ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

EFFECT OF CUSTOMER RELATIONSHIP MARKETING ON CUSTOMER LOYALTY: IN THE CASE OF MULTICHOICE ETHIOPIA

BY: ELSABET GIRMA

ADVISOR: TEMESGEN BELAYNEH (PHD)

A Thesis Submitted to St. Mary's University School of Graduate Studies In Partial Fulfillment of The Requirements for The Degree of Master in Marketing Management

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July 2023

Addis Ababa, Ethiopia

DECLARATIONS

I, Elsabet Girma, the undersigned, declare that this thesis, "The Effect of Customer Relationship Marketing on Customer Loyalty: In the Case of Multichoice Ethiopia" is my original work and that it has not been submitted in part or in whole by any other person for an award of degree in any other university/institution.

I conducted the research on my own, with the guidance and support of the research supervisor.

Submitted by:

Full Name: Elsabet Girma

Signature   ----------------

Date--------------------

CERTIFICATION

This is to certify that the thesis prepared by Elsabet Girma, titled " The Effect of Customer Relationship Marketing on Customer Loyalty: In the Case of Multichoice Ethiopia", is submitted in partial fulfillment of the requirements for the award of the Degree of Master of Arts (Marketing Management), complies with the University Regulations and meets the accepted standards in terms of originality and quality.

Approved by The Board of Examiners.

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External Examiner: Dr Yibeltal Aschalew   Signature   Date July 10, 2023

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List of Acronyms

ANOVA------------------------Analysis of Variance,

CR------------------------------Customer Retention

CRM---------------------------Customer Relationship Marketing

DStv----------------------------Digital Satellite Television

Gotv----------------------------Simply GOtv

Ha-------------------------------Alternative Hypothesis

Ho-------------------------------Null Hypothesis

IT-------------------------------- Information Technology

MCE----------------------------MultiChoice Ethiopia

RM------------------------------Relationship Marketing

VIF------------------------------Variance Inflation Factors

VOD-----------------------------Video On Demand

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ABSTRACT

This study aimed to investigate the influence of relationship marketing on customer loyalty at Multichoice Ethiopia and to examine the effect of each relationship-marketing factor (i.e., Trust, Commitment, perceived value, Empathy, and Conflict Handling) on customer loyalty. The digital entertainment industry is undergoing rapid and widespread changes due to the global economy and competitive markets. Relationship marketing is an ideal strategy for creating and maintaining long-term customer relationships in this industry. Both descriptive and explanatory research design was used, and data was collected through a survey of 282 customers. Descriptive and regression analysis were used to analyze the data. The results showed that overall relationship marketing had a significant positive effect on customer loyalty. Regression analysis revealed that MCE's relationship marketing practices could explain 78.93% of customer loyalty. Three out of five relationship dimensions (Perceived value, Trust, and Conflict Handling) demonstrated a significant association with customer loyalty in Multi Choice Ethiopia, while Commitment and Empathy were statistically insignificant. Based on these findings, it is recommended that Multichoice Ethiopia prioritize creating and developing customer trust, demonstrating commitment, and implementing effective conflict-handling strategies to gain a competitive advantage in customer loyalty.

Keywords: CRM, Customer loyalty, Trust, Commitment, Perceived value, Empathy, Conflict Handling, MCE

Chapter One

Introduction

1.1 Background of the Study

The digital entertainment industry is undergoing rapid and widespread changes. The global economy and the competitive markets influence it. Relationship marketing is the ideal strategy in the worldwide entertainment industry to create and maintain long-term customer relationships. Different entertainment companies offer similar and outdated services, and the competition is fierce. Many entertainment companies adopt relationship marketing and implement its principles. This approach emerged from industrial and service marketing development, emphasizing close and long-term customer relations. Instead of focusing only on selling the product or service, relationship marketing focuses on establishing sustainable and long-term customer relations.

Customer loyalty is a significant concern for Multichoice due to intense competition, system interruption, poor customer handling, and higher customer expectations. Customer loyalty is crucial for organizational success, profit, and business performance. Loyal customers tend to buy more frequently and spend more money. They also increase the value of the business and reduce the costs associated with attracting new customers (Barroso & Martin, 1999). Therefore, loyalty rather than satisfaction is the top strategic goal in today's competitive business environment (Oliver, 1999). One of the ways to enhance customer loyalty in MCE is by providing excellent service.

To develop appropriate relationship-building and retention marketing strategies, MCEs must understand customer behavior well. Therefore, many studies have focused on identifying effective methods to increase loyalty, such as loyalty programs that reward customers for repurchasing from the organization (Duffy, 1998). Marketing activities affect customer relation management, especially customer loyalty. Implementing customer relationship management systems in every organization can increase customer satisfaction, customer development management, new business opportunities, customer recognition, and appropriate business plan development (Bergeron, 2001). Relationship marketing gives a company a new opportunity to gain a competitive edge by moving customers up a loyalty hierarchy from new customers to regular purchasers, then to loyal supporters of the company's products and services, and finally to advocates who not only buy its products but recommend them to others (Smith, 2003).

By converting indifferent customers into loyal ones, companies generate repeat sales. Maintaining existing customers is far cheaper than finding new ones, and these loyal customers are profitable. Studies on the effect of relationship marketing on customer loyalty outcomes tend to examine how customers experience a problem with the entertainment services provide. Some studies treat customer loyalty as a function of trust, commitment, and conflict handling. The evidence consistently shows that customers are loyal when the MCE relationship marketing is good. A few studies by Ndubisi (2006) explicitly examined that relationship marketing elements such as trust, commitment, and conflict handling directly affect customer loyalty. Therefore, this study was conducted on the effect of relationship marketing on customer loyalty in the case of the MCE main branch.

Any marketing performance must enhance customer relationships. In addition, understanding customers in any organization is the major one, so any marketing activities will redirect to customer satisfaction and retention and keep them loyal to the business. Companies with better information about their customers are better positioned than those without details. Acquiring new customers is essential. However, retaining them is much more important to firms engaged in severe competition like the entertainment industry.

DSTV is a sub-Saharan African video entertainment company owned by MultiChoice. It was launched in 1995 and provided multiple entertainment channels and services to customers across the continent via satellite, online, and mobile apps. DSTV Media Sales are the sales arm of MultiChoice, providing dynamic media solutions, handling commercial airtime, on-air sponsorships, content integration, and online sales across 130+ channel brands on linear TV, VOD, social media, and digital platforms. The entertainment platforms – DStv, GOtv, and Showmax – are a hub for approximately 14 million people across 50 countries. They are a world leader in digital platform security for video entertainment, video games, and connected transport.

MultiChoice Ethiopia is a digital satellite television, a pay TV located in Addis Ababa, Ethiopia, and its headquarters in South Africa. Since 2000, MultiChoice Ethiopia has operated as a franchise run entirely by Ethiopians for Ethiopians. While making compelling DSTV satellite content available through 5 packages (Access, Family, Compact, Compact Plus, Premium), MultiChoice Ethiopia has 223 full-time employees who are increasingly immersing themselves – and temporarily more than 600 employees hired based on the seasons when the company needs, so helping the communities as a best job opportunity creator.

Moreover, around 60000 customers exist in the company. In addition, the company serving society, including sports and charity sponsorships, continues promoting local creative talent. DSTV plays a significant role in the entertainment industry. DSTV has different program diversification in addition to football that everyone is aware of, including kid's channels, documentaries, reality shows, movies, international news, and discoveries channels.

Therefore, the study is designed to assess the effect of relationship marketing on customer loyalty performance in the Case of Multi choice Ethiopia, Addis Ababa.

1.2 Statement of the Problem

Customer relationship marketing (CRM) is a strategy that aims to build long-term relationships with customers by meeting their needs and expectations. CRM is especially important for service industries, where the product is intangible and the customer interaction is high. CRM can enhance customer loyalty, which is the degree of attachment and commitment that customers have towards a service provider. Customer loyalty can result in increased customer retention, profitability, and competitive advantage for a service provider.

However, achieving and maintaining customer loyalty is not easy in today's world, where customers have more awareness and choice of various products and services due to modern and sophisticated channels of communication like the Internet. Customers can easily switch to other service providers if they are not satisfied with the quality or value of the service they receive. Therefore, service providers need to understand the factors that influence customer loyalty and how CRM can affect those factors.

Previous studies have identified several dimensions of CRM that can affect customer loyalty, such as Trust, Perceived Value, Commitment, Conflict Handling, and Empathy. However, most of these studies have been conducted in developed countries or in different service sectors. There is a lack of empirical evidence on how CRM affects customer loyalty in the Ethiopian cable TV service industry, which is characterized by high competition and customer choice. This industry is growing rapidly and has a large customer base, but also faces challenges such as piracy, regulation, and technological changes. Therefore, it is important to investigate how CRM can help cable TV service providers in Ethiopia to retain and attract more customers.

This study aims to fill this gap by examining the effect of CRM on customer loyalty at MCE, a company that provides cable TV services in Ethiopia under the brand name DSTV.

1.3 Research Questions

The study is intended to provide answers to the following research questions.

- How does Trust influence customer loyalty at MCE?
- How does Perceived Value influence customer loyalty at MCE?
- How does Commitment influence customer loyalty at MCE?
- How does Conflict Handling influence customer loyalty at MCE?
- How does Empathy influence customer loyalty at MCE?

1.4 General Objective

The main objective of this research is to examine the effect of customer relationship marketing on customer loyalty in the case of Multichoice Ethiopia.

1.4.1 Specific Objectives

The specific objectives of the study are:

- Analyze the effect of Trust on customer loyalty at MCE.
- Evaluate the effect of Perceived Value on customer loyalty at MCE.
- Examine the effect of Commitment on customer loyalty at MCE.
- Investigate the effect of Conflict Handling on customer loyalty at MCE.
- Find out the effect of Empathy on customer loyalty at MCE.

1.5 Research Hypothesis

The following hypotheses are being tested in this study.

H1: Trust has a positive and significant effect on customer loyalty

H2: Perceived Value has a positive and significant effect on customer loyalty.

H3: Commitment has a positive and significant effect on customer loyalty.

H4: Conflict Handling has a positive and significant effect on customer loyalty.

H5: Empathy has a positive and significant effect on customer loyalty.

1.6 Significant of the Study

The study investigates the impact of customer relationship marketing on customer loyalty in Multichoice Ethiopia. The research contributes to the existing literature and practice of customer relationship marketing and customer loyalty in the service industry.

The findings provide insights into the critical factors of relationship marketing that influence customer loyalty in the digital satellite industry. The study also suggests ways for Multichoice Ethiopia to improve its customer relationship marketing strategies and customer retention rate. Moreover, the study reveals how relationship marketing affects loyalty in Dstv. Based on the findings; Dstv improves its customer relationship marketing elements and addresses the issues that need correction. The results of this study help DSTV enhance its marketing strategy, organizational productivity, and customer knowledge management to boost its market performance. The study also guides entertainment sector to retain and attract new customers by providing technology-based services and competing effectively.

1.7 Scope of the Study

This research focuses on the service industry, which is challenging to study due to the cost, time, and effort involved, and the geographical location of the clients in different regions. The study area is Addis Ababa city, where customers are assumed to be more knowledgeable, demanding, and have better choices of services or packages. The study uses trust, commitment, Perceived value, empathy, and conflict handling as the components of relationship marketing to examine its effect on customer loyalty.

1.8 Limitation of the study

The researcher faced some challenges in collecting data, as some respondents dose not needed to return questionnaires. Moreover, there is not enough research in Ethiopia, so obtaining adequate data from published articles or journals about the entertainment institution operating in the country is difficult.

1.9 Organization of the Paper

The study consists of five sections. The first section introduces the study, including the background, problem statement, objectives, research questions, significance, and definition of terms, scope, and limitations. The second section reviews the related literature. The third section describes the methodology used for the study. The fourth and fifth sections present the data analysis and discussion of results, and the conclusions and recommendations, respectively.

Chapter Two

Review of Related Literature

Introduction

This part of the research discusses the theoretical and empirical literature regarding customer relationship marketing and the study's conceptual framework.

2.1 Theoretical Literature

2.1.1 Evolution of Relationship Marketing

Relationship marketing is a new phenomenon developed in the 21st century, and all marketers and managers use it, but they define it differently. The dramatic change from transactional marketing to relationship marketing increases its significance and contribution to customer relationship marketing (Lindgreen, 2001). Relationship marketing has recently become the business's most important strategic element. It directly impacts a firm's strategic performance, and relationship marketing is more effective when the relationships are more critical to customers. Moreover, effectiveness is more significant when relationships are built with an individual than with a firm (Robert & Daunt, 2006).

The primary purposes of relationship marketing are creating and enhancing customer relationships starting from the beginning to satisfy and retain the existing customers; on the other way, transactional marketing attempts to make the sale and acquire new customers rather than maintaining the current customers (Vence, 2002). According to Boulding (2005) and Dimitriadis and Stevens (2008), CRM integrates marketing activities and technological resources to create strong relationships between firms and their customers. Customer relationship management focuses on building Relationships, applying systematic ways to collect and analyze data, integrating all these activities throughout the firm, and enhancing the ability to incorporate these activities throughout the network of firms that collaborate to generate customer value while creating satisfactions.

2.1.2 Definitions and Goals of Relationship Marketing (RM)

Relationship marketing focuses on how a firm contributes to its customers and stakeholders and impacts its performance and the management of customers' requirements (Gronroos, 2000). RM is the process of attracting, retaining, and improving relationships with customers and terminating them when necessary,

Therefore, the purpose of those individuals involved in relationship marketing is to achieve their objective through mutual exchange and the fulfilment of promises (Zineldin & Philipson, 2007; Das, 2009; Gronroos, 2004). According to Bruhn (2003), RM deals with planning, understanding, analyzing, monitoring, and controlling measures that Initiate, stabilize, intensify, and promote business relationships with stakeholders, mainly with customers and creating mutually beneficial relationships. *Customer relationship marketing* is a customer-oriented approach focusing on long-lasting Relationships with customers (Gray & Byun, 2003). Customer relationship marketing aims to provide customers benefits and values based on their requirements rather than what the company wants to sell. Making customers loyal requires building and developing solid Relationships. The primary goals of Customer Relationship Marketing include;

- Customer identification; companies can collect complete customer information over time through interaction and other related marketing channels. Companies need to identify whom their customers are and what they need to provide the service they require.
- Customer differentiation; Customers are segmented based on their lifetime value and unique service requirements.
- Customer interaction; companies must continuously identify and understand customer requirements to create and retain solid relationships.
- Customization/personalization; the slogan of CRM is that customers need to be treated in different manners through a customization process to increase customer retention.

The main benefit of Customer Relationship Marketing is enhancing the acquisition and retention capability of the firm to increase customer lifetime value through interacting and improving customer service. A successful Customer relationship marketing program helps the company to create wealth and sustainable growth by integrating with customers and receiving value through Relationships (Cap-Gemini & Young, 2005).

According to Das (2009), RM has been defined as customer satisfaction, retention and loyalty and characterized according to related underlying constructs of trust, commitment, collaboration, closeness and effective Relationship. RM is continuous and long-lasting relationships with customers through interactive databases and networking to retain valuable customers based on mutual benefit (Tadajewski, 2009).

The development of industrial marketing and service marketing led to an improvement in customer's lifetime value and enhanced close Relationships between customers and service providers. Therefore, transaction-based marketing concentrates on selling products and services, whereas integrated relation marketing focuses on establishing sustainable and long-term customer relations (Abbasi & Turkemani, 2010).

2.1.3 Customer Relationship Management and Information Technology

Customer relationship management gives attention to improving service quality and marketing functions. Also, it focuses on cross-selling and providing the required products or services better than competitors. Well-known IT applications play a decisive role in creating effective Relationships with customers and achieving the firm's objective. Today organizations use CRM-based IT to improve channel integration, product innovation, customer interaction, loyalty and retention, cost reduction, customer service, and management. It integrates marketing activities, customer service, and diverse contact channels and provides customized services by understanding customers' requirements to maximize the firm's value. It provides a new communication channel and enhances customer interaction's role and function (Buttle, 2009).

According to Combe and Buttle (2004), a customer relationship management strategy requires a centre of information about all customers to understand the requirements of each customer to provide the required service. This centre should have an efficient and effective information technology structure based on the changing environment. CRM should have a systematic way of communicating with customers through direct transmission of information to satisfy and retain the organization (Steffes, 2005). Moreover, service providers' information quality can affect building good customer relationships. In this context, the application of IT can play a significant role in promoting relationship marketing and information qualities (Zablah, 2005).

2.1.4 The Contribution of Relationship Marketing on Customer Loyalty

According to Walsh, Gilmore and Carson (2004), Relationship marketing is a strategy that focuses on building long-term and mutually beneficial relationships with customers, rather than just pursuing short-term transactions. Relationship marketing aims to create customer loyalty, which is the degree of attachment and commitment that customers have towards a brand, product, or service.

Customer loyalty can result in increased customer retention, repeat purchases, referrals, and positive word-of-mouth. In this paper, we will discuss how relationship marketing can contribute to customer loyalty, and what factors influence the effectiveness of relationship marketing. Customer loyalty can be enhanced by comprehending their needs, preferences, and expectations and providing value-added solutions that fulfill or surpass them. McKinsey advocates for a holistic approach to omnichannel customer engagement termed "service to solutions," which entails transitioning from reactive, siloed customer care to a proactive, consultative approach to customer engagement.

Cornfield (2021) discovered that growth strategies that are purpose-led, customer-centric, experience-driven, and scaled with data and technology necessitate new mindsets more than new toolsets or skillsets. This transformation of culture, operations, and outcomes is initiated by a profound understanding of the customer's purpose. Customer trust can be augmented by maintaining honesty, transparency, and consistency in communication and actions. Gartner found that customer engagement benefits both buyers and suppliers by increasing close rates while meeting current B2B customer expectations. Agyei et al. (2020) examined the impact of trust dimensions on customer engagement in Ghana's insurance industry, discovered that trust significantly influences customer engagement, and enhances customer loyalty.

2.1.4.1 Customer Acquisition

According to Mittal and Kamakura (2001), Customer acquisition is a starting point in building customer relationships. Targeting, attracting and retaining the right customers require consideration of fit with the current firm providing, future profitability, and contribution to a business's overall success and risks. Many firms need to use appropriate criteria to identify and attract profitable customers, and their marketing strategy is widely communicated to potential customers who may or may not be profitable. Subsequently, customer acquisition can be costly and risky because new customers may need to represent a better fit for the organization's value proposition. The inadequate focus during acquisition activities results in adverse selection and makes firms less profitable. Cao and Gruca (2005) describe that solving the problem of adverse selection by using data from a firm's CRM system helps to target prospects and respond to the problem. This approach improves approved customers while reducing the number of "bad" customers. This method can be expanded to new customer attraction and better targeting of promotions to migrate customers to higher levels of lifetime value.

2.1.4.2 Customer Satisfaction

According to Berman and Evans (2010), customer satisfaction occurs when a customer's expectation has been met or exceeded by the firm regarding value and customer service. Customer service needs to be integrated with the overall value provided by the product or services to satisfy the customers' requirements. Retaining customers and building customer relationships on a stable base can be very challenging for many organizations. Therefore, measuring customer satisfaction is very important in building and developing CRM strategies. Oztaysi et al. (2011) describe that to develop CRM strategies, companies should first assess their customer's satisfaction level, which helps develop effective relationships with customers. Customers loyal to the organization or a brand will have a high amount of satisfaction from their purchases over time. Therefore, the higher the satisfaction an organization or a brand provides, the larger the number of loyal customers.

According to Roberts-Lombard (2009), *customer satisfaction* is defined as the degree to which a business product or service performance meets the expectation of customers. When the firm's product or service performance matches or exceeds expectations, the customer is delighted; if not, the customer is dissatisfied. Different factors influence customer satisfaction, such as expectations, perceived service and perceived quality (Hu, Kandampully and Juwaheer, 2009). Expectations influence total satisfaction when the customer evaluates a product or service performance. Satisfaction is the customer's emotional response when considering the difference between the expectation of the service and the perception of actual performance. This perception of performance is obtained through physical interaction with the organization and the product and services of the organization (Salami, 2005). Customers first form expectations based on their needs, values, and past experiences with the product/service. The perceived value is evaluated through recent service experiences, such as scented products and service quality. A direct relationship exists between perceived service quality and satisfaction (Balaji, 2009).

2.1.4.3 Customer Retention (CR)

According to Menon and O'Connor (2007), *customer retention* is holding and maintaining customers to maximize lifetime value by creating effective relationships with the firm. Different variables can influence companies' relationship marketing and customer retention, such as communication, customer information, empowerment, customization, loyalty programs, ethical behaviour and technology.

Ang and Buttle (2006) described that when customers are loyal, the volume of purchased items will increase and reduces the costs of the Relationship because both organizations and customers know each other better than past. These loyal customers pay higher prices than the new ones and do not claim discounts the organization offers new customers to attract and acquire them. Therefore, to maximize the share of these customers, all of the necessary conditions for CRM programs should be integrated effectively. However, some organizations perform different activities associated with retaining customers, like planning, customer satisfaction measurement, complaint handling mechanism and quality assurance processes. Generally, to successfully implement this program, companies should consider the related issues, such as the type of customers to be retained and the nature of the product or services provided to them (Ahmad & Buttle, 2002).

2.1.5 Determinants of Success to Retain Customers

Companies are increasingly adopting relationship marketing strategies to retain their customers and increase profit per user through customer retention, process enhancement, and product innovation (Helgesen, 2007). Effective customer relationship management, value chain and cost reduction strategies are used to derive value and provide the highest level of customer service. The main objective of a retention strategy is to keep existing customers of an organization, increase brand loyalty and generate positive word-of-mouth for other customers (Miocevic, 2008). Promotional strategies that increase the lifetime value of customers are known as retention drivers. One such driver is a loyalty program which helps firms to build long-term relationships with their customers.

2.1.5.1 Effective Communication System

An effective communication system provides innovative and timely information to customers, and this helps to improve retention levels (Meyer-Waarden, 2008). To create and develop long-term customer relationships, companies develop a two-way communication model, which has become a multisided communication model. Communication helps exchange customers' thoughts, feelings and reactions with their companies and allows companies to obtain customer feedback (Egan, 2000). Companies can provide products and services based on customers' requirements and buying ability. These information exchange tools and communication process enables customers to share their thoughts, feelings, habits, cultural values, and other activities that develop Relationship (Romano & Fjermestad, 2003). From this database of information about customers, organizations create long-lasting relationships and profit from their retained customers (Ahmed & Buttle, 2002).

2.1.5.2 Quality Products and Services

The products and services offered to customers are critical for the business's success. The highest quality and reasonable cost of products and services are preferred by customers (Kaynak & Kara, 2001). High-quality products and services can attract and acquire new customers and build brand loyalty. To retain loyal customers who will bring long-term profits to the firm, the critical issue for service providers is developing long-term relationships in managing customers by providing the required products and services. Customers individually perceive the quality of the service during their interactions with the service provider (Grönroos, 2000). Parasuraman et al. (1988) developed a service quality measurement model to measure the differences between customer expectations and perceptions based on the following determinant elements, these are:

- **Trust**: This dimension measures the level of trust that customers have in a company and its products or services. It assesses customers' confidence in the company's ability to deliver high-quality products and services, as well as their trust in the company to act in their best interests and to be transparent and honest in its dealings with customers.

- **Perceived value**: This dimension measures customers' perceptions of the value for money of a company's products or services. It assesses the extent to which customers feel that they receive good value for the money they spend on the company's products or services, as well as their perceptions of the quality of those products or services.

- **Commitment**: This dimension measures customers' commitment to continuing to use a company's products or services in the future. It assesses the likelihood that customers will remain loyal to the company and continue to use its products or services, as well as the factors that influence their decision to do so.

- **Conflict Handling**: This dimension measures a company's effectiveness in handling conflicts and resolving customer complaints. It assesses customers' satisfaction with the way that the company handles conflicts and complaints, as well as their confidence in the company's ability to resolve conflicts effectively and in a timely manner.

- **Empathy**: This dimension measures a company's ability to understand and respond to the individual needs of its customers. It assesses the extent to which customers feel that the company listens to their needs and concerns, provides personalized products or services that meet their individual needs, and values their feedback.

- **Loyalty**: This dimension measures customers' loyalty towards a company and its products or services. It assesses the likelihood that customers will recommend the company's products or services to others, as well as their sense of loyalty towards the company and their commitment to continuing to use its products or services in the future.

These dimensions provide a framework for assessing various aspects of customers' relationship with a company, including their trust in the company, their perceptions of the value of its products or services, their commitment to continuing to use those products or services, and their loyalty towards the company.

2.1.5.3 Loyalty Programs

The loyalty program rewards targeted customers to encourage them to buy products and services repeat competitive in the marketplace by retaining its customer (Winer, 2001). Customer loyalty involves three dimensions in service provider organizations: affective, behavioral, and cognitive. Affective and behavioral commitment is formed based on mental belief, influenced by the company's goodwill, brand recognition, public image and, most importantly, corporate social responsibilities. On the other hand, in the intermittent service industry, customer satisfaction, service quality, and perceived value are the main factors affecting customer loyalty (Farquhar & Panther, 2008; Juan & Yan, 2009). Besides, some behavioral loyalty determinants include customer satisfaction, service quality, affective loyalty, perceived value, and cognitive loyalty. Generally, service quality is the main factor influencing cognitive loyalty (Juan & Yan, 2009).

Good customer relationship marketing makes customers satisfied. Those delighted customers remain loyal and talk favorably to others about the company and its products or services. Studies indicate significant differences in the loyalty of customers who are less satisfied, somewhat satisfied, and fully satisfied. Even a slight difference from complete satisfaction can create a massive difference in loyalty. So, the purpose of customer relationship marketing is to create not just customer satisfaction but customer delight and customer retention (Kotler & Armstrong, 2010).

2.1.5.4 Customer Service

Customer service refers to a contact that customers have with a service provider company to acquire their requirements. There are two types of services by which companies can improve their customer service (Winer, 2001), these are:

Reactive service is practiced when a customer faces a problem such as product failure or a question about a bill and contacts the firm to solve it or to get more information through e-mails, phone etc.

Proactive service is when firms do not wait until customers communicate and contact them. Proactive service holds information about their customers before using reactive solutions such as complaint handling. This can be done when employees are dealing with and interested in realizing customers' expectations (Winer, 2001; Alireza, 2010).

2.1.5.5 Talented and Motivated Employees

To compete and achieve success, companies employ highly motivated and talented employees. Employees' communication skills, perceived value, positive attitudes and effective Relationships with customers are essential to attract and retain customers. These motivated employees can provide quality products and services to the customers to improve sales performance. Motivated employees can deal more effectively and efficiently with customers, making customers more loyal to the company (Miocevic, 2008).

2.1.5.6 Influencing Factors of Customer Loyalty

Farquhar (2004) describes that customer loyalty requires a clear direction from top management, which serves as the first motive for customer retention practice. Top leadership needs to implement a common approach to make more receptive towards the latest changes within the industry in serving and satisfying their customers. Switching costs is vital to customer loyalty (Chen & Hitt, 2002; Kim et al., 2004). It involves all expenses incurred when a customer changes between different brands of products or services, and it consists of both loss and gain costs. Loss cost occurs when customers withdraw from service providers, while gain cost occurs when customers promise new service/product providers (Burnham et al., 2003; Hongyi & Man, 2011).

Customer loyalty and retention highly depends on the customer's perception of the service delivery system (Kim et al., 2004). It is based on unique attributes of products, value-added services, customer treatment, price, and convenient transactions that greatly influence the customer's perception of the service provider. According to Kim et al. (2004) and Molapo and Mukwada (2011), Retained customers tend to have higher levels of perceived service quality, subsequently improving firms' performance. Relationship marketing is an essential tool that promotes long-term relationships with all customers in general and profitable customers in particular through creating and maintaining effective

Relationships (Petzer et al., 2009). Interactions with customers would be effective when sustained through effective relationship marketing, where firms can interact effectively with customers (Farquhar, 2004; Ang & Buttle, 2006).

Employees can provide their customers with the required products/services beyond their expectations when they are empowered, well-informed, and have access to customers' information (Farquhar, 2004). The price of a firm's offerings can affect customer satisfaction and influence customer retention. It is perceived that the price set is expected to enhance both post-purchase satisfaction and repurchase intention (Srivastava & Lurie, 2001). Firms should also match prices with the value of the products or services to promote repeat purchases which in turn influences customer acquisition and retention (Kukar-Kinney, 2006). The Relationship allows firms to register detailed information about individual customers. This information will be linked to the customer database, which forms the basis for individualized marketing measures. Practical information systems facilitate record keeping of customer membership and would be helpful for the firm's decision-making process (Farquhar, 2004).

2.1.6 Relationship Marketing Practices and Dimensions

2.1.6.1 Trust

Trust is the "cornerstone" for building and developing long-term customer relationships (Juscius & Grigaite, 2011). According to Chattananon and Trimetsoontorn (2009), Trust is a belief or conviction about the other party's intention within the relationship. From a relationship marketing perspective, Trust is defined as the dimension of business relationship marketing that determines the level at which each party feels relies on the integrity of the promise offered by the other party. According to Clow and Kurtz (2003), the critical issue in developing customer relationship marketing is not only obtaining a contractual agreement, but the development of mutual Trust is a must. The primary issue in gaining customer acceptance of the service delivery system and process modification is to develop customer trust and relationships. This relationship involves both parties sharing information and working effectively to solve problems. Generally, TrustTrust is shown to positively influence vital relational outcomes and customer retention (Doney et al., 2007).

2.1.6.2 Perceived Value

Perceived value is a crucial concept that reflects the worth a customer assigns to a product or service based on their evaluation of its benefits and costs. This subjective measure can significantly influence

a customer's decision-making process, including whether to purchase, use, or recommend a product or service. Furthermore, perceived value can also impact a customer's satisfaction and loyalty towards a brand or company (Sánchez Fernández et al., 2007).

Perceived value is not an objective measure, but rather varies from person to person and situation to situation. It can be influenced by a wide range of factors, including marketing, branding, pricing, quality, features, reviews, word-of-mouth, and personal preferences. Additionally, perceived value is not static but can change over time as a customer's needs, expectations, and experiences evolve (Sánchez Fernández et al., 2007).

According to Kotler et al. (2010), understanding and managing perceived value is crucial for businesses as it can impact their competitive advantage, profitability, and growth. By offering products or services with high perceived value to their target customers, businesses can attract and retain more customers, increase their market share, and enhance their reputation. Perceived value can also serve as a basis for pricing products or services since customers are willing to pay more for products or services that they perceive as valuable (Sánchez Fernández et al., 2007). In summary, perceived value is a key concept that businesses must understand and manage effectively in order to achieve success in today's competitive marketplace.

2.1.6.3 Commitment

Commitment is fundamental to all relational exchanges between the firm and its partners. Commitment is a critical issue in building customer loyalty, identifying customers' needs, and modifying products or services to meet customers' requirements, and also, the existence of flexibility in customer relationships is essential to improve the service delivery system (Ndubisi, 2007). According to White and Yanamandram (2007), Commitment provides an enduring desire to develop and maintain effective customer relationships. *Commitment* is an essential ingredient that determines customers from switching to an alternative service provider. Commitment is a central issue in developing successful relationship marketing, and the level of Trust influences it.

Moreover, Commitment is one factor that enhances the level of a long-term relationship and increases customer loyalty. Rowley (2005) also described that service providers should consider the influence of service commitment on retaining loyal customers, act accordingly, and show genuine Commitment to improving customer relationships.

Committed customers resist competitors, attempt to convince and tell a good thing about the company to other customers, and are willing to expand their business with the brand and develop their relationship with it over a while.

2.1.6.4 Conflict Handling

There is a significant relationship between conflict handling and customer loyalty, developing Trust and perceived relationship quality (Ndubisi & Wah, 2005). In a service delivery system, there are constraints to occasional service failures despite all the efforts put in by the service provider (Lovelock & Wirtz, 2007). According to Zeithaml and Bitner (2000), service failure is unavoidable even for the best firms with the best intentions and those that provide unique products and services. A significant strategy organization should develop proactive planning and implementation to identify potential conflicts, solve them before they manifest, avoid them, etc. Those efforts can bring better relationships and loyalty to the particular service firm with its customers.

2.1.6.5 Empathy

This is another critical element of relationship marketing that can be defined as the ability to understand, share and have another person's feelings in a relational situation. Empathy is dealing with an organization, allowing two parties to see problems from the same perspective (Sin et al., 2002). According to Ndubisi (2004), empathy is sharing and understanding another person's mind or behaviour. He also described that empathy is characterized by looking at people's facial expressions or body movements or hearing their tone of voice, which will immediately respond to how they feel and treat them how they would like to be treated.

According to Clow and Kurtz (2003), *empathy* is an individual's ability to identify with another person's feelings or thoughts. This skill is necessary for an organization because customer contact is the interaction between customers and service provider organizations. When customers have special requirements or problems, employees should understand the problem from their point of view and attempt to solve it.

2.1.7 Customer Relationship Marketing Strategy

A relationship marketing strategy provides a rise to the development of IT applications, often referred to as customer relationship management systems which perform as an enabler, producing relevant customer-related information and making them readily accessible to various touch points (Chen &

Popovich, 2003). This promotes customer relationships and leads to the effective delivery of customer value (Bose, 2002). The main emphasis of relationship marketing is building closer relationships with customers as a strategy to overcome problems such as obtaining a global competitive advantage, managing rapidly changing technologies and reducing the time to market new products (Wel & Bojei, 2009).

In many organizations, CRM strategy is a broad and detailed description of the scope of CRM programmed toward organizational goals. The strategy helps the company to build and develop internal processes and technology to acquire and retain business customers. CRM is a strategy that maximizes a firm's profitability, revenue, and customer satisfaction by focusing on a customer-centric process. CRM strategy helps businesses use IT and human resources to gain insight into customers' behaviour. At the heart of perfect CRM strategy is the creation and development of mutual value for all parties participating in the business process through creating sustainable competitive advantage by being the best at understanding, communicating, providing and developing existing customer relationships in addition to creating and keeping new customers (Richa & Rashmi, 2009).

2.2 Empirical Literature

The final goal of Customer Relationship Marketing is customer retention which is the key to surviving in a competitive market for any firm. Customer satisfaction and survival in today's competitive environment requires the ability to understand the requirement of customers, the intelligence to analyze, and the capability to provide products and services to customers. Customers are the most significant factor in the management of businesses because they can choose the items they want from different choices and therefore change the strategies and programs firms have. Hence, having adequate information about customers' requirements and the marketplace is a critical factor in interacting with their unexpected behaviours and acting toward the companies' objectives (Ghahfarokhi & Zakaria, 2009).

According to Becker, Greve, and Albers (2009), implementing customer relationship programs affects the firm's goals differently and may result in poor economic outcomes. For example, although many firms employ consultants and project members to implement Customer Relationship Management technological systems, such as software applications and databases, to organize the firms' structures and they cannot be sure that focusing on these activities will guarantee to reach the final goal of customer relationship marketing which is customer retention.

Companies can reduce their cost significantly through customer retention by building strong customer relationships. Firms can also reduce the uncertainty of demand by building strong customer relationships (Ndubisi, 2006). According to Zablah et al. (2004), there are five major CRM concepts: technology, strategy, philosophy, process, and capability, representing an essential insight toward an integrated CRM framework. Indeed, many models have been developed to propose how CRM affects firm performances, which are different in the conceptualization of critical measurements and the relationships among them (Keramati et al., 2010).

The Key findings of Gee et al. (2008) indicate that organizations must understand what drives both value and delight for their customers and adopt a customer-centric vision that enables them to understand their customers, deliver customer delight and go for loyalty and retention. They also described that different customers have different requirements and will be delighted in different ways, and appropriate monitoring of customers is vital to ensure customer satisfaction. This is essential for the sustainable growth of an organization.

According to Gee et al. (2008), service providers aimed at customer relationship management often look at four areas: satisfaction, retention, loyalty and lifetime profitability. They also suggest that a fundamental criterion for the success of customer initiative schemes is making sure that customer perceived value is met or, better still, whether it is exceeded, and organizations should evaluate future service schemes concerning cost and results. The need for businesses to retain customers is essential in today's competitive marketplace. They also recommended that to maintain customers, Businesses must build long-term relationships with profitable customers.

Effective communication in service provider organizations should affect all aspects of the relationship, largely Trust, Perceived value, satisfaction, and loyalty (Ball et al., 2004). Interactions between customers and service providers lie at the heart of service delivery, and people who deliver the service have fundamental importance to both the customer they serve and the employer they represent (Huseyin et al., 2005). They also indicated that the entertainment service customers want a high degree of interaction with staff sensitive to their needs and expect personalized service.

2.3 Conceptual Framework

The overall objective of relationship marketing is to provide a higher level of customer service than similar companies do. Therefore, companies must measure their customers' satisfaction level and improve their relationship marketing which helps to deliver products and services beyond customer expectations to retain the existing customers (Winer, 2001). The conceptual framework for the study is developed from the literature review done above; based on this framework, effective customer relationship marketing is the critical ingredient for customer loyalty and satisfaction.

Independent Variables (CRM)   **Dependent Variable (CL)**

Trust

Perceived Value

Commitement

Conflict handling

Empathy

Customer Loyalty
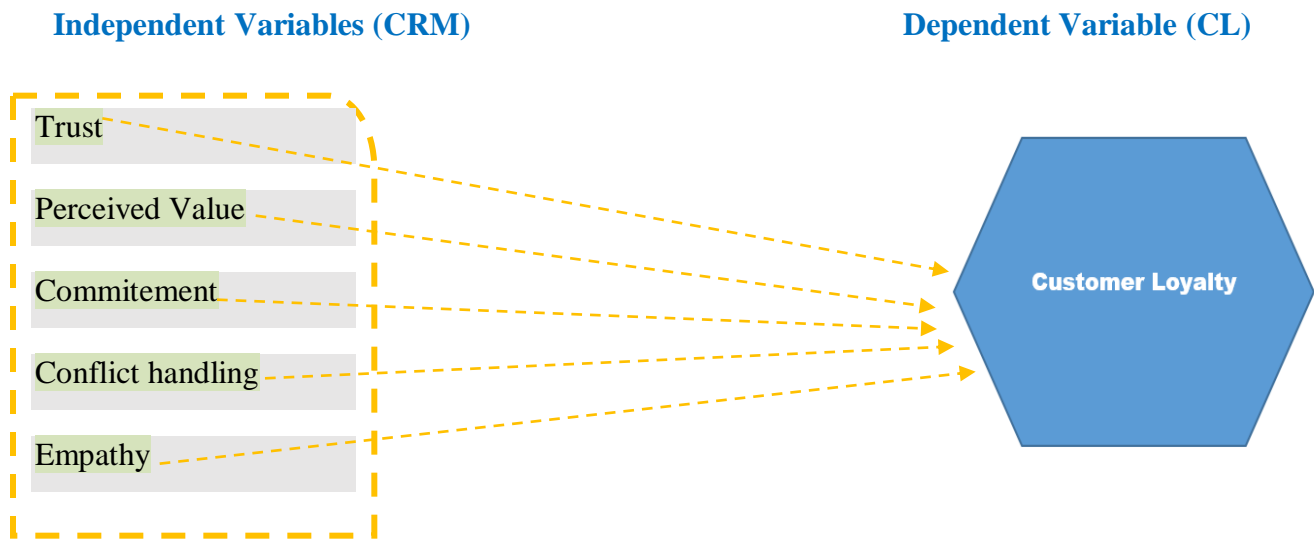
Figure 2.3 Conceptual Framework

Source: Winer, (2001) Researcher own compilation, 2023

Chapter Three

Research Methodology

Introduction

This section discusses the methods used to conduct the primary research for this study. It explores the research method, design, process, and approach. Additionally, it covers sampling, questionnaire design, data collection, and analysis.

3.1 Study Site

This research was carried out in Multi Choice Ethiopia, a leading provider of digital entertainment services in the country. The offices are located at Bole (Main office), Merkato (Jabulani Building), and Megenagna (3M Building), which are strategic areas for the company's-company's operations and customer base.

3.2 Research Design

The purpose of this study is to assess the effect of CRM on customer loyalty at MCE. Addis Ababa. The study was used both explanatory and descriptive design. The explanatory design was used to check the associations and relationships between CRM on customer loyalty. It helps to conduct correlations and regressions relationship between independent and dependent variables. Explanatory studies are studies that show relationships between variables to explain certain problems or events (Saunders, 2009). There searcher also used descriptive research just to describe and explore the effect of the CRM on customer loyalty

In addition, this method of research design helps to clearly describe relevant aspects of the phenomenon of interest about a particular individual, group, or situation (Sekaran, 2003).

3.3 Research Approach

In the study, quantitative research approach was applied by collecting data through questionnaire from sample of respondents. Data collected was analyzed, and based on the analysis output; generalization about the population was made.

3.3 Sampling Design

3.3.1 Target Population

Total 1060 customer who are use the multi choice service in the offices that located at Bole (Main office), Merkato (Jabulani Building), and Megenagna (3M Building),

3.3.2 Sampling Technique

To collect accurate data, the researcher convenience sampling technique based on their availability and willingness to answer the questions. The convenience sampling technique was applied to collect the required data from the sample customers who were quickly or conveniently accessible in the city.

3.3.3 Sample Size

The sample size is the number of people chosen to represent the entire population, and the study used a representative sample size to ensure statistical validity. In order to obtain the largest sample size possible for this study, the sample size is calculated using the formula below.

Sample size (n) = $N(z)^2 /((z)^2+4N(e)^2)$

Where: n= sample size, N= the population size, which is 1060

e = level of precision (acceptable error), and its value is 0.05

z is ±1.96 given when the level of precision is 5%

Based on this formula, the sample size for the study was determined to be:

Sample size (n) = 1060 (1.96*1.96) / ((1.96*1.96) +4*1060 (0.05*0.05)) = 282

Therefore, the sample size for this research was 282 from the selected offices. The data was collected from 282 customers using a convenience sampling technique based on their availability and willingness to answer the questions. The convenience sampling technique was applied to collect the required data from the sample customers who were quickly or conveniently accessible in the city.

3.4 Sources of the Data

3.4.1 Primary Sources

Primary data was collected for the customer. The researchers used a self-administered structured questionnaire to collect primary data, as primary data is essential for the study because it is the only way to learn about the company's practices and performance from the responsible personnel;

otherwise, there would be insufficient data to draw a conclusion. As a result, the questionnaire was an instrument used to ask the same question to everyone in the sample.

3.4.2 Secondary Sources

Secondary data was gathered from published books, journal research papers, and other relevant materials. It is critical to have enough data to compare and contrast the necessary relationship between marketing strategies and the performance of the bank.

3.5 Data Collection Instruments

Essentially, the student researcher employs a questionnaire as an instrument that asks the same question to everyone in the sample. It is the primary tool for collecting data from study participants via self-administered questionnaires.

Questionnaires were chosen over other instruments because they are the quickest way to collect data from a diverse group of people (Kothari, 2004).The questionnaire is closed-ended and asked questions on a five-point Likert scale,

The survey questionnaire was divided into two parts. The first part collected demographic information about the respondents, including their gender, age range, education level, occupation, monthly income, and the duration of their relationship with MCE. The second part contained descriptive questions about each dimension of relationship marketing.

Several questions were asked to represent each construct. For example, the trust dimension included six questions adapted from Ndubisi and Wah (2005), while the second-dimension perceived value, contained four questions from the same source. The third dimension, commitment, had five questions adapted from Ndubisi & Wah (2005), while the fourth dimension, conflict handling, included six questions adapted from Tahir and Abidin (2011) and Shifera Bekele (2011). The fifth dimension, empathy, had five questions adapted from Palmatier et al. (2009). The dependent variable of customer loyalty was represented by five questions adapted from Ndubisi and Wah (2005). The second part of the survey questionnaire used a five-point Likert scale ranging from strongly disagree to strongly agree.

3.6 Data Collection Procedure

A pilot survey was conducted prior to the full survey to identify any weaknesses (if any) in the questionnaires and survey techniques by distributing the questionnaire to three respondents and attempting to differentiate the ambiguous question from the majority of respondents. The researcher then distributed the questionnaire to all respondents, giving those two weeks to complete it. After weeks, the researcher collected the data and immediately checked its completeness; a few respondents did not fill out a form for a specific day. However, the researcher followed up with respondents that fall to ensure that they completed the form correctly.

Because the questionnaires were hand delivered to the respondents, there was frequent phone follow-up, which resulted in a high response rate (100 percent)

3.7 Data Analysis and Methods

The collected data was screened for missing values that could cause problems with the research analysis. Using descriptive and inferential statistics, the relationship between the independent variables (CRM) and the dependent variable was then assessed (Customer loyalty). The descriptive statistical analysis was presented in the following formats: frequency, mean, and standard deviation. Correlation, ANOVA, and multiple regressions were used to investigate the relationships between the dependent and independent variables.

The analysis techniques or presentation method are depicted in both the table and the figure. The coefficient value was investigated to determine the significance of the relationship between the dependent variable and. each independent variable. The data was analyzed using the Statistical Package for Social Science (SPSS 23).

The questionnaire's statements were all rated on a 5-point Likert scale (strongly agree, agree, neutral, disagree, and strongly disagree). This scale was given numbers: strongly agree = 5, agree = 4, neutral 3, disagree = 2, and strongly disagree = 1.Instruments that are accurate and efficient in calculating these constructs are critical components of the research standard (Kimberlin, C. L., & Winterstein, A. G., 2008).

3.8 Validity and Reliability

3.8.1 Validity

Validity determines whether the measuring instrument truly measures what it is intended to measure or how truthful the research results are. To measure the validity of the results, we consider the theory and the measuring instrument used. Validity can be measured by factor analysis. To check and establish the validity and to increase the accuracy of this research. Content validity (face validity) is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive.

It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it" (Kothari, 2004). Based on this, the researcher believes the sample taken in this study adequately represents the total population characteristics and result obtained can be sufficiently.

3.8.2 Reliability

Reliability is the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability. if the results can be reproduced under a similar methodology – then the instrument is reliable. According to Kothari, (2004) reliability is the consistency of results provided by the measuring instrument. A consistent finding of data collection technique, analysis, or procedure yielded is reliability Saunders (2009). The reliability analysis done by using SPSS by Cronbach's alpha test. This is done mainly to see the internal consistency within the collected data. In dealing with the reliability test, Cronbach's alpha coefficient made on each variable.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 0, the lesser the internal consistency of items in the scale, and the closer to 1.0 Cronbach's alpha the greater the internal consistency of the items in the scale. A reliability test was performed on the dependent and independent variables, internationalization factors. The table displays Cronbach's alpha values for these study variables. The results show that the reliability coefficient for each variable exceeded the minimum acceptable level of 0.60, as Nunnally (1978) recommended.

Therefore, Cronbach's alpha values for the variables, which range from 0.638 to 0.887, are considered acceptable for this study. The table also shows that the overall Cronbach's Alpha value is 0.889, indicating that the reliability of the questionnaire is at a moderately good level.

Table 3.1. Main Data collection tool Reliability Statistics/Cronbach's Alpha Value

Items	Number of items	Cronbach's Alpha
Trust	6	0.662
Perceived Value	5	0.646
Commitment	4	0.761
Conflict Handling	5	0.887
Empathy	5	0.638
Customer Loyalty	4	0.852
Overall Reliability	29	0.889

Source: own computation from survey data (2023)

As shown in the table above, the Cronbach alpha for all seven variables exceeded 0.63. According to the literature, this confirmed the internal consistency of the research instrument. As a result, no redundant items were discovered.

3.2 Ethical Consideration

Ethics are behavioral norms or standards that guide moral decisions about our behavior and our interactions with others. The goal of research ethics is to ensure that no one is harmed or suffers negative consequences as a result of research activities (Cooper & Schindler, P.S., 2006). Everyone has the right to choose whether or not to participate in a marketing research project in which they provide data. Researchers have the right to be protected from physical and psychological harm. While it is uncommon for a respondent to be physically harmed, it is common for a respondent to be placed in a physiologically harmful situation. When an interviewer processes them to participate in a study, individuals may experience stress.

Chapter Four

Result and Discussion

Introduction

This chapter presents a comprehensive analysis of the data and findings of the research conducted in alignment with the research objectives and hypotheses. The analysis encompasses demographic, Descriptive and explanatory statistics are employed to delineate the fundamental features of the data. In addition, SPSS (version 23.0) was employed for the purpose of data analysis.

4.1 Response Rate

The researcher can achieve or collected all respondents' feedback or respondents replied all items (i.e. 282). This validates the fact that no significant data is missed due to incompletion because the researcher was used self-administration for each respondent.

4.2 Demographic Data

The study attempted to determine demographic data in the following variables, as shown in the table below, using a total of 282 returned questionnaires.

Table 4.1: Demographic respondents

Variable	Category	Frequency	Percent
Sex of respondents	Male	104	36.9
	Female	178	63.1
Age of respondents	20-39 years	128	45.39
	40-59	89	31.56
	60 years and above	65	23.05
Educational level of respondents	Primary	12	4.3
	Diploma	38	13.5
	Degree	232	82.3
Duration of DSTV use by respondents	< 3 years	54	19.1
	3 - 5 years	8	2.8
	5-7 years	174	61.7

	Above 7 years	46	16.3
Job Description	Government Sector	116	41.1
	Private Sector	23	8.2
	Own Business	66	23.4
	Student	25	8.9
	Others	52	18.4
Total		282	100%

Source: own computation from survey data (2023)

As we can see from Table 4.1 above, the gender distribution of respondents is such that 36.9% of the respondents were female customers. In comparison, a more significant proportion of 63.1% were male respondents. The age distribution of survey respondents is as follows: 0% of respondents were below the age of 20 years old, while 45.39% fell within the age range of 20-39 years old. A further 31.56% of respondents were between 40 and 59 years old. The remaining 23.05% of respondents were aged 60 years old or above. It is noteworthy that the majority of respondents (45.39%) were between the ages of 20 and 39 years old. Regarding educational status, the majority (82.3%) of respondents hold a degree, followed by a smaller proportion (13.5%) who keep a diploma. A further 4.3% of respondents have achieved primary education. Regarding occupation status, 41.1% of respondents are employed in the government sector, followed by a smaller proportion (8.2%) engaged in the private sector. Additionally, 23.4% of respondents run their businesses, 18.4% are used in other companies, and 8.9% are students. provides insight into the duration of Dstv service usage among respondents. It is revealed that 19.1% of respondents have utilized Dstv services for a period ranging from 1-3 years, while a smaller proportion of 2.8% have used the services for 3-5 years. In contrast, 16.3% of respondents have been using Dstv services for seven years or longer, and the remaining majority of 61.7% have used the services for 5-7 years.

4.3 Descriptive Analysis

Respondents' perceptions of the effect of the CRM (Customer loyalty. The mean and standard deviation were computed for each of them. The mean represents the average value, and the standard deviation indicates how far the values deviate from the mean.

Respondents were asked to rate the effect of CRM on Customer loyalty at DSTV a five-point Likert scale type ranging from 1 to 5. (1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree), and the analysis of the mean score is based on the below researcher assumptions.

Table 4.2 Mean Score decision rule

Mean Score	Interpretation
1.00-1.80	Strongly Disagreed
1.81-2.60	Disagreed
2.61-3.20	Neutral (Neither agreed not disagreed)
3.21-4.20	Agreed
4.21-5.00	Strongly Agreed

Source: Lind DA, Marchal WG, Wathen SA (2003)

According to (Lind DA, Marchal WG, Wathen SA, 2003) assumptions, the mean 3.0 as it was tried to show on the above paragraph is to be seen as measuring neutrality on the variables those needed to be tasted. The standard deviation was used to indicate and show the variation from the mean. The lower the standard deviation the level of the employee made on agreement. The higher the standard deviation indicates the employee made a disagreement on the issue raised.

4.3.1 Trust on Customer Loyalty

Six questions were asked in order to analyze trust on customer loyalty.

Table 4.3: Trust on customer loyalty

Variables	N	Mean	Std. Deviation
I believe that Multi choice Ethiopia has my best interests in mind.	282	3.77	0.77
I feel confident in Multichoice Ethiopia's ability to provide reliable products and services.	282	3.85	0.617
Multichoice Ethiopia has consistently met my expectations in the past.	282	3.52	1.002
I trust Multichoice Ethiopia to keep my personal information secure.	282	3.42	1.179
I trust Multichoice Ethiopia to be transparent and honest in its dealings with customers.	282	3.72	0.971
Given my experience, MCE can be trusted Completely.	282	3.56	1.039
Average Mean		**3.64**	**0.929**

Source: own computation from survey data (2023)

According to (Lind DA, Marchal WG, Wathen SA, 2003) mean score assumptions, the mean score for all most asked questions ranges between 3.21-4.20.

This indicates that the majority of respondents agreed on the questions that asked. Regarding customer confidence in the service status of Dstv, Table 4.8. indicates that the statement '*I feel confident in Multichoice Ethiopia's ability to provide reliable products and services.*' possesses the highest mean value (3.85) with a standard deviation of 0.617. This suggests that most respondents concur that they are confident in the service status of Dstv. In contrast, the statement '*I trust Multichoice Ethiopia to keep my personal information secure.*' has the lowest mean value (3.42) with a standard deviation of 1.179, indicating that respondents have a diminished level of trustworthiness during the payment process

The overall mean for the trust was discovered to be 3.64, indicating that the majority of respondents agreed on its influence. It implies that trust has a positive impact on customer loyalty

4.3.2 Perceive d Value on Customer Loyalty

Five questions were asked in order to analyze perceived Value on Customer Loyalty. In addition, the result is shown in table 4.4 below.

Table 4.4: Perceived Value on customer loyalty

Variables	N	Mean	Std. Deviation
The quality of the products and services provided by Multichoice Ethiopia is high.	282	3.48	0.732
I receive good value for the money I spend on Multichoice Ethiopia's products and services.	282	3.37	1.113
Compared to its competitors, Multichoice Ethiopia offers better value for money.	282	3.58	1.158
As a customer of Multichoice Ethiopia, I receive additional benefits or rewards.	282	3.61	1.032
Multichoice Ethiopia offers a good balance between price and quality.	282	3.68	0.85
Average Mean		**3.54**	**0.977**

Source: own computation from survey data (2023)

According to the above mean score assumptions, the mean score for all price marketing strategy asked questions ranges between 3.21-4.20. The statement '*Multichoice Ethiopia offers a good balance between price and quality.*' has a mean value of 3.68 with a standard deviation of 0.85, indicating that respondents believe MCE offers more adequate services than other companies.

However, the statement '*I receive good value for the money I spend on Multichoice Ethiopia's products and services.*' has a lower mean value (3.37) with a standard deviation of 1.113, suggesting that respondents have a diminished level of agreement regarding the provision of good value by MCE. The overall mean for the perceived value was discovered to be 3.54, indicating that the majority of respondents agreed on its influence. It implies that perceived value has a positive impact on customer loyalty.

4.3.3 Commitment on Customer loyalty

Four questions were asked in order to analyze commitment on customer loyalty. In addition, the result is shown in table 4.5 below.

Table 4.5: Commitment on Customer loyalty

Variables	N	Mean	Std. Deviation
The bank's branches are easily accessible	282	3.35	1.148
The branches are conveniently located	282	3.77	0.712
The bank provides service using multi-distribution channels (such as ATM, POS, internet etc.)	282	3.46	1.126
The ATMs of the bank are accessible and conveniently	282	3.52	1.064
Average Mean		**3.51**	**1.01**

Source: own computation from survey data (2023)

According to the above mean score assumptions, the mean score for all place marketing strategy asked questions ranges between 3.21-4.20. According to Table 4.10, which focuses on customer opinions on MCE's Commitment in serving their needs, the statement '*I have never considered switching to a different provider of similar products or services.*' has the highest mean value (3.77) with a standard deviation of 0.712. This indicates that most respondents believe MCE is dedicated to meeting their needs and accommodating their requirements. On the other hand, the statement '*I am likely to continue using Multichoice Ethiopia's products and services in the future.*' has a lower mean value (3.35) with a standard deviation of 1.148, suggesting that MCE has a diminished level of Commitment in meeting customers' needs.

The overall mean for the commitment was discovered to be 3.51, indicating that the majority of respondents agreed on its influence on customer loyalty. It implies that commitment has a positive impact on customer loyalty.

4.3.4 Conflict Handling on Customer Loyalty

Five questions were asked in order to analyze promotion-marketing strategy on Organization Performance. In addition, the result is shown in table 4.6 below.

Table 4.6: Conflict Handling on customer loyalty

Variables	N	Mean	Std. Deviation
If I had a conflict or complaint with Multichoice Ethiopia, I am confident that it would be resolved satisfactorily.	282	3.48	0.732
Multichoice Ethiopia takes customer complaints seriously and works to resolve them effectively.	282	3.37	1.113
The customer service provided by Multichoice Ethiopia in terms of handling conflicts and complaints is excellent.	282	3.58	1.158
Multichoice Ethiopia has effective procedures in place for resolving conflicts and complaints.	282	3.61	1.032
I am confident that any conflicts or complaints I have with Multichoice Ethiopia will be resolved in a timely manner.	282	3.77	0.689
Average Mean		**3.56**	**0.94**

Source: own computation from survey data (2023)

According to the above mean score assumption. provides an analysis of customer opinions on MCE's responsiveness to complaints and conflicts and their ability to effectively communicate and resolve issues. The statement '*I am confident that any conflicts or complaints I have with Multichoice Ethiopia will be resolved in a timely manner.*' has the highest mean value (3.77) with a standard deviation of 0.689, indicating that most respondents believe MCE communicates effectively about how and where to avoid problems and takes prompt action to address complaints and conflicts. However, the statement '*Multichoice Ethiopia takes customer complaints seriously and works to resolve them effectively.*' has a lower mean value (3.37) with a standard deviation of 1.113, suggesting that respondents have a diminished level of agreement regarding MCE's ability to openly discuss solutions and collaborate with customers to resolve issues.

The overall mean for the conflict handling was discovered to be 3.56, indicating that the majority of respondents agreed on its influence on customer loyalty. It implies that conflict handling has a positive impact on customer loyalty

4.3.5 Empathy on Customer Loyalty

Five questions were asked in order to analyze empathy on customer loyalty. In addition, the result is shown in table 4.7 below.

Table 4.7: Empathy on Customer Loyalty

Variables	N	Mean	Std. Deviation
Multichoice Ethiopia listens to my needs and concerns as a customer.	282	3.65	1.22
Multichoice Ethiopia provides personalized products or services that meet my individual needs.	282	3.58	0.832
Multichoice Ethiopia understands my preferences and requirements as a customer.	282	3.83	0.767
Multichoice Ethiopia values my feedback and considers it when making decisions.	282	3.89	0.486
Multichoice Ethiopia shows an interest in building a long-term relationship with me as a customer.	282	3.75	0.902
Average Mean		**3.74**	**0.84**

Source: own computation from survey data (2023)

According to the above mean score assumptions, the mean score for all promotion marketing strategy asked questions ranges between 3.21-4.20. The above table is about Empathy Dimensions. The columns show the question dimensions, the number of valid respondents, and the mean and standard deviation values. The rows list different types of questions and display Descriptive Statistics data. It shows that the statement '*Multichoice Ethiopia values my feedback and takes it into account when making decisions.*' has the highest mean value (3.89) with a standard deviation of 0.486. This means that most respondents agreed with the idea of flexible times for making payments and fixing errors. However, the statement '*Multichoice Ethiopia provides personalized products or services that meet my individual needs.*' has a mean value of 3.58 with a standard deviation of 0.832, indicating that customers have a lower level of agreement with this statement.

The overall mean for the empathy was discovered to be 3.74, indicating that the majority of respondents agreed on its influence on customer loyalty. It implies that empathy has a positive impact on customer loyalty

4.3.6   Customer Loaylty

Table 4.8: Customer Loyalty

Variables	N	Mean	Std. Deviation
I have recommended Multichoice Ethiopia's products or services to others in the past.	282	3.58	1.038
I am likely to continue using Multichoice Ethiopia's products or services in the future.	282	3.85	0.526
There are specific aspects of my relationship with Multichoice Ethiopia that make me particularly loyal to the company.	282	3.32	1.008
I have a strong sense of loyalty toward Multichoice Ethiopia.	282	4.3	0.50
Average Mean		**3.76**	**0.76**

Source: own computation from survey data (2023)

According to the above mean score assumptions, the mean score for all people marketing strategy asked questions ranges between 3.21-4.20. This implies that DSTV are given good paying attention for customer loyalty. MCE customers have a high level of agreement with the statement 'I have a strong sense of loyalty toward Multichoice Ethiopia.' with a mean value of 4.00 and a standard deviation of 0.00. This suggests that most respondents agree that they are loyal customers of MCE. On the other hand, the statement '*There are specific aspects of my relationship with Multichoice Ethiopia that make me particularly loyal to the company.*' has the lowest mean value (3.32) with a standard deviation of 1.008. This indicates that respondents have a lower level of agreement with this statement.

The overall mean for the customer loyalty was discovered to be 3.76, indicating that the majority of respondents agreed on it.

4.4 Inferential Statistics

4.4.1 Correlation Analysis

The correlation analysis shows the association between CRM dimensions and customer loyalty. Therefore, the correlation analysis revealed the Relationship among Trust, Perceived value, Commitment, Conflict handling, and Empathy. Pearson Correlation analysis is used to determine the level of association among variables and to examine the degree of linear relationship between two variables. The coefficient of correlation lies between -1 and 1. The two variables are negatively related if the correlation coefficient lies between -1 and 0. However, if the correlation result of the two variables lies between 0 and 1, the two variables are positively related. Furthermore, if the coefficient of the correlation of two variables is equal to zero, it implies no relationship between them.

According to Sekaran, U. (2000), general guidelines for correlations ± 0.1 to ± 0.29 are considered weak, correlations of ±0.30 to ±0.49 are considered moderate, and correlations above = > ± 0.5 are deemed vital.

Table: 4.9. Guideline for the Pearson Correlation Analysis.

Pearson Correlation	Strength Of Association
R = 0.10 to 0.29 Or R = -0.1 to -0.29	Weak (*)
R = 0.30 to 0.49 Or R = -0.30 to -0.49	Moderate (**)
R = 0.50 to 1.00 Or R = -0.50 to -1.00	Strong (***)

Source: Sekaran U. (2000).

Table 4.10: Correlation Test

Correlation		Trust	Perceived value	Commitment	Conflict Handling	Empathy	Loyalty
Trust	Pearson Correlation	1					
	Sig. (2-tailed)						
Perceived value	Pearson Correlation	0.249*	1				
	Sig. (2-tailed)	0.000					
Commitment	Pearson Correlation	0.304**	0.243*	1			
	Sig. (2-tailed)	0.000	0.000				
Conflict Handling	Pearson Correlation	0.367**	0.108*	0.313**	1		
	Sig. (2-tailed)	0.000	0.000	0.000			
Empathy	Pearson Correlation	0.532**	0.362**	0.150*	0.586**	1	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		
Loyalty	Pearson Correlation	0.613**	0.555**	.0.075*	0.562**	0. 446**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	282	282	282	282	282	

Source: SPSS descriptive analysis result based on a questionnaire survey, 2023

Pearson correlation is used to assess the relationship or degree of association between CRM and Customer loyalty, as shown in Table 4.13 above (2-tailed). All independent variables are positively and perfectly correlated at the 5% level of P value (i.e., 0.000). According to Sekaran U. (2000) level of correlation, The Pearson Correlation shows that the coefficient of correlation (r) between trust, perceived value, and conflict handling have a strong relationship with customer loyalty, with values of 0.613, 0.555 and 0.562 respectively, which are above than 66%. And empath has a moderate

relationship with customer loyalty, on the other hands, commitment has weak relationship loyalty as the result shows be low a cutoff point of 0.29.

4.4.2 Regression Analysis

Regression analysis is a statistical tool used to determine the relationship between a dependent variable and one or more independent variables. In this study, regression analysis is used to explain the extent to which customer relationship management explains customer loyalty. This section presents the results and discussions of the regression analysis conducted to understand how much the independent variable explains the dependent variable and how much each independent variable (trust, commitment, conflict handling, and empathy) explains the dependent variable of customer loyalty.

4.4.3 Assumption of Linear Regression

Before analyzing data using linear regression, it is essential to check that the data meets the four assumptions required for linear regression to give valid results. These assumptions are linearity, independence of errors, homoscedasticity, and normality of errors. These assumptions can be checked using SPSS Statistics, with linearity assumptions checked first.

Therefore, the following are common linear regression assumption tests performed on this study.

4.4.3.1 Multi Collinearity Assumption Test

When the independent variables are highly interrelated, multi-co-linearity occurs. As a result, regression analysis would be difficult because isolating the individual impact of the independent variables on the dependent variable would be difficult. Because further correlation analysis and multiple regressions between dependent and independent variables would be difficult if correlations between independent variables exist, analyzing multi-linearity in SPSS can help determine whether correlations exist. (James, G., Witten, D., Hastie, T., & Tibshirani, R., 2013)

According to Cochran, the presence of multi-co-linearity can be detected by examining only the variance inflation factor (VIF) of each explanatory variable (1977).To put it another way, if VIF is greater than 10, the independent variable is interdependent, whereas all variables less than 10 are not.

In other words, multi co-linearity occurs when the dependent variable is more highly correlated than the independent variables in a regression model. Multi co-linearity is determined by the tolerance value and variation inflation factor [VIF] for each dependent variable.

When the tolerance is less than 0.10 and the average VIF is greater than 10, multi co-linearity occurs. The multi co-linearity test revealed that there was no problem with multi co-linearity because the tolerance value for each independent variable was greater than 0.10 and the variation inflation factor was greater than 10.As a result; the model was examined to determine whether it was free of this flaw.

Table 4.11: Multi Co-linearity Test.

Model	Collinearity Statistics	
	Tolerance	VIF
Constant (Loyalty)	-	-
Trust	0.665	1.503
Perceived value	0.796	1.256
Commitment	0.792	1.263
Conflict Handling	0.679	1.727
Empathy	0.465	2.152

Source: SPSS descriptive analysis result based on a questionnaire survey, 2023

The tolerance values for all independent variables were greater than 0.10 and the variation inflation factor was less than 10, indicating that there is no interdependence among independent variables. As a result, the investigation meets the Multi collinearly assumption.

4.4.3.2 Normality Test for Residuals

This study is a test for normality assumption and is offered graphically as follows

Histogram

Dependent Variable: cl

Mean = 8.10E-16
Std. Dev. = 0.991
N = 282
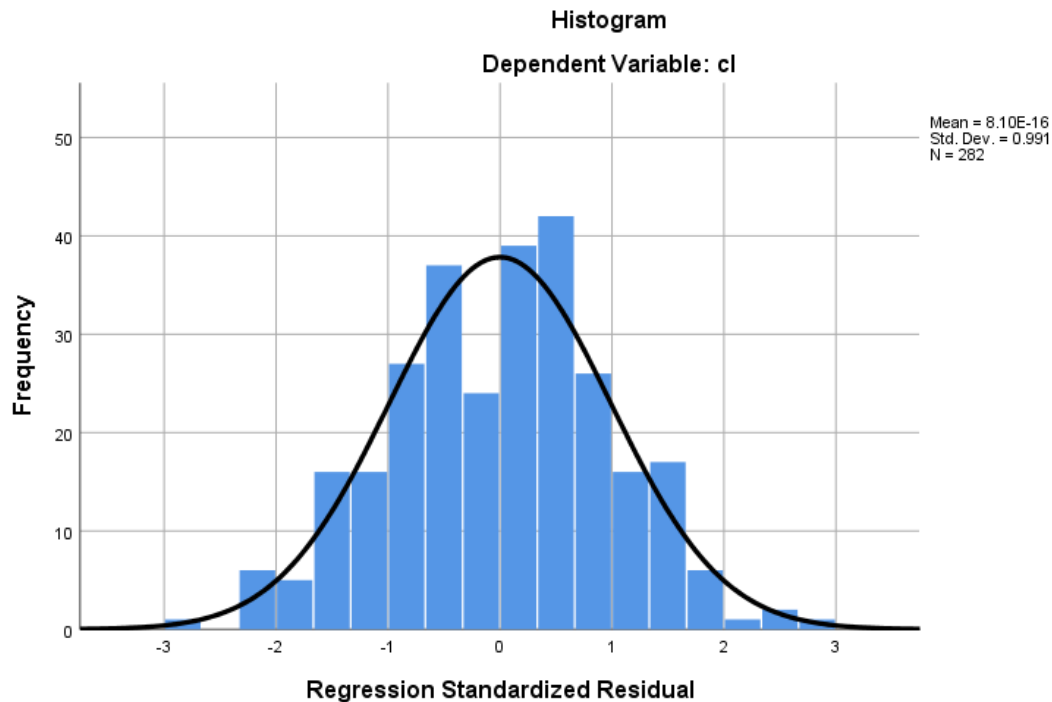
Source: own computation from survey data (2023)

Figure 4.1: Normality Test for Residual

If the residuals are normally distributed, the histogram should be bell-shaped (Bryman, A, 2017). As a result of the above figure, the histogram is bell-shaped, implying that the residuals are normally distributed.

4.4.3.3 Autocorrelation Assumption Test

The Durbin – Watson test was used to determine the autocorrelation between observations. The statistic has a value ranging from 0 to 4.A value near 2 indicates that there is no autocorrelation; a value near 0 indicates that there is positive autocorrelation; and a value near 4 indicates that there is negative autocorrelation (Field, 2005)

With a Durbin Watson value of 1.377, which is below to 2, the assumption of independent error is almost certainly met.

Table 4.12: Auto correlation Test

Model	Durbin-Watson
1	1.377
a Predictors: (Constant), trust, perceived value, commitment, conflict handling, empathy	
b Dependent Variable: customer loyalty	

Source: own computation from survey data (2023)

In this case, the value of 1.377 confirms that there is no autocorrelation, allowing us to conclude that this analysis is correct.

4.4.3.4 Linearity Test

The degree to which a change in the dependent variables is associated with a change in the independent variables is referred to as linearity. The best test for normally distributed error is a normal probability plot of the residuals. The points on such a plot should be close to the diagonal reference line in the case of a normal distribution. As a result, the p-p plot shown in the figure below fails near the diagonal reference line. It also meets the linearity requirements of linear regression.
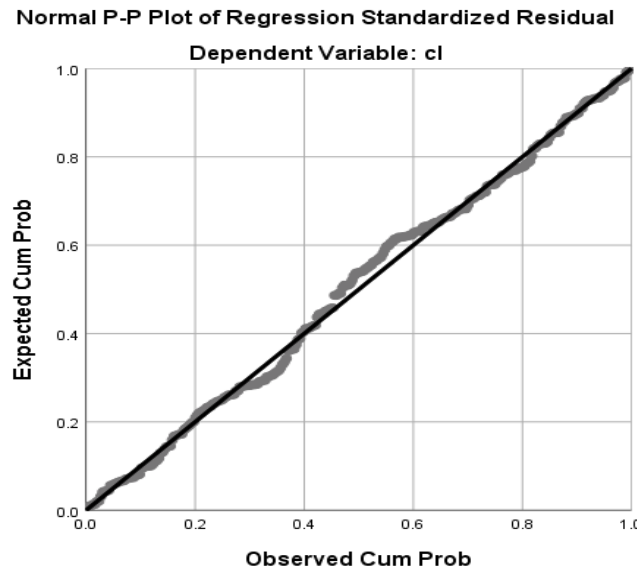
Source: own computation from survey data (2023)

Figure 4.2: Normal p-p plot of regression

4.4.3.5 ANOVA Model fit

Table 4.13: Model fit [ANOVAa]

ANOVAª

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5	492.735	2491.357	134.412	0.012b
	Residual	277	147.215	18.534		
	Total	282	639.95			
a. Dependent Variable: Customer Loyalty						
b. Predictors: (Constant), trust, perceived value, commitment, conflict handling, empathy						

Source: own computation from survey data (2023)

ANOVA (Analysis of Variance) is a method for determining whether there is a statistically significant difference between the means of the factors in a study (Kothari C.R., 2004). The significance level in the ANOVA analysis is 0.012, indicating that the results are significant.

4.4.4   Regression Result and Discussion

Table 4.17: Model Summary

	Empathy	Conflict Handling	Commitment	Perceived Value	Trust
Q1	3.65 ± 1.22	3.48 ± 0.732	3.35 ± 1.148	3.48 ± 0.732	3.77 ± 0.77
Q2	3.58 ± 0.832	3.37 ± 1.113	3.77 ± 0.712	3.37 ± 1.113	3.85 ± 0.617
Q3	3.83 ± 0.767	3.58 ± 1.158	3.46 ± 1.126	3.58 ± 1.158	3.52 ± 1.002
Q4	3.89 ± 0.486	3.61 ± 1.032	3.52 ± 1.064	3.61 ± 1.032	3.42 ± 1.179
Q5	3.75 ± 0.902	3.77 ± 0.689		3.68 ± 0.85	3.72 ± 0.971
Q6					3.56 ± 1.039
P-value	0.557	0.045*	0.089	0.016*	0.034*
R^2	0.679	0.649	0.456	0.452	0.731

Source: Excel data analysis result based on a questionnaire survey, 2023

All relationship marketing dimensions exhibited a moderate positive correlation with customer loyalty. Regression analysis revealed that MCE's relationship marketing practices could explain 78.93% of

customer loyalty. Three out of five relationship dimensions (Perceived value, Trust, and Conflict Handling) demonstrated a significant association with customer loyalty in MultiChoice Ethiopia, while Commitment and Empathy were statistically insignificant.

These findings are consistent with previous research. The positive effect of Trust, Perceived value, and Conflict Handling on customer loyalty aligns with a study by Ndubisi (2006), which found that these relationship marketing variables significantly affected customer loyalty in any sector. In their Customer Relationship Marketing Quality and Customer Loyalty study, Ibrahim et al. (2015) found that Trust, Perceived value, and Conflict Handling were positively and significantly related to loyalty. Similarly, Getie (2017) found that Trust, Conflict Handling, Shared Value, and Relationship Quality greatly influenced customer loyalty.

4.5 Discussion of the main Findings

This study focused on the effect of relationship marketing on customer loyalty. The results showed that relationship marketing strongly influences customer loyalty. Loyalty is a deeply held perceived value to re-buy or re-patronize a preferred product/service consistently in the future which are supported by (McKinsey & Company, 2022). Several relationship marketing variables influence loyalty, such as empathy, trust, commitment, perceived values, and conflict negotiation methods (Forbes, 2023). The research indicates that customer loyalty is crucial for MCE's success in today's competitive environment.

Trust had a positive and significant effect on customer loyalty and retention. Trust was measured by different categories, such as the trust level, component, and effect, or the trustworthiness and perception of a brand or organization. The average score of trust was 3.64, with significant differences ($P<0.05$) among different questions. The R square value of 0.73 indicated a strong relationship between trust and customer loyalty and retention, which was consistent with the previous studies (Ball et al., 2004; Oladeji et al., 2018).

Perceived value had a positive and significant effect on customer loyalty and retention. Perceived value was defined as the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given (Zeithaml, 1988). Perceived value was measured by different methods, such as customer feedback, psychographic data, customer sentiment analysis, and brand tracking.

The average score of perceived value was 3.53, with significant differences (P<0.05) among different questions. The R square value of 0.452 indicated a moderate relationship between perceived value and customer loyalty and retention, which was consistent with the previous literature (Menidjel, 2021; Adjei & Clark, 2010).

Customer commitment had a positive and significant effect on customer loyalty and retention. Customer commitment was a marketing concept that focused on creating and maintaining long-term relationships with customers by consistently delivering on the brand's value proposition and providing post-purchase support (Gremler et al., 2019). Customer commitment was measured by two methods: surveys to assess customers' attitudes and behaviors, and data analysis to track repeat purchases, reviews, and referrals (Alaina Franklin, 2020). The average score of customer commitment was 3.56, with no significant differences (P<0.05) among different questions. The R square value of 0.456 indicated a moderate relationship between customer commitment and customer loyalty and retention, which was consistent with the previous literature (Evanschitzky et al., 2012; Anderson & Srinivasan, 2003).

Conflict handling had a positive and significant effect on customer loyalty and retention. Conflict handling was the way an organization dealt with complaints and problems from customers, and it was a key aspect of customer service that could influence customer satisfaction and loyalty (Morgan and Hunt, 1994). Conflict handling was measured by a survey instrument that included different strategies for effective conflict handling, such as determining if the problem is worth discussing, using the right body language, focusing on the facts not personal opinions, allowing everyone to speak, being mindful about language, refocusing the client on the impact, and approaching the problem with empathy (Lacey, 2009). The average score of conflict handling was 3.57, with significant differences (P<0.05) among different questions. The R square value of 0.649 indicated a strong relationship between conflict handling and customer loyalty and retention, which was consistent with the previous literature (Anderson & Srinivasan, 2003).

Empathy had a positive and significant effect on customer loyalty and retention. Empathy was the ability to understand and share the feelings of another person. In customer service, empathy meant showing customers that you cared about their needs, problems, and emotions and that you were willing to help them find a solution (Forbes Business Council, 2022).

Empathy was measured by different methods such as surveys to assess customers' feelings about their service provider organizations MCE employees' treatment towards them following up with customers after resolving their issues or complaints. The average score of empathy was 3.74 with no significant differences (P<0.05) among different questions. The R square value of 0.679 indicated a strong relationship between empathy and customer loyalty and retention which was consistent with the previous literature (Sparks D., 2021).

Research has shown that relationship marketing uses personal touch to increase sales and revenue by cultivating a strong bond between businesses and their customers. The relationship marketing framework is customer-centric, employing understanding, empathy, and emotions to build customer loyalty and lifetime value. Brands are realizing that to move forward into the next realm of customer experience, and they must be truly empathetic to their customers and seek to understand long before they seek to market or sell. Empathy in marketing involves putting yourself in your customer's shoes, understanding their pain points, and showing that you genuinely care about their well-being.

CHAPTER FIVE

Summary, Conclusion and Recommendation

This study examined the effect of relationship marketing on customer loyalty at MCE, a company that provides digital satellite television services in Ethiopia. Relationship marketing is a strategy that aims to build long-term relationships with customers by meeting their needs and expectations.

5.1 Main Findings

The main objective of this research was to examine the effect of customer relationship marketing on customer loyalty in the case of MultiChoice Ethiopia. Specifically, the study aimed to measure the effect of customer relationship marketing on customer loyalty, identify the factors that influence customer loyalty, and investigate the role of Trust, Perceived Value, Commitment, Conflict Handling, and Empathy in the relationship between CRM and customer loyalty.

Customer relationship marketing (CRM) is a strategy that aims to build long-term relationships with customers by meeting their needs and expectations. CRM can enhance customer loyalty, which is the degree of attachment and commitment that customers have towards a service provider. However, achieving and maintaining customer loyalty is not easy in today's world, where customers have more awareness and choice of various products and services. Therefore, service providers need to understand the factors that influence customer loyalty and how CRM can affect those factors.

Previous studies have identified several dimensions of CRM that can affect customer loyalty, such as Trust, Perceived Value, Commitment, Conflict Handling, and Empathy. However, there is a lack of empirical evidence on how CRM affects customer loyalty in the Ethiopian digital satellite television service industry. This study aims to fill this gap by examining the effect of CRM on customer loyalty at MultiChoice Ethiopia (MCE), a company that provides digital satellite television services in Ethiopia under the brand name DSTV.

The results of this study indicate that there is a moderate positive correlation between all relationship marketing dimensions and customer loyalty in the case of MultiChoice Ethiopia. Regression analysis revealed that three out of five relationship dimensions (Perceived value with P-value = 0.016* & R^2 = 0.452; Trust with P-value = 0.034* & R^2 = 0.731; and Conflict Handling with P-value = 0.045* & R^2

= 0.649) demonstrated a significant association with customer loyalty, while Commitment (P-value = 0.089 & R2 = 0.456) and Empathy (P-value = 0.557 & R2 = 0.679) were statistically insignificant.

The Pearson correlation test results showed a positive correlation between the trust dimension and customer loyalty (r=0.446). Similarly, the conflict handling dimension has a positive and high relationship with customers' loyalty (r = 0.562). Empathy also exhibited a positive relationship with customer loyalty, with an R square of 45.17% and a correlation coefficient of 0.446.

These findings support the first two hypotheses that there is a positive relationship between customer relationship marketing and customer loyalty and that customer relationship marketing has a significant effect on customer loyalty. However, not all dimensions of CRM were found to moderate the impact of CRM on customer loyalty. these findings suggest that in order to improve customer loyalty, MultiChoice Ethiopia should focus on enhancing perceived value, trust, and conflict handling in their relationship marketing efforts.

5.2 Conclusion

This study aimed to investigate the influence of relationship marketing on customer loyalty at Multichoice Ethiopia and to examine the effect of each relationship marketing factor (i.e., Trust, Perceived value, Commitment, Empathy, and Conflict Handling) on customer loyalty.

According to the results, it was determined that overall relationship marketing had a significant positive effect on customer loyalty. Concerning the effect of each relationship marketing factor on loyalty, the research finding depicted that Trust positively affected customer loyalty. This indicated that as consumers' trust in the service increased, their loyalty increased significantly. When the impact of Perceived value on customer loyalty was considered, it was concluded that Perceived value had a significant positive effect on customer loyalty. Conflict Handling was found to positively and significantly affect customer loyalty. When the impact of Empathy and Commitment on customer loyalty was considered, it was concluded that Empathy and Commitment had a positive but insignificant impact on MCE's customer loyalty.

5.3 Recommendations

Based on the findings of this study, it is evident that Trust, Perceived value, and Conflict Handling practices significantly affect customer loyalty at MCE. Therefore, it is recommended that MCE should prioritize creating and developing customer trust, demonstrating Perceived value, and implementing effective conflict-handling strategies to gain a competitive advantage in customer loyalty. To maximize the effect of Trust, MCE should keep its promises, consistently provide the promised quality, be honest, and maintain high integrity. MCE should also remain committed to meeting customer needs and maintaining continuous relationships with customers. Additionally, MCE should proactively and timely manage conflicts before they damage the relationship. In general, MCE management should recognize the significant role that relationship marketing plays in influencing customer loyalty and should focus on improving relationship marketing strategies to positively influence customer loyalty. Further research could explore the reasons why commitment and empathy were not found to be significant predictors of customer loyalty in this case.

5.4 Limitations and Directions for Further Research

While conducting this study, several limitations were encountered by the researcher. These included inadequate references and some non-voluntary and inconsiderate respondents to the research questions. Due to time and resource constraints in obtaining accurate data on the population size of the study, the researcher used a non-random sampling method by taking samples from city branches only. Additionally, the study was limited to certain relationship marketing factors. In light of these limitations, further research on this subject is recommended. This could include incorporating additional relationship marketing factors and using samples drawn from different geographic areas of Ethiopia.

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APPENDIX - I

MASTERS OF BUSINESS ADMINISTRATION (MBA) PROGRAM QUESTIONNAIRE TO BE FILLED BY CUSTOMERS

Dear Respondents,

I appreciate your time and participation in this survey. This questionnaire is designed to gather data on the impact of customer relationship marketing practices on customer loyalty. For my research, please complete the attached questionnaire truthfully. Your responses will be confidential, and the survey results will be accessible upon request.

General Instructions:

- You do not need to write your name.
- For questions that have answer options, please tick (X) the suitable box.
- For questions that require your opinion, please try to respond honestly and concisely in the space provided.

Part I

General information

Choose the suitable answer and tick (X) in the box given for each question.

1. Gender:
   a. Male ☐
   b. Female ☐

2. Age:
   a. Below 20 Years ☐
   b. 20-39 Years ☐
   c. 40-59 Years ☐
   d. 60 years and above ☐

3.Education Qualification:

    a.   Primary

    b.   Secondary

    c.   Diploma

    d.   Degree

    e.   Postgraduate

    f.   Others

4. Occupation:

    a.   Government Sector

    b.   Student

    c.   Others

    d.   Private Sector

    e.   Own Business

5. For How Many Years Have You Used MCE Services?

    a.   Below 1 Year

    b.   1-3 Years

    c.   3- 5 Years

    d.   5-7 Years

    e.   Above 7 Years

Part II:

Please, indicate your opinion by marking (X) in the following table on the five-point scale.

No	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Trust						
1	I believe that Multichoice Ethiopia has my best interests in mind.					
2	I feel confident in Multichoice Ethiopia's ability to provide reliable products and services.					
3	Multichoice Ethiopia has consistently met my expectations in the past.					
4	I trust Multichoice Ethiopia to keep my personal information secure.					
5	I trust Multichoice Ethiopia to be transparent and honest in its dealings with customers.					
6	Given my experience, MCE can be trusted Completely.					
Perceived value						
7	The quality of the products and services provided by Multichoice Ethiopia is high.					
8	I receive good value for the money I spend on Multichoice Ethiopia's products and services.					
9	Compared to its competitors, Multichoice Ethiopia offers better value for money.					
10	As a customer of Multichoice Ethiopia, I receive additional benefits or perks.					
11	Multichoice Ethiopia offers a good balance between price and quality.					
Commitment						
12	I am likely to continue using Multichoice Ethiopia's products and services in the future.					

13	I have never considered switching to a different provider of similar products or services.					
14	My relationship with Multichoice Ethiopia is important to me.					
15	There are specific aspects of Multichoice Ethiopia's products or services that make me particularly loyal to the company.					
Conflict handling						
16	If I had a conflict or complaint with Multichoice Ethiopia, I am confident that it would be resolved satisfactorily.					
17	Multichoice Ethiopia takes customer complaints seriously and works to resolve them effectively.					
18	The customer service provided by Multichoice Ethiopia in terms of handling conflicts and complaints is excellent.					
19	Multichoice Ethiopia has effective procedures in place for resolving conflicts and complaints.					
20	I am confident that any conflicts or complaints I have with Multichoice Ethiopia will be resolved in a timely manner.					
Empathy						
21	Multichoice Ethiopia listens to my needs and concerns as a customer.					
22	Multichoice Ethiopia provides personalized products or services that meet my individual needs.					
23	Multichoice Ethiopia understands my preferences and requirements as a customer.					
24	Multichoice Ethiopia values my feedback and takes it into account when making decisions.					
25	Multichoice Ethiopia shows an interest in building a long-term relationship with me as a customer.					

	Customer Loyalty					
26	I have recommended Multichoice Ethiopia's products or services to others in the past.					
27	I am likely to continue using Multichoice Ethiopia's products or services in the future.					
28	There are specific aspects of my relationship with Multichoice Ethiopia that make me particularly loyal to the company.					
29	I have a strong sense of loyalty toward Multichoice Ethiopia.					

Thank you