers (Faizan, M. et al 2011, Duygu K 2012, Khhaligh et al 2012, Yared K. 2019). So, the reliability and validity of the model is recognized and used in this research is to analyze and interpret the result of the study.

$$\text{CUSTLOYA} = \mathbf{a} + \beta_1\mathbf{X}_1 + \beta_2\mathbf{X}_2 + \beta_3\mathbf{X}_3 + \beta_4\mathbf{X}_4 + \mathbf{e}_i$$

Where:

CUSTLOYA- Customer loyalty

X₁- Key customer Focus

X₂- Knowledge management

X₃- CRM organization

X₄- Technology based CRM

a - is a constant, represents the effectiveness of customer loyalty when every independent variable is zero.

β₁₋₅ - is the coefficient, in which every marginal change in variables on CRM affects correspondingly.

e_i - the error term

3.10 Ethical considerations

The researcher was considered the research values of voluntary participation, confidentiality, anonymity to ensure protection of respondents from any possible problem that can be happened from participating in the study. Thus, the researcher was clearly introducing the purpose of the study as a partial fulfillment of a Masters study programs and requested the respondents to participate in the study voluntarily such that refusal or abstaining from participating was permitted. The researcher was also assured the respondents confidentiality of the information given and protection from any possible problem that can be happened from the study since the findings were used for the intended purposes only. The respondents were promised to be provided with feedback about the output of the study.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.7 Introduction

This chapter presents data presentation, analysis and discussion part of the study. The chapter analyzes the Impact of Customer Relationship Management on Customer Loyalty in The Case of Dashen Bank in Addis Ababa. Data gathered through questionnaire from customers selected branches found in Addis Ababa. Structured and unstructured interview with the customer of the institution concerning its operation and additional responses from experiences of staffs on researcher 's field notes were mainly used for the analysis. Presentation of data iwasmade in tables by frequency and percentage distribution by using simple static tools and SPSS 20 were computed, discussed and presented.

.

4.8 Response Rate

Data was collected by the use of structured questionnaires. Questionnaires were distributed to 333 staffs of Dashen in selected branch of Addis Ababa. Only 250 responded accurately. The response rate is 83 %. According to Baruch & Holtom (2008), the average level of response rate is 52.7 percent is acceptable for survey.

4.9 Reliability Statistics

To measure the consistency of the questionnaire particularly the Likert-type scale the reliability analysis is essential in reflecting the overall reliability of constructs that it is measuring. To carry out the reliability analysis, Cronbach's Alpha (α) is the most common measure of scale reliability and a value greater than 0.700 is very acceptable (Cohen et al, 2010) and according to Cronbach's (1951), a reliability value (α) greater than 0.600 is also acceptable. The questionnaire item was analyzed by SPSS and the following result is obtained.

Initially, the overall internal consistency 24 items were tested and the result showed the high Alpha value ($\alpha=0.759$). Thus, it concluded that the questionnaire was reliable and consistent, because the Alpha value greater than 0.70.

Table 4.1 Reliability Statistics

No.	Study Variables	Cronbach's Alpha coefficient	Number of items
1	Key customer Focus	0.794	5
2	Knowledge Management	0.774	5
3	CRM organization	0.833	5
4	Technology Based CRM	0.803	4
5	Customer Loyalty	0.853	5

Source: SPSS output 2020

4.10 Profile of the Respondents

4.10.1 Age and Gender

Table 4.1 showed that Respondents' Age and Gender distribution in the study population of the total 250 respondents 68% of them were male and the remaining 32% were female respondents. The majority of the respondents were males indicating that male dominancy was common in the bank sector.

The age category of respondents shows that most respondents are between age categories of 25 to 35. From a total of 250 respondents 52% of them are under the category of 25 to 35 respondents while 16% are under the category of below 25 and 20.8% were between 36-45 and 11.2 % were above 45 years of total respondents respectively. This helps to see the view of customers from different age categories on the CRM practice of the bank as customer's age category has its own influence on the view they have regarding the practice. The wider and diversified the age group, the wider and diversified were the views of the customer on the issue under consideration.

Table 4.1 Age and Gender distribution in the study population

Description	No	Frequency
Gender		
Male	170	68
Female	80	32
Total	250	100
Age		
< 25 years	40	16
25-35 years	130	52
36-45 years	52	20.8
Above 45 years	28	11.2
Total	250	100

Source: SPSS output 2020

4.4.2 Educational background, year of services and current status of the respondents in the study population

As to educational background of respondents large majority of respondents were degree holders comprising 70.5% of total respondents while 17.3% comprise diploma and 4.8% high school complete in The fact that majority of respondents were having degree would help respondents understand and fill the questionnaires correctly so that the findings were viable. As can be seen from the above table 25% of the respondents are in the service year category of 2-5 years followed by 2-5 years. It was 25%. Similarly, 55% of the respondents were using for the personal Use. This indicates that the respondents are well exposed to evaluate CRM practice of the bank and its challenges.

Table 4.2 Educational Background, years and services of the Bank in the study population

Description	No	Frequency
Educational Background		
Master's Degree	22	0.8
Firt Degree	176	70.4
Diploma	42	16.8

High School	10	4.0
Total	250	100
How many years are customer in the Bank		
< 2 years	188	75
2-5 years	62	25
Total	250	100
The Bank service that are using for		
Personal	138	55
Business	112	45
Total	100	100

Source: SPSS output 2020

4.11 DESCRIPTIVE ANALYSIS

4.11.1 Category of questionnaire items

The questionnaires that were presented in the Likert scale are categorized in to five groups for the convenience of the data analysis. The category was performed based on the literatures reviewed as mentioned above in chapter two of this paper.

Table 4.3 Likert item category

No.	Study Variables	Symbol	Likert items (Number)
1	key customer focus	KCF	5
2	Knowledge management	KNM	5
3	CRM organization	CRMORG	5
4	Technology based CRM	TBCRM	4
5	Customer Loyalty	CUSTLOYA	5

Source: SPSS output 2020

4.5.2 COMPARISON BY CATEGORY

All the variables listed on the questionnaires were categorized by the Impact of CRM on the customer loyalty which are discussed in the literature review. These are key customer focus, Knowledge management , CRM organization , Technology based CRM and Customer Loyalty . Accordingly, the mean value and the standard deviation of the study population are shown in table4.4 below.

Table 4.4: Mean and standard deviation of Value of independent variables by category

No.	No Variable Name	Mean	Standard
-----	------------------	------	----------

			deviation
1	key customer focus	3.60	0.82
2	Knowledge management	3.55	0.86
3	CRM organization	3.58	0.83
4	Technology based CRM	2.73	1.13
5	Customer Loyalty	3.24	0.86

Source: SPSS output 2020

Table 4.4 shows the average score for CRM towards the customer loyalty in the study population and the factors affecting the Customer loyalty given by 250 respondents on a Likert scale of 1 up to 5.

As it has been shown in table the average score for the impact of key customer focus of CRM in on customer loyalty was 3.6 with a standard deviation of 0.82 in the study population and in Knowledge management category the mean value is 3.55 with a standard deviation of 0.86, in CRM organization category the mean value is 3.58 with a standard deviation of 0.83 for technology based CRM the mean value is 2.73 with a standard deviation of 1.13, of the study population.

The standard deviation shows that how the values far from the mean. In the above table it is shown that the standard deviations of all the variables are small, which indicates the values in the data set are closer to the mean. As for the study population mean score of Technology based CRM the lowest score. The highest score for the study population was the key customer focus. As per the literature review, the effect of the CRM is visible in the result. Because the mean score of the factors are little higher than 3 which is the same as the Customer loyalty.

According to the perception of the respondents on Dashen bank practice of CRM, the bank gets the highest mean value on customer focus with value of 3.6, which indicates that the respondents believe that Dashen bank has given more focus to this dimension of CRM more than any other. This was indicated by them rating higher the performance of the bank that indicated the magnitude of the focus Dashen bank has given to customers.

The respondents on average agreed more with the positive statements regarding Dashen bank customer focus. Technology based CRM was the lowest scoring dimension of CRM with a mean score of 2.73. this is a clear indication of the perception of the respondent’s belief that Dashen Bank is deficient in this category, which consists of using the latest hardware and software technology to collect data and communicate with its customers.

CRM organization and Knowledge management have the middle scores with 3.55 and 3.58 respectively Interestingly, the standard deviation which shows the closeness of the values to the mean when smaller and shows the spread-out nature of the distribution when it has larger values shows that the Standard deviation of knowledge management is 0.86 which shows that there is a better consensus regarding the practice of CRM knowledge management of the bank. However, customer focus has a standard deviation score of .82 which means it had a wide range of responses and seems to be the more controversial compared the other dimensions.

CRM organization has 1.83 and technology based has 1.13 which means that they are less controversial than customer focus but have a wider spread than CRM knowledge management.

4.3.1. COMPARISON BY INDIVIDUAL VARIABLES

1. Key customer Focus

As one can see from table 4.5 below the statements “*The bank strives to constantly surprise and delight its key customer*” has the highest mean value 3.7 with SD 0.95 which means most respondents agree that Dashen bank are striving to constantly surprise and delight its key customers. While, the statement “*The bank work with individual key customers to customize its offering through ongoing dialogue*” has the least mean value 3.27) with SD 1.12 and the least mean value implies that respondents have low level of agreement regarding banks’ effort to work with key customers to customize its service and product through dialogue and discussion.

Table 4.5 Key customer Focus items for in the study population

Sr. No	Description	Mean	Std Deviation
1	The bank provides customized product and service to key customers.	3.98	0.96

2	The bank work with individual key customers to customize its offering through ongoing dialogue	3.27	1.114
3	The Bank makes an effort to find out what key Customer needs.	3.55	1.06
4	The Bank takes customer feedback seriously and replies to them.	3.74	1.09
5	The Bank strives to constantly surprise and delight its key customers.	3.99	0.95

Source: SPSS output 2020

2. Knowledge Management

Major aspects of knowledge management consist of knowledge creation, knowledge sharing and accountability. Knowledge management from the angle of CRM concept in Marketing, can be describe as whatever a company or individual has learnt from experience/practice or any empirical study of consumer data.

As it is showed in table 4.6 below from knowledge management statements “*The Bank’s employees are willing to help customers in a responsive manner*” has the highest mean value 4.12) with SD 0.88 and it indicated that from knowledge management point of view most Dashen bank customers are agree on the proposition that “*the bank’s employees are willing to help customers in responsive manner*”. As we go through the above table 4.5.2 the proposition that says” The Bank provides channels to enable ongoing two-way communication between key customers and the Bank” has the least mean value (3.13) with SD 1.04 which implies Dahan bank customers has low level of agreement over the proposition which says “*The Bank provides channels to enable ongoing two way communication between key customers and the Bank*”.

Table 4.6.knowledge Management

Sr. No	Description	Mean	Std Deviation
1	The Bank’s employees are willing to help customers in a responsive manner	4.17	0.88
2	The Bank provides channels to enable ongoing two way communication between key customers and the Bank	4.13	1.04
3	Customers can expect prompt service from employees of the Bank	3.13	1.06
4	The bank fully understands the needs of key customers via knowledge leaning.	3.98	.05
5	Employees of the bank have enough experience and	3.83	1.06

	information about customers.		
--	------------------------------	--	--

Source: SPSS output 2020

3. CRM Organization

CRM organization has been argued as an essential means through which fundamental changes in terms of how firms organized and conduct its business processes around employees and customers can be actualized (Wang et al., 2006; Sin et al., 2005; Yim et al., 2005)

As it has been shown from results on table 4.7 the statement which says “*The bank employees encourage customers to use more service of the bank*” has the highest mean value(4.04) with SD 1.03 ,which represents that the majority respondents perceived or agreed that the bank employees encourage customers to use more service of the bank; whereas, the statement which says ”*The bank has effective customer recovery strategy including guarantee for service failure*” has the least mean value 3.23 with SD 1.03 which implies that on average the banks customers have least level of agreement over the statement that “*The bank has effective customer recovery strategy including guarantee for service failure*”.

Table 4.7 CRM organization

Sr. No	Description	Mean	Std Deviation
1	The Bank employee encourage customers to use more service of the Bank	4.04	1.03
2	What makes the Bank different from its rivals is that it can make good relationship with its customers	3.58	1.10
3	The bank has established clear business goals related to customer acquisition, development, retention, and reactivation	3.79	1.00
4	The bank structure is meticulously (thoroughly) designed around its customers	3.77	1.02
5	The Bank has effective customer recovery strategy including guarantee for service failure.	3. 23	1.03

Source: SPSS output 2020

4. Technology -Based CRM

Customer relationship management technology, as one of the organizational resources that serves as an input into the Customer relationship management process and is intended to enhance firms' ability to productively build and maintain a profit maximizing portfolio of customer relationships.

Customers perceptions towards banks utilization of technology that aids banks to provide better service and build profitable relationship with customers. As shown in table 4.8 among the propositions of Technology Based-CRM independent variable the statements "*The bank maintains a comprehensive database of its customers*" has the highest mean value 3.86 with SD 0.96, which implies that most Dashen bank customers have agreed that the banks have properly maintained customers data bases.

The proposition that "*The bank is providing reliable internet and mobile banking service to its customers*" has the least mean value 3.74 with SD 1.02 which, implies that both banks' customers have the least level of agreement on the proposition that the bank is providing reliable mobile banking and internet service.

Table 4.8 Technology -Based CRM

Sr. No	Description	Mean	Std Deviation
1	The Bank has the right soft and hardware to serve their customers.	3.98	1.09
2	The bank maintains a comprehensive database of its customers.	3.27	1..96
3	The bank is providing reliable internet and mobile banking service to its customers.	3.55	1.02
4	The bank has a dedicated Customer Relationship Management (CRM) technology in place.	3.74	0.97

Source: SPSS output 2020

5. Customer loyalty

Loyal customers help the organization in determining the expected increase in sales and profit. In addition, customers who are familiar with the brand are likely to recommend it to their friends and relatives. As it is showed in the above table 4.9 Dashen bank customers have showed their high degree of agreement to the statement" *It is highly likely that I will be the customer of this*

bank in the long run” with mean value 4.03 and SD 1.176. It implies that majority respondents have agreement to the statement” *It is highly likely that I will be the customer of this bank in the long run*”. On the other hand the statement which says “*I am confident of giving positive word of mouth testimonies to others about this bank*” has the least mean value 3.88 with SD 1.07 which implies that respondents have low level of agreement on this statement.

Table 4.9 Customer loyalty

Sr. No	Description	Mean	Std Deviation
1	I consider the bank as my first choice among others bank in the area.	4.03	1.17
2	I will recommend this bank to friends and family members.	3.89	1.16
3	It is highly likely that I will be the customer of this bank in the long run.	4.04	1.07
4	I am confident of giving positive word of mouth testimonies to others about this bank.	3.88	1.05
5	I am satisfied with the Bank service provided.	3.93	1.15

Source: SPSS output 2020

4.12 Assumptions of Regression analysis

The study used a multiple linear regression model and examined the effects of CRM of the independent variables on customer loyalty. Before analyzing the data gathered by the questionnaires, the researcher has checked the necessary assumptions. These assumptions must be fulfilled in order to undertake analysis by multiple regression models.

Five tests for classical linear regression model (CLRM) assumptions namely normality, linearity, homoscedasticity, multicollinearity and independence of residual are conducted and discussed as follows.

4.12.1 NORMALITY TEST

Normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally

distributed. Test of normality, is determining whether the data is well modeled by normal distribution or not. This test of normal distribution could be checked by graphical (histogram and dot plot) method of tests. The normality assumption assumes a critical role when a study is dealing with a small sample size, data less than 100 observation. (Gujarati, D. 2004)

Table 4.10 Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Customer Loyalty	.287	125	.000	.807	125	.000

Source: SPSS output 2020

Table 4.11 above showed the results of the Normality test carried out. The Kolmogorov-Smirnov results were used for interpretation as a sample data of more than a 100 were used. A p-value of lower than 0.05 was achieved which means that the questionnaires were not distributed normally. This is why a Z-Score test was run in order to ensure that a multiple regression can take place moving forward.

Table 4.11 Z test

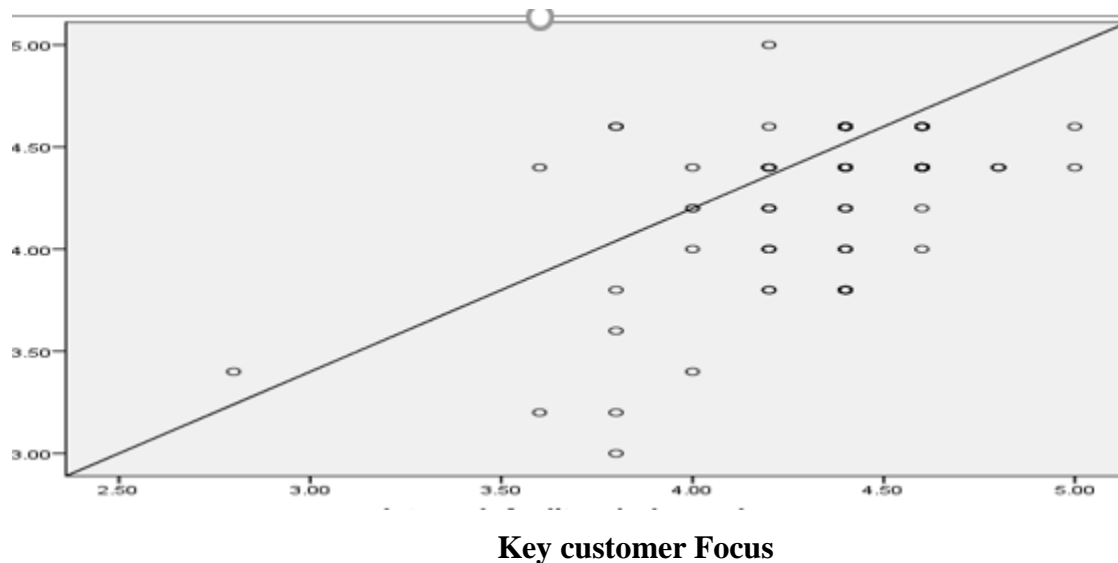
	Statistic	Std. Error
Internal_Audit_ Mean Effectiveness	4.4345	.01525
95% Confidence Interval for Mean	Lower Bound	4.4043
	Upper Bound	4.4648
5% Trimmed Mean	4.4444	
Median	4.4000	
Variance	.026	
Std. Deviation	.15995	
Minimum	4.00	
Maximum	5.00	
Range	1.00	
Interquartile Range	.20	
Skewness	-.433	.230
Kurtosis	1.863	.457

Source: SPSS output 2020

Based on the table 4.11 a Z-Score test was run using the skewness results. The Skewness statistic divided by the skewness standard error is the result of the Z-Score test. Originally, the Z-Score results violated the normal range. Therefore, outliers were deleted and a Z-Score was run again. $-0.433/0.230=1.883$. The new Z-Score result was 1.883. In order for normality, the cut-off point for a Z-Score test should be between -3.29 and +0.329. The value was in range and the violation is not bad making the data normal.

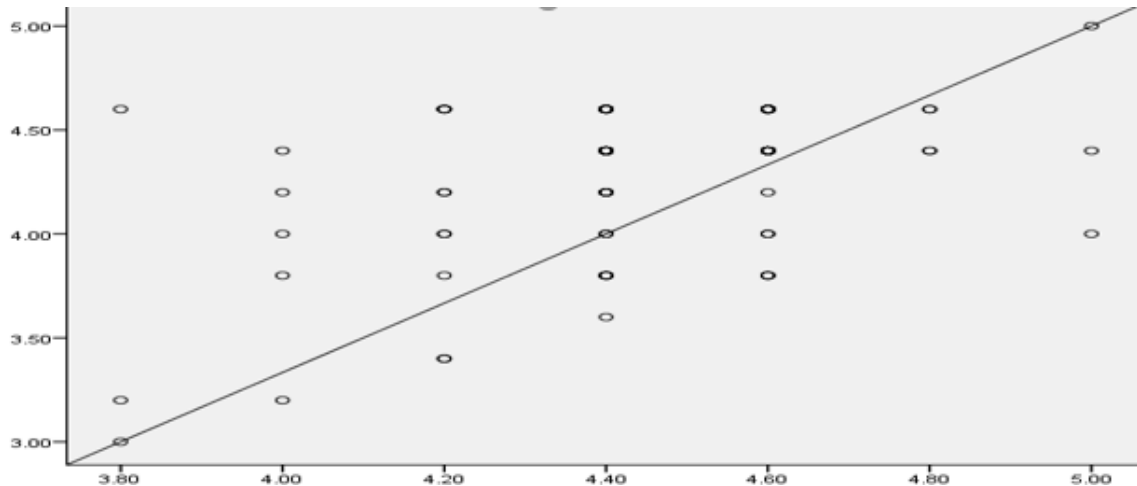
4.4.1 TEST OF NORMALITY

Independent Variable 1 – Key Customer Focus



The table above showed the direct relationship between the key customer Focus and Customer loyalty. The randomised pattern means that the linear results are normal.

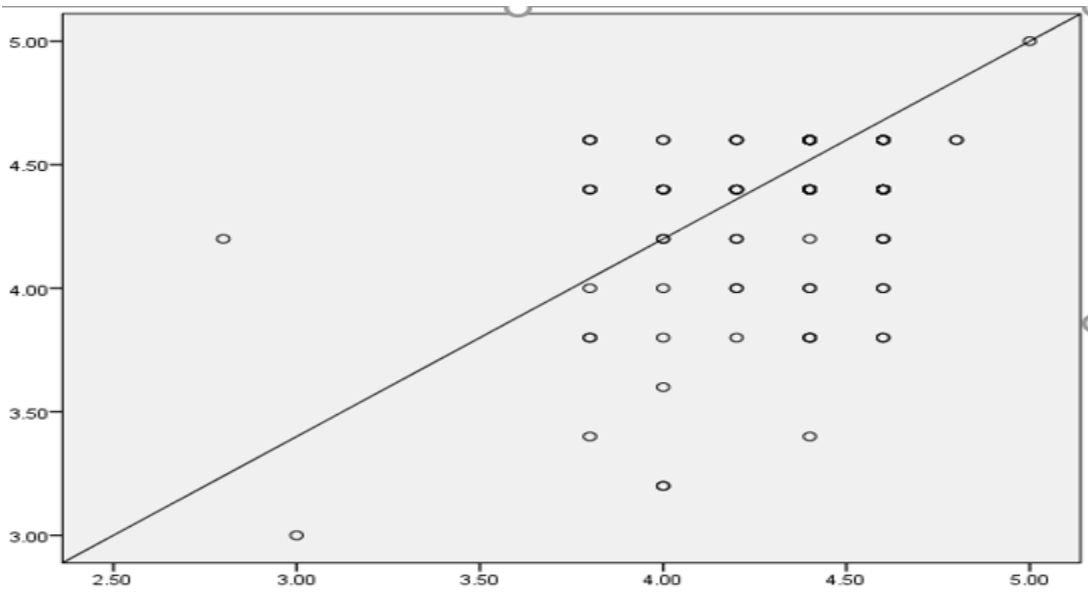
Independent Variable 2 – Knowledge management



Knowledge management

The linear graph above shows the direct relationship between Knowledge management and customer loyalty. The randomised pattern makes it normal. There were most of the respondents who agree but there were those ones with uncertainty who were neutral or disagree.

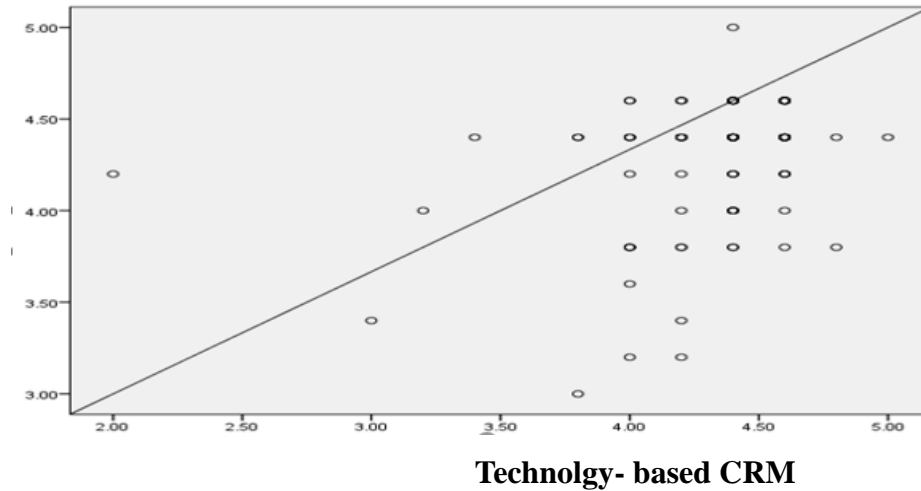
Independent Variable 3 –CRM organization



CRM organization

The table above shows the direct relationship between CRM organization and customer loyalty. The randomised pattern makes it normal. The randomised pattern on the linear graph makes the results normal.

Independent Variable 4 – Technolgy- based CRM



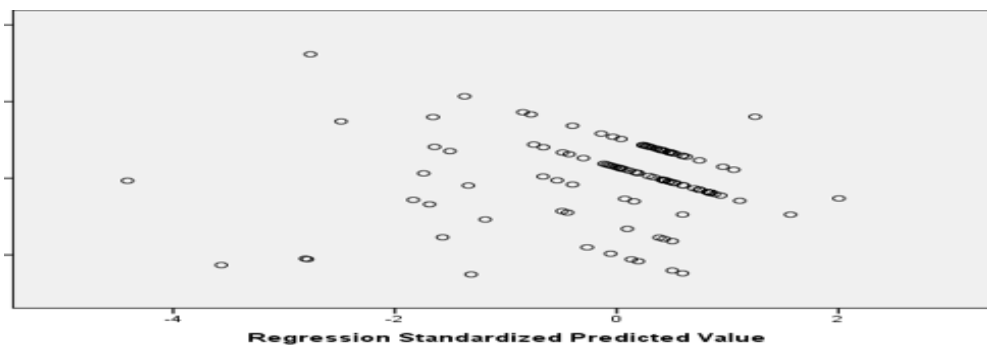
The table above shows the direct association of the relationship between **Technolgy- based CRM** and Customer loyalty. The randomised pattern makes the results normal. There is some uncertainty while most of the respondents agree with the statements presented to them.

4.1.1 LINEARITY TEST

Linearity studies were performed to determine the linear reportable range for an analyte. This is done using a set of standards containing varying levels of an analyte in high enough and low enough concentrations so as to span the entire range of the test system. Multiple linear regression model assumes there is a linear relationship between the independent variables and the dependent variables. The linearity assumption tested with scatterplots,

Scatter plot

Dependent Variable Customer Loyalty



4.6.3 Homoscedasticity

The table above showed that the assumption of homoscedasticity is met as the variances are constant and the results are scattered. Homoscedasticity is the assumption that the variance of errors is the same across all levels of the independent variables.

4.6.4 Test for Multicollinearity

Another assumption that has to be met to undertake multiple linear regression model is the assumption of multicollinearity. It's an indication for a linear relationship between the independent variables. (Gujarati, D. 2004) Variable Inflation Factor (VIF) technique was used.

The VIF is a measure of the reciprocal of the complement of the inter-correlation among the predictors: $VIF=1/(1-r^2)$. The decision rule is a variable with VIF value of greater than 10 indicates the possible existence of multicollinearity problem. Tolerance (TOL) defined as $1/VIF$.

It also used by many researchers to check on the degree of collinearity. The decision rule for Tolerance is, a variable whose value is less than 0.1 shows the possible existence of multicollinearity problem. (Gujarati, D. 2004)

Table 4.11 below showed that VIF values for all variables became less than the tolerable value, i.e. 10. And Tolerance value of all variables also became above 0.1 which indicates that this model is free from multicollinearity problem between the dependent variables.

Table 4.12 VIF Values predictors and The Durbin-Watson statistic

Variables	Collinearity Statistics		Durbin-Watson
	Tolerance	VIF	
Customer Loyalty	.711	1.416	2.152

Source SPSS output 2020

4.13 CORRELATION ANALYSIS

Firstly, referring to table above the Pearson Correlation Analysis (PCA) evaluated the customer

loyalty with the key customer focus, Knowledge management, CRM organization, and technology- based CRM and found key customer focus, Knowledge management and CRMorganization have strong correlation with Customer loyalty with a p value 0.001 and with a Pearson R value of 0.630, 0.353 and 0.244 respectively.

key customer focus, Knowledge management and CRM organization were a significant predictor of Customer loyalty. Each component of the Customer loyalty had a significant proportion of its variance explained by key customer focus, Knowledge management and CRMorganization. (Gujrat, 2004)

Table 4. 13 Pearson Correlations (sig 2-tailed, N=250)

		Key customer Focus	Knowledge Mgt	CRM organization	Technology Based CRM	Customer loyalty
Key customer Focus	Pearson Correlation Sig. (2tailed)	1				
Knowledge Management	Pearson Correlation Sig. (2tailed)	.170** .007	1			
CRM organization	Pearson Correlation Sig. (2tailed)	.461** .000	.347** .000	1		
Technology Based CRM	Pearson Correlation Sig. (2tailed)	.371** .000	.444** .000	.380* .000	1 100	
Customer Loyalty	Pearson Correlation Sig. (2tailed)	.630** .000	.043 .496	.353** .000	.244** .000	1

Source: SPSS Output, 2020

4.8 Regression Analysis

4.8.1 Model Summary

The result from data obtained is a major contribution to existing body of knowledge on this subject matter. Performance management system is positively related to employee's performance because of its high correlation value (R) which is 0.737 (73.7%). The result reveals a high degree of dependence of Customer loyalty on CRM. R^2 is the coefficient of determination of the two variables which shows the percentage of total variation of the dependent variable explained by the independent variable. The analysis shows, $R^2 = 0.533$ (53.3%), which is a moderate coefficient and clearly implies that 53.3 % variation in Customer loyalty are explained by changes or the nature of CRM implemented in the organization. The remaining 46.7 % of the variation in Customer loyalty is explained by stochastic error term (e) meaning that 46.7 % of changes in (CUSTLOYA) changes are explained by factors that are not explained in the model.

Table 4.14 Model Summary

Model	R	R square	Adjusted R square	Standard of the estimates
1	.737a	.543	.533	.418

a. Dependent Variable: Customer loyalty b. Predictors: (Constant), Key customer focus, Knowledge management, CRM Organization and Technology based CRM

Source: SPSS output 2020

4.8.2 ANOVA F test

Table 4.10 the ANOVA table shows that the overall multiple linear regression model is significant $p=0.00$, this implies that the model describes the effect of CRM on the customer Loyalty of Dashen Banks S.c.

Table 4.15 ANOVA F test

Model	Sum of square	Df	Mean square	F	Sig.
-------	---------------	----	-------------	---	------

Variables	Unstandardized	Standardized	t-value	Sign.
-----------	----------------	--------------	---------	-------

Regression	51.078	5	10.216	58.403	.000b
Residual	43.029	246	.175		
Total	94.107	251			

Source: SPSS Output, 2020

4.9 Results of Multiple Regressions

Multiple regression analyses were conducted to examine the effect of key customer Focus, Knowledge management, CRM organization and Technology- based CRM on customer loyalty. The multiple regression model used to predict the employee performance were

$$\text{CUSTLOYA} = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i$$

Table 4.16 Coefficients

	Coefficients		Coefficients		
	B	Std Error	Beta (β)		
Constant	.116	.186		.624	.533
Key Customer Focus	.488	.039	.636	12.518	.000
Knowledge management	.243	.033	.333	7.446	.000
CRM organization	.105	.040	.137	2.659	.000
Technology-based CRM	-.204	.039	-.259	-5.211	.000

Source: SPSS Output, 2020

X₁- Key customer Focus

X₂- Knowledge management

X₃- CRM organization

X₄- Technology based CRM

Table 4.16 shows that Customer loyalty is positively associated with key customer focus (.488), Knowledge management (.243), CRM organization (0.105), Meanwhile, Technology based CRM (-.204) is negatively associated with Customer loyalty. The multiple regression model with all four predictors produced $R^2 = .533$, $F = 58.40$, $p = 0.000$.

Therefore, the final model for the multiple regressions is,

$$\text{CUSTLOYA} = 0.116 + .636X_1 + .333X_2 + .137 X_3 - .259X_4 + e_i$$

B₀: not analyzed (generally, it is the mean for the response when all of the independent Variables (x) take on the value 0.), Customer loyalty be 0.116. Involvements of customer key customer focus in Dashen bank have positive significant effect on customer loyalty B₁ = 0.488 with P = 0.000, Knowledge management (.333). The existing Technology based CRM activities of the bank had negative significant effect on the customer loyalty B₄ = - 0.204 with p = 0.000 .

From the result of multiple regression analysis presented in table 4, 16 below, the researcher concluded that CRM in key customer focus has stronger effect on customer loyalty than the other independent variables.

So far the researcher analyzes the combined effect of independent variables, which is cascaded down from the stage of CRM with customer loyalty. Next, the researcher tests the relationship between customer loyalty and each independent variable either to confirm or to reject the hypothesis. Finally the researcher analyzes the relationship between customer loyalty and CRM as a complete system the reason why the researcher analyzes the effect of each independent variable and CRM as a system to Customer loyalty is to test and understand the strong relationship between each independent variable individually with Customer loyalty.

4.15 Summary of Hypothesis Test Result of the study and Implication

The aim of this study was to analyze the impact of f CRM on customer loyalty of Dashen Bank S.C. The result of correlation and regression analysis shows that Key customer focus , Knowledge management and CRM organization have positive effect on the Customer loyalty but Technology based CRM has negative effect on the Customer loyalty.

Therefore, the alternate hypotheses of the study that include: H1, H2. and H3 are accepted implying that they had positive effect on Customer loyalty, However,H4 was not supported as this had insignificant impact on Customer loyalty while other things held constant. Results had some similarities and differences with other researchers such as Khalig 2012. Mohshaan 2011 2013, Daniel 2020, Duygu 2012)

Table 4.17 Summary of Hypothesis Test Result

Hypothesis	Results	Implications
H1; Having key customer focus affects Customer loyalty positively and significantly	Accepted	This implies that key customer focus had positive effect on Customer loyalty other things held constant
H2: Knowledge mangemnt affects Customer loyalty positively and significantly	Accepted	This implies that Knowledge mangemnt hadsignificant relationship between on customer loyalty other things held constant
H3: CRM organization affects Customer loyalty positively and significantly	accepted	This implies that CRM organization has positive and significant on customer loyalty in Dashen Bank.
H4: Technology based CRM affects Customer loyalty positively and significantly	Rejected	This implies that Technology based CRM have insignificant effect on customer loyalty, other things held constant

CHAPTER FIVE

MAJOR FINDING, CONCLUSION AND RECOMMENDATION

This chapter involves a presentation of the summary of findings from the study findings. Conclusion and recommendations based on the findings have been provided to improve the CRM of the bank that were presented.

5.1 Major findings

Whether commercial Banks can make their current customers loyal depends on whether they can manage the customer relationships well. As customers have grown to be more conscious consumers, Banks have had to pay the prices of the errors and faults they do in customer relationships.

Customer relationship management is a customer-based relationship management philosophy that enables the coordination and cooperation between all the departments, customers and business associates while the basic objective of the customer relationship management is to create customer loyalty to make the customer relationships profitable, form and preserve long-term and profitable relationships with customers, increase the productivity of the firm, to create differentiation, meet the customer demands and enable cost minimization and harmonious activities.

Therefore, this research aimed at knowing how CRM influences customer loyalty and how could the different factors of CRM influence customer loyalty respectively in Dashen Bank.

As shown in the findings, the fact that majority of respondents are having degree would help respondents understand and fill the questionnaires correctly so that the findings would be viable.

Apart from this the result of survey statement, the key customer focus “*The bank strives to constantly surprise and delight its key customer*” has the highest mean value 3.7 with SD 0.95 which means most respondents agree that Dashen bank are striving to constantly surprise and

delight its key customers. of knowledge management “*The Bank’s employees are willing to help customers in a responsive manner*” has the highest mean value 4.12, the statement which says “*The bank employees encourage customers to use more service of the bank*” has the highest mean value(4.04) with SD 1.03, which represents that the majority respondents perceived or agreed that the bank employees encourage customers to use more service of the bank.

Among the propositions of Technology Based-CRM independent variable the statements “*The bank maintains a comprehensive database of its customers*” has the highest mean value 3.86 with SD 0.96, which implies that most Dashen bank customers have agreed that the banks have properly maintained customers data bases.

The proposition that “*The bank is providing reliable internet and mobile banking service to its customers*” has the least mean value 3.74 with SD 1.02 which, implies that both banks’ customers have the least level of agreement on the proposition that the bank is providing reliable mobile banking and internet service.

Regarding the customer loyalty customers have showed their high degree of agreement to the statement” *It is highly likely that I will be the customer of this bank in the long run*” with mean value 4.03 and SD 1.176. It implies that majority respondents have agreement to the statement” *It is highly likely that I will be the customer of this bank in the long run*”. On the other hand, the statement which says “*I am confident of giving positive word of mouth testimonies to others about this bank*” has the least mean value 3.88 with SD 1.07 which implies that respondents have low level of agreement on this statement.

Findings also showed that the Based on the respondents, the bank has a higher rating amongst the dimensions in customer focus followed by CRM organization, andcustomer knowledge management and the bank” technology-based CRM has the least mean score. The correlation analysis indicates the strong correlation customer loyalty has with the three dimensions in amongst the respondents. It has the weak correlation with technology-basedCRM.

The major findings of this study are that the independent variables, which is key customer focus, Knowledge management and CRM organization, fallen from the process of CRM has significant effect on the customer loyalty.From the result multiple regression analysis key customer focus,

Knowledge management and CRM organization of the CRM of the dashen Bank had positive effect on the customer loyalty whereas Technology based CRM of the bank had negative effect on the Customer loyalty.

5.2 Conclusion

The present study examined the effect of customer relationship management on customer loyalty and the research findings indicated that CRM behavioral dimensions namely: key customer focus, Knowledge management and CRM Organization have positive and significant effect on dependent variable customer loyalty

The researcher has concluded based that the CRM practice at Dashen bank customer focus of the bank was perceived to be betterwhereas Technology based CRM of the bank had negative effect on the Customer loyalty.

5.3 Recommendation

Banks' ability to retain their existing customers and gain new customers depends on accurate customer relationship management. Despite the extent of recent studies, customer relationship management (CRM) is still an appealing area of research due to its relative novelty and the increasing growth in adoption of CRM practices in organizations. While there is a consensus on the conceptualization that CRM is a strategic macro process aiming to build and sustain a profit-maximizing portfolio of customer relationships, the extant literature provides little evidence. This study tried to explore the impact of CRM on customer loyalty in the case of Dashen Bank in Addis Ababa.

Based on the of findings the study the researcher would like to recommendthat

- The Bank should pay attention to the following to improve their relationships with customers, Recognizing,Distinguishing,Listening, Making all sorts of contacts with the customers, , identifying itself and Adapting with the customer.
- The Bank should invest in the measuring factors found highly affecting customer loyalty like perceived service quality, customer satisfaction and complaint handling. Particularly, Services quality can enhance by playing in employee satisfaction, reducing waiting time, increasing front-end services and expanding e-banking.
- The bank management should know that retaining the customers satisfied does not guarantee loyalty rather they have to work on delighting/providing additional pleasures/ to the customers in particular and the key stakeholders in general. In doing so the management of the bank always contemplate the requirements of the customers.

- The Bank never fails to fulfill expectations and disappointed so far the pleasurable fulfillment of needs, desires, and goals. Customer satisfaction is the customers' evaluation of the bank services in terms of whether that service has met their needs and expectations or not.
- Customer satisfaction is a positive, affective state resulting from the appraisal of all aspects of a party's working relationship with another. So here, the researcher recommended that the bank management should be in charge to meet the customer expectations to retain customers loyal.
- The Services quality variable indicates that bank should provide customers with relevant information, quick response and provide financial service online and other E-banking.

5.4 Suggestion for the future study

All domains of CRM and outcome are not investigated in this research. Factors affecting Customer loyalty other than mentioned above is not collected in this study might be related to CRM. Different CRM practices such as service quality, commitment and CRM adoption models and practices might positively influence CRM who contributed in the CRM of the bank were not considered well.

Therefore, Further researches are needed in the area of the CRM of all commercial banks in general and Dashen Bank in particular.

This study was limited in terms of the sampling, since a convenience sample was used. The positive yet non-significant effect of the post-service features on loyalty needs to be examined further. The potential exists to replicate the study with a larger sample of the participants employing mixed methods and more sophisticated analysis techniques.

References

Adebanjo, D. (2003). Classifying and selecting e-CRM applications: An analysis-based proposal. *Management Decision*, 41(5/6), 570-577.

Anton, J. (1996). *Customer Relationship Management: Making Hard Decision with soft Numbers*: Upper saddle River: Prentice-Hall.

Baker, (2003) S. *New consumer marketing: Managing a living demand system*. England: Wiley.

Bhattacharya, A. (2011). *Preeminent Analysis of Customer Relationship Management (CRM)*. *Int.J.RMT*, Vol. 1, No.1, pp: 45-51.

Bitner MJ (1995) *Building service relationships: It's all about promises*. *Journal of the Academy of Marketing Science*, pp: 246-251.

Bohling, T., et al (2006): *CRM Implementation: Effectiveness Issues and Insights*. *Journal of Service Research*, Vol. 9, pp. 184–194.

Bowen, J. T. & Chen, S. L. (2001). *The Relationship Between Customer Loyalty and Customer Satisfaction*, *International Journal of Contemporary Hospitality Management*, pp. 213-217.

Bowen, J. T. & Chen, S. L. (2001). *The Relationship Between Customer Loyalty and Customer Satisfaction*, *International Journal of Contemporary Hospitality Management*, pp. 213-217.

Brown, S.A. and Gulycz, M. (2002). *Performance Driven CRM: How to make your customer relationship management visions a reality*. Ontario: John Wiley.

Brunjes B. and Roderick, R. (2002). *Customer Relationship Management: Why it does and does not work in South Africa*. Paper presented at the 2002 IMM Marketing Educators' Conference, South Africa.

Bryan B, David BJ (1989) *The academy of management review*, 14: 234-249.

Chang, W., Park, E.J., Chaiy, S. (2010), *How does CRM technology transform into organizational performance? A mediating role of marketing capability*. *Journal of Business Research*, Vol.63.

CherinetBoke(2015) *The effect of relationship marketing on customers' loyalty (Evidence from Zemen Bank DebreBerhan University, College of Business and Economics, Ethiopia | e-mail: chrnt.b@gmail.com Volume 5 No 2 (2015) | ISSN 2158-8708 (online) | DOI 10.5195/emaj.2015.84 | http://emaj.pitt.edu |*

Choi Sang et al (2012) *Customer Satisfaction and Loyalty: A Literature Review in the Perspective of Customer Relationship Management Journal of Applied Business and Finance Researches Volume 1, Issue 1: 06-13 (2012)*

Cook WD, Hababou M (2001) *Sales performance measurement in bank branches*. *Omega* 29: 299-307.

Coulter, K.S. and Coulter, R.A. (2002), "Determinants of trust in a service provider: the moderating role of length of relationship", *Journal of Service Marketing*, Vol. 16, pp. 35-50.

Crosby LA, Evans KR, Cowles D (1990) *Relationship quality in services selling-an interpersonal influence perspective*. *Journal of Marketing* 52: 21-34.

Dowling, G. (2002). *Customer Relationship Management: IN B2C MARKETS, OFTEN LESS IS MORE, CALIFORNIA MANAGEMENT REVIEW VOL. 44, NO. 3. J. Appl. Bus. Fin. Res. 1(1) 06-13, 2012*

Duygu K (2012) *CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER LOYALTY; A SURVEY IN THE SECTOR OF BANKING International Journal of Business and Social Science Vol. 3 No. 3; February 2012 282*

Dyche, J. (2002). *The CRM handbook*, Addison-Wesley, 2nd printing.

Eriksson, K., et al (2002). *Managers' perception of relationship management in heterogeneous markets*. *Industrial Marketing Management*, 31(6), 535– 543.

Faed, A. (2010). *A conceptual framework for E-loyalty in Digital Business Environment*. 4th IEEE DEST, pp:547-552.

- Faizan, M. M., Nawaz, M. S., Khan, Z. (2011). Impact of customer satisfaction on customer loyalty and intention to switch: Evidence from Banking sector of Pakistan International Journal of Business and Social Science. 2 (16).
- Feinberg R., Kadam R. (2002). E-CRM Web service attributes as determinants of customer satisfaction with retail Web sites. International Journal of Service Industry Management, Vol. 13 Iss: 5, pp.432 – 451.
- Gee, R., Coates, G. & Nicholson, M. (2008). Understanding and profitably managing customer loyalty. Marketing Intelligence & Planning, 26(4), 359 - 374. DOI: 10.1108/02634500810879278
- Hanley S, Leahy R (2008). The effectiveness of relationship marketing strategies in department stores. Int. J. Bus. Manage., 3(10): 133-140.
- Hill Charles WL, Jones GR (1990) Strategic management. Houghton, Mifflin Co., USA
- Izquierdo, C. C., Cillaín, J. G., Gutiérrez, S. S. (2005). The impact of customer relationship marketing on the firm performance: a Spanish case. Journal of Services Marketing 19:4, 234–244
- Khaligh, A., Miremadi, A., and Aminilari, M. (2012).The Impact of eCRM on Loyalty and Retention of Customers in Iranian Telecommunication Sector. International Journal of Business Management, Vol. 7, No. 2, pp: 150-162.
- Kim, J. et al. (2003). A model for evaluating the effectiveness of CRM using the balanced scorecard, Journal of Interactive Marketing, 17(2), pp. 5–19.
- Kotler, P. and Armstrong, G. (2011).Principles of Marketing. (14th ed.). New Jersey: Prentice Hall.
- Lewis, B. R. (1991). Service quality: an international comparison of bank customers' expectations and perceptions. J. Mark. Manage., 7(1), 47-62.
- Lindgreen, A., Palmer, R., Vanhamme, J., &Wouters, J. (2006). A relationshipmanagement assessment tool: Questioning, identifying, and prioritizing critical aspects of customer relationships. Industrial Marketing Management, 35(1), 57–71.
- Linnell, P.G. (2006), Customer satisfaction and loyalty - where product and service quality hit the bottom-line! Journal of Customer Satisfaction.
- Mohsan, F., Nawaz, M. M., Khan, M. S., Shaukat, Z., Aslam, N. (2011). Impact of Customer Satisfaction on Customer Loyalty and Intentions to Switch: Evidence from Banking Sector of Pakistan,International Journal of Business and Social Science Vol. 2 No. 16.
- Narang, Yet al (2011). Gaining the Competitive Edge through CRM- A Study on Private Sector Banks.International Journal of Research in Finance and Marketing, 1(3), 12- 30.
- Payne, A., &Frow, P. (2006). Customer relationship management: From strategy to implementation. Journal of Marketing Management, 22(1,2), 135-168.
- Peppers, D., & Rogers, M. (1997). Enterprise one to one. New York' BantamDoubledayDell Publishing Group.
- Pine, B. J., Victor, B., & Boynton, A. C. (1993).Making mass customization work.In B. J. Pine Ed.), Mass customization (pp. 14–25).Boston,Massachusetts' Harvard Business School Press.
- Prahalad, C. K. &Ramaswamy V. (2001).Co-opting customer competence.Harvard business review on customer relationship management (pp. 14– 25).Boston, Massachusetts' Harvard Business School Press.

Roberts, K. et al. (2003). Measuring the quality of relationships in consumer services: an empirical study, *European Journal of Marketing*, 37, pp. 169–196.

Rollins M. and Halinen A. (2005). Customer Knowledge Management Competence: Towards a Theoretical Framework. *System Sciences, Proceedings of the 38th Annual Hawaii International Conference on*, pp. 240a-240a.

Shani, D. & Chalasani, S (1992) Exploiting Niches Using Relationship Marketing. *Journal of Consumer Marketing*. Vol. 9 (3)

Sheth JN, Parvatiyar A (2000) *Handbook of relationship marketing*. Thousand Oaks, Sage Publications, CA.

Sin, L. Y. M., Tse, A. C. B., & Yim, F. H. K. (2005). CRM: Conceptualization and scale development. *European Journal of Marketing*, 39(11/12), 1264-1290. <https://doi.org/10.1108/03090560510623253>

Sivadass, E. & Baker-Prewitt, J. L. (2000). An Examination of the Relationship Between Service Quality, Customer Satisfaction, and Store Loyalty, *International Journal of Retail & Distribution Management*, 28 (2), pp. 73-82.

Turban, E., McLean, E., & Wetherbe, J. (2003). *Information technology for management: Transforming organizations in the digital economy* (4th ed.). Hoboken, NJ: John Wiley & Sons.

Wang, Y., Lo, H. P., (2004). An integrated framework for customer value and customer-relationship management performance: a customer-based., perspective from China. *Managing Service Quality*, 14:2/3, 169-182

Xu, M. & Walton, J. (2006). Gaining customer knowledge through analytical CRM. *Industrial Management and Data Systems*, 105(7), 955-971.

Yatish Joshi and Ehtesham Ahmad (2013) customer relationship management in banks, *International journal of business and management research*, Vol. 3 No 6

Zablah, A. R., Bellenger, D. N., & Johnston, W. J. (2004a). Customer relationship management implementation gaps. *Journal of Personal Selling and Sales Management*, 24:4, 279–295.

Zablah, A. R., Bellenger, D. N., & Johnston, W. J. (2004b). An evaluation of divergent perspectives on customer relationship management: Towards a common understanding of an emerging phenomenon. *Industrial Marketing Management*, 33:6, 475–489

Zikmund, W. G., (2010). *Set: Customer Relationship Management and Build your Customer Strategy*. New York' John Wiley and Sons.

Zikmund, W. G., McLeod Jr., R., & Gilbert, F. W. (2003). *Customer relationship management*. New York' John Wiley and Sons.

Zineldin M., (2006). The royalty of loyalty: CRM, quality and retention. *Journal of Consumer Marketing*, Vol. 23 Iss: 7 pp.430 - 437

St Marry College
Department Of Marketing Management
Post Graduate Program

Data Collection Form	
-----------------------------	--

	Collected By
--	---------------------

This questionnaire is prepared for the study entitled as ‘ The Impact of Customer Relationship Management on Customer Loyalty in The Case of Dashen Bank S.C ‘ . The results will be used to inform policy makers and development planners in the country with practical facts about Customer Relationship Management on Customer Loyalty in the bank industry. All the information you provide is totally sought for academic purposes and shall be kept strictly confidential. Your answers will be combined anonymously with other participants. Please kindly give your genuine response and share your experiences regarding the information requested on the following information. Please read each statement carefully and put the tick (√) mark under the choice and no need of writing your name.

Part I. Demographic Information (please tick (√) mark)

1. Gender _____ Male _____ Female
2. Age Group
 _____ 18-25 _____ 26-35 _____ 36-45 _____ 46-55 _____ 56 and above
3. Educational Background
 _____ Primary _____ Secondary _____ First Degree _____ Masters Degree
 _____ Ph.D. degree _____ others, please specify.....
4. For how many years you are customer to the Bank?
 _____ < 5 year _____ 5-10 years _____ >10years
5. The Bank service that you are using _____ Personal _____ Business _____ Both

Part II. Customer’s opinion on Customer Relationship Management

Please indicate on a five point scale the extent to which you agree/disagree with the following statements by ticking the appropriate answers on the box in the columns.

1. Key customer Focus

Sr. No	Description	Level of Agreement				
		Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	The bank provides customized product and service to key customers.					
2	The bank work with individual key customers to customize its offering through ongoing dialogue					
3	The Bank makes an effort to find out what key Customer needs.					

4	The Bank takes customer feedback seriously and replies to them.					
5	The Bank strives to constantly surprise and delight its key customers.					

2. Knowledge Management

Sr. No	Description	Level of Agreement				
		Strongly Agree(5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly Disagree(1)
1	The Bank's employees are willing to help customers in a responsive manner					
2	The Bank provides channels to enable ongoing two way communication between key customers and the Bank					
3	Customers can expect prompt service from employees of the Bank					
4	The bank fully understands the needs of key customers via knowledge leaning.					
5	Employees of the bank have enough experience and information about customers.					

3. CRM Organization

Sr. No	Description	Level of Agreement				
		Strongly Agree(5)	Agree(4)	Neutral(3)	Disagree(2)	Strongly Disagree(1)
1	The Bank employee encourage customers to use more service of the Bank					
2	What makes the Bank different from its rivals is that it can make good relationship with its customers					
3	The bank has established clear business goals related to customer acquisition, development, retention, and reactivation					

4	The bank structure is meticulously (thoroughly) designed around its customers					
5	The Bank has effective customer recovery strategy including guarantee for service failure.					

4. Technology-based CRM

Sr. No	Description	Level of Agreement				
		Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	The Bank has the right soft and hardware to serve their customers.					
2	The bank maintains a comprehensive database of its customers.					
3	The bank is providing reliable internet and mobile banking service to its customers.					
4	The bank has a dedicated Customer Relationship Management (CRM) technology in place.					

5. Customer Loyalty

Sr. No	Description	Level of Agreement				
		Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	I consider the bank as my first choice among others bank in the area.					
2	I will recommend this bank to friends and family members.					
3	It is highly likely that I will be the customer of this bank in the long run.					
4	I am confident of giving positive word of mouth testimonies to others about this bank.					

5	I am satisfied with the Bank service provided.					
---	--	--	--	--	--	--

Thank you once again for completing the questionnaire