



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICE: THE
CASE OF DASHEN BANK S.C IN ADDIS ABAB CITY**

**BY
KASSAHUN H/MARIAM GIZAW**

**JUNE 2019
ADDIS ABABA, ETHIOPIA**

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

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APPROVED BY BOARD OF EXAMINERS

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DECLARATION

I hereby declare that **The Assessment of Customer Relationship Management practice. (The Case of Dashen Bank)** project is wholly the work of **Kassahun Hailemariam Gizaw**. I have carried out the present study independently with the guidance and support of the research advisor, **Getachew Habtamu (PhD)**. Also any other contributors or sources have either been referenced in the prescribed manner or are listed in the acknowledgements together with the nature and the scope of their contribution. And the study has not been submitted for award of any Degree or Diploma Program in this or any other Institution. It is in partial fulfillment to the requirement of the program Master's Degree business administration.

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St. Mary's University, Addis Ababa

June 2019

ENDORSEMENT

This is to certify that Kassahun Hailemariam Gizaw has carried out his research work entitled “Assessment of Customer Relationship Management Practices the Case of Dashen Banks in Addis Ababa” under my supervision. This thesis has been submitted to St. Mary’s University, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

Signature

St. Mary’s University, Addis Ababa

June 2019

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ACKNOWLEDGEMENTS

First and foremost, I wish to thank the almighty God for the strength, guidance and the abundant Grace he gave me throughout the course and the completion of this thesis.

The completion of this study would have not been realized without the help of others and I would like to take this opportunity to thank everyone who helped me with this thesis. First I would like to express my thanks and appreciation to my advisor Getachew Habtamu (PhD), his guidance me with full effort even if sometimes face different challenges, continual advice, patience, vast knowledge, and critical review of the thesis.

A great thanks and special gratitude is addressed to all managers and bank customers in Dashen bank because of giving me a great opportunity and cooperation to conduct my research. Without their kind cooperation, this study would not have been complete and became a reality.

Last but not least, I would like to forward my warm appreciation to my friends Ato Haile Mariam mamo for their contribution in editing, structuring the overall view of the thesis, and more importantly, their moral support throughout the whole process of the thesis.

ACRONYMS

CMWF:	Construction manufacturing working factories
CRM :	Customer relationship management
DB :	Dashen bank
DMTS :	Domestic trade and service
IMPT :	Import

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ABSTRACT

This research has been studied customer relationship management practices in Dashen bank in Addis Ababa, Ethiopia. Customer relationship management as a strategy has gained tremendous interest among researchers and practitioners in recent times. Thus, the study tries to assess the status and ways CRM has been put in to practice by Dashen bank. The researcher primarily focused to assess the current practice of customer relationship management in Dashen bank. The current practices of customer relation management (CRM) focus on five important dimensions to assess the current practice such as knowledge of CRM, Technology, data quality and quantity, investment and involvement of top management. To achieve the objective of the study, primary data were collected through questionnaire from, employees and from the interview which formulated to the top management of Dashen bank, Addis Ababa, Ethiopia. These respondents selected by using stratified random sampling techniques and drawn the respondent by using simple random sampling method. The data collected through questionnaire were analyzed using descriptive statistical analysis method and SPSS as a tool of data analysis. In addition to the above findings, the common challenge of bank was network interruption and system development. The finding also suggests some measures which can be taken in to consideration in order to enhance CRM practices of Dashen banks. The study also clearly revealed that the five CRM dimensions are strongly related. Thus, from customers as well as management bodies, CRM has a significant influence on customer retention of the Dashen banks. Generally speaking Dashen bank is in need of doing a lot of CRM based customer focused practices. However, in implementing CRM in to practice, the Dashen banks had their own gaps. Based on the findings of the study, the researcher forwards some recommendations as; continuous supervision on the quality of services, provision of training to employees, and recurrent research on customer needs may help the banks to achieve their objectives.

Key word: CRM, Knowledge of CRM, Technology, Data, Investment, Top management involvement.

CHAPTER ONE

INTRODUCTION

This chapter presents the background of the study, statement of the problem, research questions, objective of the study, definition of terms, significance of the study and delimitation/scope of the study.

1.1. Background of the Study

Customer relationship management (CRM) has been in use for only a few years. It is focused on the development of customer centric business culture in other words to win and keep customers by creating and delivering better value to their customers than their competitors do (Berndt and Tait, 2013).

CRM technology includes all computer technologies that are used by organizations to build long term and strong relationship with their customer (Mohammed, Rashid and Tahir, 2014). CRM technology is important strategic tool of an organization to attain success in CRM application owing to the basic structure of information technology and information from customer's database (Bavarsad and Hosseinipour, 2013). The other is knowledge of CRM; this factor is dealt with people or the company's administrators who are involved in drawing up the policies and driving CRM into success. The staff is required to be familiar with and to comprehend the CRM and organizational strategies and vision and also be informed of the customer-oriented services' values and the consequences of the building and maintaining good relationship between customers and organization (Bavarsad and Hosseinipour, 2013).

Management commitment and leadership is the other important factor. The leaders' role has to be facilitator for implementing CRM. Effective Leadership skills result in CRM success. Innovative managers works with his team, makes decisions by consulting his team, whilst still maintaining control of the group as well as appreciate all the feedbacks in the organization related with CRM implementation and strategies and tries to integrate people into it (Pokharel, 2011).

The other factor which influences adoption of CRM is data. Building relationships with customers requires data on the customer. If data is to be used, it has to be clean and timely, and the impression is gained that organizations have extensive data on their customer's. Therefore, investigating the challenge of CRM practices that were the foundation of this research ground.

There are a number of challenges facing in Dashen bank during the application of Customer Relationship Management during implementation. Therefore, the basic aim of this research paper deals with identifying the challenges of customer relationship management implementation during the practice in Dashen bank and set the recommendation after made further analysis.

1.2. Statement of the Problem

According to Payne (2005) there are five major challenges that affecting the implementation of CRM during in practice namely lack of knowledge, inadequate investment, poor data quality and quantity, lack of leadership and top management, and technological related problems. During the implementation of customer relationships management (CRM) in practice at Dashen Bank S.C still faces a challenge to run the service and products effectively.

In line with this, the Mission of Dashen Bank is to provide efficient and customer focused domestic and international banking services by overcoming the continuous challenges for excellence through the application of appropriate technology (Dashen Bank, 2014/15).

The excellence of customer relationship management practice through applying modern technology there is the challenges such as ,the current existing Dashen bank information technology system is poor for support of the customer relationship management strategy ,the information systems are not designed to a complete data all aspect of its customers, Dashen bank for successfully applied customer relationship management it needs develops new technology that support utilities for manipulating and analyzing data about customers however, currently it not operate in that way, Dashen bank doesn't maintain complete data base about customers due to this affects to develop effective customer relationship management practice. Management commitment is support CRM implementations through generating an organizational environment that acknowledges CRM as an important element of business strategy and by involving in activities that demonstrate their commitment to CRM implementation.

A lack of top management involvement and leadership of CRM activities is one of a challenge to success CRM in practice , in Dashen bank the involvement of leadership ship and top management for effective implementation of customer relationship management in practice there is face the challenges such as, the top management provides a poor guidance for building and maintaining customer relationship as a major goal of the bank, top management poor supports of the Customer relationship management by providing the

necessary training to employees who works to support customers and work hard to install important technological tools.

Gaining adequate funding for implementation of CRM practices is an important issue for organizations to achieving its goal, in Dashen bank adequate investment for implementation of customer relationship management in practices are very important but there are the challenges such as, it doesn't has adequate resource and time in managing customer relationship, the poorly allocates budget for customer relationship management activities timely.

Customer relationship management is a process consisting of monitoring clients, collecting proper data, management and evaluation of data and finally real advantage of extracted data in their interactions. When comes to Dashen banks for implementation of customer relationship management there is a challenge regarding to data quality and quantity these are, not uses modern technologies to collect customer data, doesn't makes a periodic checking and real time updates of customer data, there are problems in collecting customer data from customers and other sources.

Regarding to developed the Knowledge of CRM practices it needs knowing and understanding of customers need properly with respect, however, in Dashen bank for effective implementation of customer relationship management practice there is a challenges such as, poor knowledge of Customer relationship management practices with apply technologies and applies in all CRM processes. Knowledge of Customer relationship management requires knowing and understanding customers need and serves them properly with respect but in existing customer relationship management there is a gap of knowledge of customer relationships management. Inadequate customer relationship management (CRM) will result in loss of customers and additional cost incur. Thus, using sound customer relationship management methods and performance evaluation will increase effective customer relationship management.

The problem initiated the researcher to further investigate the customer relationship management practice in Dashen Bank and give recommendation and suggestion to the Dashen bank.

1.3. Research Questions

1. Do employees of the bank have adequate knowledge regarding Customer relationship Management?
2. Does the bank have adequate of Technology in regarding of Customer relationship management?
3. Does the bank have quality and quantity data regarding of customer relationship Management?
4. Does the bank have adequate investment regarding of Customer relationship management?
5. Does leadership and top management involvement regard of Customer relationship management?

1.4. Objectives of the Study

1.4.1 General Objectives

Generally objective of the study was investigate the implementation and practices of CRM (Customer Relationship Management) in Dashen Bank and to show the impact of Customers Relationship Management.

1.4.2 Specific Objectives

Specific objectives of the study are the following:

1. To assess the employees of the bank, have competent knowledge and expertise or not regarding to customer relationship management.
2. To assess the bank owns adequate technology or not regarding to customer relationship management.
3. To assess the bank has adequate data quality and quantity or not regarding customer relationship management.
4. To assess the bank has adequate investment or not regarding to customer relationship management.
5. To assess the leadership and top management involvement regarding to Customer relationship management or not.

1.5. Significance of the Study

- To Dashen Bank S.C of Ethiopia, other commercial banks and other private sector, it will provide the information them regarding the customer relationship management practice and its challenges in the bank industry.
- The study's findings and recommendation are important to the managers and top managements of the bank. Because it will draw their attention to some of the point where corrective action needed and enable them to make such correction.
- Furthermore, this research will be presumed to enrich the knowledge of the reader on dimension of customer relationship management practices in the banking industry; which will in turn give a way for other researchers to conduct detailed researches on the topic.

1.6. Definition of Terms

Customer relationship management (CRM): is a business strategy that can maximize the profitability and revenues for a company as well as customer satisfaction by organizing around customer segments.

Bank: is financial intermediary and money creator that creates money by lending money to a borrower, thereby creating a corresponding deposit on the bank's balance sheet.

Customer: is the recipient of a good, service, product, or idea, obtained from a seller, vendor, or supplier for a monetary or other valuable

Bonding: is defined as the dimension of a business relationship that results in two parties (the customer and the supplier) acting in a unified manner toward a desired goal.

Trust: is belief or conviction about the other party's intentions within the relationship.

Reciprocity: is the dimension of a business relationship that enables either party to provide favors or make allowances for the other in return for similar favors or allowances to be received at a later date.

Empathy: is the ability to share, understand and feel another person's feelings in a relational situation.

Responsiveness: is the willingness to support customers and provide them immediate services right on demands. These insert to before chapter one, I will insert after received your comment.

1.7. Scope of the Study

CRM practices are measured under different dimensions, for this study, the relevant dimensions that trust, reciprocity, empathy, bonding and responsiveness are examined. The target groups of the population were taken from employees of the selected groups such that corporate department, Districts CRM, medium level branches managers and special branches managers that engaged in customer relationship management practices.

Dashen Bank S.C operation operates with twelve districts such as eight up country district and four Addis Ababa district. It was a difficult task to cover all districts in this study due to geographical location, time and financial constraints. The research is, therefore, limited to branches of Dashen Bank in Addis Ababa, the four district offices, medium branches, one special branch and the corporate office.

1.8. Organization of the Research Report

This study was categorized into five main chapters. Chapter one dealt with the introduction part, which includes background of the study, statement of the problem, research questions, objectives of the research, significance and scope of the study, definition of terms and organization of the research paper. Chapter two goes through the review of related literatures, with a focus on the theoretical and empirical literature. While, chapter three provides detail information on the methodology used by the study, which includes the research design, population of the study, type and source of data, method of data collection, validation and reliability of instrument, and research ethical consideration. Data analysis and interpretation of Pact Ethiopia fund management practice were discussed under chapter four. Finally, chapter five dealt with summary of findings, conclusions, recommendations and limitation of the research so far identified.

CHAPTER TWO

REVIEW OF LITERATURE REVIEW

The literature review was organized in order to present an overview of similar literatures, journals, the internet, books and other materials on the subject matter. This chapter is highlighted the theoretical and empirical aspects of literature.

2.1 Theoretical Literature Review

2.1.1 Customer Relationship Management

Different organizations define CRM differently (Chopra et al., 2012). According to Blery and Michalkopoulos (2006) it is defined as the utilization of customer-related information or knowledge to deliver relevant products or services to customers. Another definition describes CRM as a simple philosophy that places the customer at the heart of a business organization's processes, activities and culture to improve his satisfaction of service and, in turn, maximize the profits for the organization (Agarwal, 2009).

Rouholamini and Venkatesh (2011) says the relationship between banking and CRM practices is such that nowadays it is almost impossible to think of the former without the latter. This indicates that they are inseparable.

It has been observed by Blery and Michalakopoulos (2006) that CRM helped the bank to come closer to its customers and emphasis was given to customers instead of sales. Also, added that, Customer Relationship Management is, above all, about building a relationship with your most valuable customers. Moreover, stated that CRM involves a concerted effort to improve customer identification, acquisition, and retention in addition to this; it aims to improve customer satisfaction, boost customer loyalty, and consequently increase revenues from existing customers. Thus, CRM involves new and advance marketing strategies which not only retain the existing customers but also acquire new customers. Therefore, maintaining good CRM practice helps to retain existing customers and attract potential customers of the bank.

The first step towards successfully winning, retaining and growing the profitability of private banking customers is to understand what their wants and needs are so the organization can be built around serving those needs. One of the original big ideas in marketing is that for firms to stay in existence, they should not focus on selling products but rather on fulfilling needs. To do this you need to know your customers well enough to determine what kind of relationship they want to have. In other words, successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing

these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes (Agarwal, R.2009).

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

2.1.2 Benefits of CRM

According to Milovic, (2012) due to the highly competitive market in the banking sector, it is very difficult for banks to differentiate themselves from the competition because the services that they offer are very similar, which leaves the customer interaction as a way to distinguish the bank from the competition and the same goes for insurance companies. Customers usually choose a bank based on its location or how close it is to the customer's home or work place. Competitive pressure and dynamic market have contributed to the development of CRM in the financial sector. CRM solutions for Banking provide multi-channel communication with customers in a consistent and efficient manner. This distinguishes the bank from its competitors and provides the most efficient data collection, unified view of each client, enhanced decision making, product design and sales. Together this allows banks to know their clients and to make the most efficient use of customer interactions across multiple channels. CRM solution also allows the increase of revenue through customized sales and customer service interactions, which allows banks to respond to new customers, products and markets faster and easier. CRM will improve customer satisfaction and enable a better organization for banks with high quality services, better analytics, segmentation and targeting. All these results will not be achieved simply by purchasing and implementing CRM solutions. Using a Customer Relationship Management system allows businesses to attain many objectives:

Streamlined sales and marketing processes

- Higher sales productivity
- Added cross-selling and up-selling opportunities
- Improved service, loyalty, and retention
- Increased call center efficiency
- Higher close rates
- Better profiling and targeting
- Reduced expenses

- Increased market share
- Higher overall profitability
- Marginal costing
- Integration of primary business activities
- Tracking of all customer interactions
- Storage of customer data in a single database
- Support of customer life cycle.

2.1.3 Private banking and CRM practice

According to Oogarah-Hanuman et.al (2011), customer relationship management has been as important to the banking industry at the start of the 21st century as it has been to any other industry. Chothani et al. (2010) described that private banking sectors are traditionally viewed themselves as exceedingly 'customer centric' offering what they believe to be highly personalized services to the high net worth Customers. The private sector Banks seem to have satisfied its customers with good services and they have been successful in retaining their customers by providing better facilities than public sector banks though still private banks need to go a long way to become customer's first preference.

Customer Relationship Management (CRM) builds on the philosophy of relationship marketing that aims to create, develop and enhance relationships with carefully targeted customers to maximize customer value, corporate profitability and thus shareholders value. The goal is to improve customers' experience of how they interact with the company, which hopefully will turn into more satisfaction, increased customer loyalty and a long-run increase in profitability. The technology dimension of CRM which has often been used as the main distinguishing feature between CRM and RM serves only as an enabler thus making the distinction between CRM and RM hazy, nebulous and imperceptible especially when the 'customer' is used in the strict sense as the final beneficiary of the firm's output. Equally noteworthy is the fact that RM in the strict sense of its effective contemporary practice cannot dispense with technology or technology solutions.

Customer Relationship Management (CRM) derives its roots from relationship marketing which is aimed at improving long run profitability by shifting from transaction based marketing, with its emphasis on winning new customers, to customer retention through effective management of customer relationships (Christopher, Payen, and Ballantyne, 1991:42).

2.1.4 Breakdown of customer relationship management

CRM has been a part of marketing literature since more than a decade (Das and Garg, 2010). However, marketing strategies both influence and are influenced by consumers' affect and cognition, behavior and environment. Therefore, to achieve its marketing strategy it helps to use CRM as a strategy which enables the banks to analyze the customer profiles, to direct their needs to the potential profitability areas and establish the necessary actions to achieve customer satisfaction, competitive advantage and thus the profitability (Ogbadu and Usman, 2012).

Business strategy designed to help enterprises meet the expectations of their existing or prospective customers and build a strong business relationship with them over time. In addition to the above strategy Chary and Ramesh (2012) also added that the major objective-meaning of CRM is "to turn current and new customer into regularly purchasing clients and then to progressively move them through being strong supporters of the company and its products and finally being active and vocal advocate for the company in the market.

Das (2009) described that any discussion on RM would be incomplete without referring to CRM. Some of the researchers have used both the terms almost interchangeably (Sin et al., 2005 cited in Das, 2009). Therefore, to describe their similarities, Agarwal (2009) says that customer relationship management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and the organizations. Whereas, Lindgreen (2011) explained to relationship marketing as it is focused in establishment, maintaining, and enhancing relationships with customers and other partners at a profit so that the objectives of the parties involved are met. From the above explanation we can see that the definition and objective of customer relationship management and relationship marketing are almost related each other. This is therefore, the model developed by Lindgreen (2011) to classify the various disciplines in RM has been adapted & modified to use as CRM model. Lindgreen's model is also used by Kallol Das (2009).

With regard to objectives of CRM, it has been defined in terms of customer satisfaction, customer delight, customer share, customer retention, and loyalty. All of these represent the attainment of ongoing relationship development objectives. Regarding defining constructs, CRM has been characterized in terms of trust, commitment, cooperation, communication, share values, conflict, power, non-opportunistic behavior and interdependence. With regard to instruments, CRM has achieved its objectives through direct marketing, database

marketing, quality management and the like. In addition to the above breakdown of CRM, there were a lot of research papers in the online databases pertaining to privacy, cultural impact, impact of gender, impact of technology, impact of societal marketing, and others that were classified as issues as they represented topics which will be directly impacted by or having an impact on CRM (Das, 2009).

2.1.5 Customer retention

Customer retention is increasingly thought of as an important managerial issue, especially in the context of saturated market or lower growth of the number of few customers (Ghavami and Olyaei, 2006). Cohen et al. (2006) have noted that customer retention is potentially an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment. Thus, organizations need to focus on existing customers in order to ensure that they continue purchasing and continue supporting the product (Berndt et al.2005). Thus, at this time, close relationship with customers will require a strong coordination between banks and its marketing departments to provide a long-term retention of selected customers (Chary and Ramesh, 2012).

Rust and Zahorik (1993) as cited by Cohen et al. (2006), the financial implications of attracting new customers may be five times as costly as keeping existing customers. Doing so significantly helps to reduce the cost of the organization. According to Rouholamini and Venkatesh (2011), several research show that customer acquisition costs 5 to 7 times higher than customer retention costs. Thus, since revenues increase with incremental improvements in customer retention, the ultimate goal of a professional services firm should be to retain customers.

However, this is only achieved when you are providing excellent customer service, which then turns in to Customer loyalty (Ghavami and Olyaei, 2006). Thus, retaining an existing customer has beneficiary to the organization than attracting new once. Villanueva and Hanssens (2007) citedby Parker et al. (2009) clearly stated the following five customer retention benefits. Those benefits are: -

1. It is cheaper to retain customers than to acquire them.
2. The costs of serving long-life customers are less than those of serving new customers.
3. Long-life customers improve the reputation of the company and attract new customers through word-of-mouth advertising.

4. Long-life customers are less price sensitive than new customers and are therefore more willing to pay higher prices in some cases.
5. Long-life customers are more likely to buy more from the company, so the company can increase their share-of-wallet through up-selling and cross-selling.

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

2.1.6 Customer loyalty

Customer loyalty, as we conceptualize it, focuses on a customer's repeat purchase behavior that is triggered by a marketer's activities (Hennig-Thurau et.al, 2002). Therefore, loyalty is the result of developing past passive experiences with an individual and having that person returned back to your various times due to these experiences (Ghavami and Olyaei, 2006). Cultivating loyal customers is frequently argued to be the single most important driver of organizations' long-term financial performance, which can lead to increased sales and customer share, lower costs, and higher prices (Alrubaiee and Al-Nazer, 2010).

The rationale behind CRM is that it improves business performance by enhancing customer satisfaction and driving up customer loyalty (Roberts-Lombard, 2011). Thus, loyalty leads them to retain with the organization. Customer retention improves profitability principally by reducing costs incurred in acquiring new customers (Cohen et.al, 2006). Therefore, we can say that they are faithful to the business because of their return again & again to do business with the organization.

2.1.7 Customer satisfaction

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

behavior that demands a complete range of products and services under one roof in order to optimize their satisfaction (Chopra et.al, 2012).

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

2.1.8 Customer experiences

The only real sustainable business growth strategy is through a mutualistic symbiotic relationship with customers, which allows the business to understand the customers' needs more clearly and to create and deliver superior value (Roberts-Lombard, 2011). In service industry especially private banks, the secret towards successfully winning, retaining and growing the profitability of private banking customers is to understand what their wants and needs are, so that the organization can be built around serving those needs (Chothani et al., 2010). In addition to this, Boulding et.al (2005) has also added that an underlying premise of CRM is that customers have different needs, and thus the firm should treat them differently. Therefore, to mention some, customers are needed advice and expertise which is directly related to their needs, consistent quality service, value added advice and others.

2.2 Empirical Literature Review

Regarding earlier related studies, there are few studies which are carried out on the factors affecting CRM of which the researcher will discuss some of them.

Among the studies on the industry (The Banking Industry), a study by Nebyou (2014) as a Master's Thesis was reviewed. The purpose of the study was to identify the challenges of adopting customer relationship management by Commercial Bank of Ethiopia. The findings of the study identified budget related challenges, technological related challenges, skill

related challenges, lack of adequate involvement from the top management side, lack of quality data, and the lack of understanding the benefits of CRM by the bank's employees. Of all, budget and technological related problems are the most serious and affecting the adoption process significantly.

A study conducted by Fakhri, Navid and Maroofi (2013) to identify factors affecting Customer relationship system identifies that, relationship market orientation to consumer, CRM strategy, Information technology, Knowledge management, organizing, and technology and communication channel influence customer relationship management.

Similarly, Bavarsad and Hosseinipour(2013) studies were reviewed and the aim of the study was to identify factors influencing CRM. And the study reveals that Management's Commitment, Human resource knowledge, information technology, knowledge of CRM influence on CRM.

Another study was conducted by Usman and Mahina (2016) with the title of "the assessment of Customer Relationship Management System by Commercial Banks in Nigeria and Its Effects on Customer Retention" and the aim of the study was to determine the factors that affect the adoption of CRM strategies in Nigerian banks. And the study found out that the adoption of CRM ensures the professional behavior of the employees of the bank and developed and improved new products for the customers. Regarding CRM adoption challenges, highly rated included need for further training of IT staff to efficiently operate the CRM systems.

Mehta (2013) conducted a research on critical success factors for successful customer relationship management; the study analyzes the critical success factors of customer relationship, based on research of the previous studies in western countries, and the researcher found out that, the implementation of customer relationship management require relevant business departments to work cooperatively as one integral component, all the business process should be customer oriented. The other finding of the study is, human factor is a sensitive and complex issue that any information system has to address. The study also found out that, without the communications and understanding of senior managers, the customer relationship management project always leads to failure.

A study conducted by Arab, Selamat, Ibrahim and Zamani (2010) with the title "a survey of success factors for customer relationship management". In order to identify the success factor for CRM, the researchers use previous related literature, like journal and books. And the

researchers found twenty success factors. And the factors are grouped in to three: the process component, the human component and the technological component.

The process component dominated seven success factors: marketing, sales, services, define and communicate CRM strategy, customer involvement, personalization process, time and budget management.

The human component has two parts: the client aspects and the organizational aspects. Value, satisfaction, and retention and loyalty are categorized into the client aspects.

The organizational aspect has three sub-categories. Change in culture and no culture conflict is categorized into the culture category. Skillful staff and consideration of employee's importance are categorized into the role played. Top management commitment and support, define and communicate CRM strategy, assurance of top management commitment for CRM are categorized into the managerial level.

The technological component dominated six factors: sales force automation (SFA), software for CRM, data warehouse and data mining, help desk, call centers, internet influence.

2.3 Conceptual framework

2.3.1 The cause of challenges CRM practices

The banking industry is facing an ever-increasing level of competition around the world as the dynamics of the business change (Pokharel, 2010). Therefore, any bank that wishes to either grow in size of its banking operation or improve its profitability must consider the challenges affecting its customer relationship management.

CRM is a sound business strategy to identify the bank's most profitable customers and prospects and devotes time and attention to expanding account relationship with those customers through individualized marketing, reprising, discretionary decision making, and customized service through the various sales channels that the bank uses. Despite many benefits, CRM is exposed to various problems as discussed in the following lines (Chary and Ramesh, 2012).

1. Building and maintaining a customer database require a large investment in computer hardware, database software, analytical programmer's communication links and skilled personnel.
2. It is difficult to collect the right data, especially to capture all the occasions of company interactions with the individual customers.

3. The difficulty of getting everyone in the company to be customer-oriented and to use the available information. Employees find it far easier to carry on with the traditional transaction marketing than to practice CRM.
4. The other problem is that not all customers want a Relationship with the company and they may resent knowing that the company has collected that much personal information about them.
5. Marketers must be concerned about customer attitudes towards privacy and security

Studies have been made to identify the CRM's important components. In this respect, Buttle (2014) cited in Bavarsad and Hosseinipour (2013) named four factors having impact on the chain values of CRM practices including people, leadership and organizational culture, data and Information Technology (IT) as well as process. According to Chen and Popovich (2003) cited in Bavarsad and Hosseinipour (2013), the key factors for CRM practices include technology, people and process. In addition, Pokharel (2011) summarized the challenges faced by many of the banks whilst implementing CRM practices which include, Getting management sponsorship, quality of customer data, alignment issue (alignment of people and processes), lack of skilled people, determining the right time for customer needs, using customer data more intelligently, incorporating customer data and customer preferences to the customer database, using right technologies.

In this paper the researcher will make surveys about the factors which challenge of CRM practices in the Dashen Bank.

2.3.1.1 Technology

CRM technologies enable an organization to present a single point of contact to its customers. This point of contact retains the previous interactions of the customer with the organization and uses this information to tailor its future interactions (Shainesh and Sheth, 2014).

According to Buttle (2014) a key consideration in effective CRM is the way in which the system is constructed, or the 'architecture'. Unlike purely internal systems, CRM systems must be able to operate in the office, out of the office and over the web. They must tie together multiple communication channels, each using very different technologies (web, e-mail, telephone), and they must perform well enough, and be flexible enough, to suit a constantly changing, potentially growing user community.

CRM applications take full advantage of technology innovations with their ability to collect and analyze data on customer patterns, interpret customer behavior, develop predictive models, respond with timely and effective customized communications, and deliver product and service value to individual customers. Using technology to “optimize interactions” with customers, companies can create a 360-degree view of customers to learn from past interactions to optimize future ones (Chen and Popovich, 2003).

2.3.1.2 Knowledge of CRM

It is hard to overestimate the importance of people to the success of CRM. People design and implement the CRM strategy, they use CRM software to help them run campaigns and events, and to sell to and service customers. Further, basic human skills such as showing empathy and responding are vital to delivering excellent experience in interaction with customers (Buttle, 2014).

To the implementation of CRM, lack of knowledge in establishing and utilizing the new IT-based CRM system are the major barriers. In a large-scale CRM implementation project, technically knowledgeable people always are important part. In operating the CRM especially some new systems, though more and more enterprises realized the importance of employee’s knowledge, the most of enterprise’s executives still relied on vendor training to ensure the employee’s knowledge. But actually, the training method is not the only way and not always powerful. So, the employee’s CRM skills need to enhance in order to ensure the CRM’s success (Payne 2006, 336

2.3.1.3 Data quality and quantity

According to Payen(2005), organizations at different stages of CRM development experience different issues with respect to data quality and data quantity. For companies at an early stage of CRM development data quality is a key issue. The extent of data quality problems and the amount of work necessary to remedy them surprised many managers. More advanced companies tend to have undertaken data cleansing and De-duplicating; for these organizations data quantity is a greater problem than data quality.

Customer relationship management is a process consisting of monitoring clients, collecting proper data, management and evaluation of data and finally real advantage of the extracted data in their interactions (Amir, Yousef and Asma, 2014).

2.3.1.4 Adequate investment

Gaining adequate funding for CRM requirements is an important issue for organizations, particularly as many of the projects expanded dramatically in cost and sometimes in scope. Some organizations had overcome the problem of funding by adopting what was referred to as a 'quick wins' approach. By structuring their CRM implementation projects to deliver quick wins and visible benefits at incremental stages, such as improvements in customer service or higher response rates to campaigns, they were able to demonstrate immediate progress and returns. This helped to improve internal buy-in and motivate other parts of the business to extend the CRM Systems within their own areas (Payen, 2005).

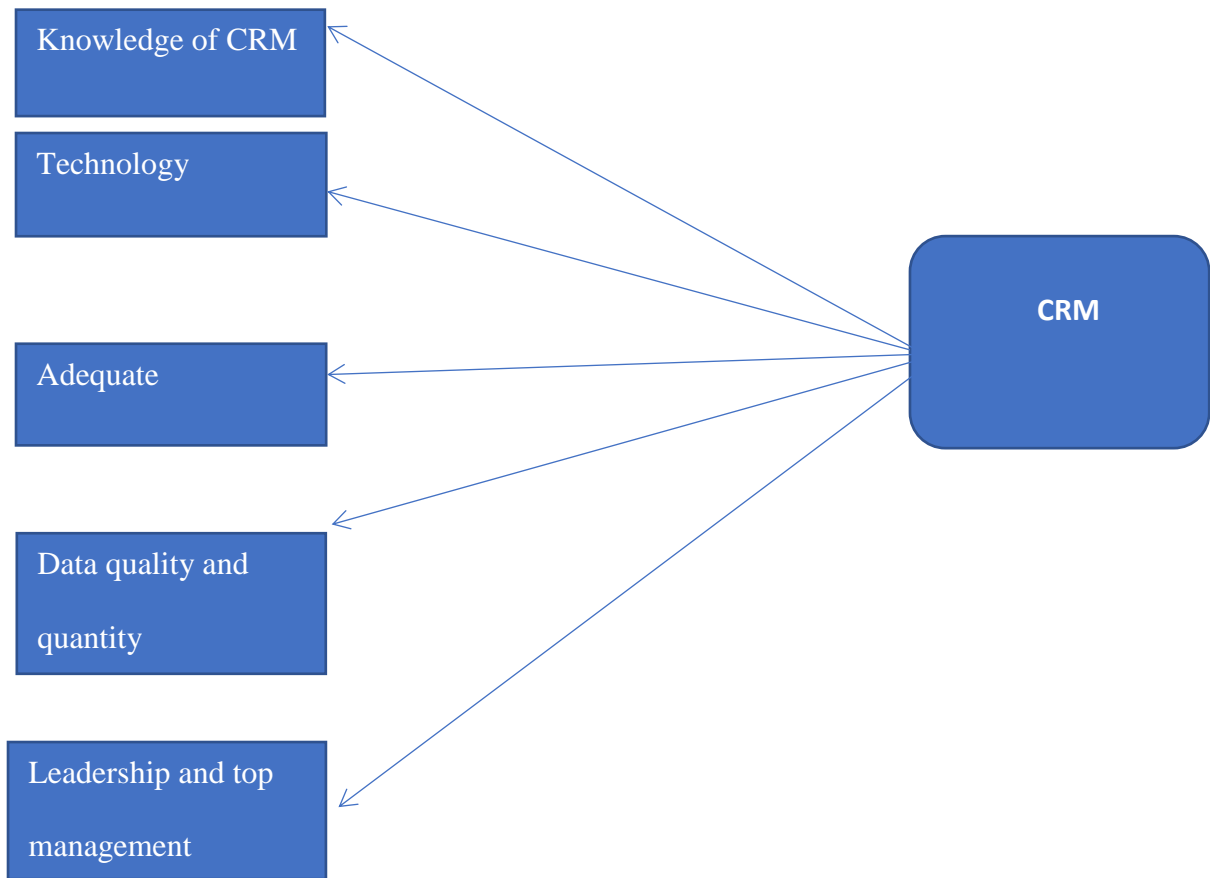
2.3.1.5 Leadership and top management involvement

According to Bavarsad and Hosseinipour, (2013) stated that management commitment is support CRM implementations through generating an organizational environment that acknowledges CRM as an important element of business strategy and by involving in activities that demonstrate their commitment to CRM implementation.

A lack of top management involvement and leadership of CRM activities is a further barrier to CRM success. Enlightened CEOs should view themselves as 'chief customer officer' also. Their role is to ensure a high level executive, ideally at Board level, acts as a sponsor and champion for the company's CRM activities and that the importance of transforming the company's relationships with customers through CRM is understood and shared by the Board and senior management (payen, 2005).

Top management support is positively linked to CRM impact and their plan has been identified in almost all success factors studies as a crucial factor that ensures the successful implementation of CRM. The CRM manager and related staff should be trained about the concepts of CRM and how to apply them to their day-to-day works. Top managers must define clear CRM strategy and alignment of this strategy to the company's strategy and make sure that the organization managers also use CRM system. There is a role of those in the top management positions to sell and to convince those under their supervision, of the results and benefits of the CRM strategy (Arab, Selamat, Ibrahim and Zamani, 2010).

2.3.2 Conceptual Framework



Source: Based on Bavarsad and Hosseinipour, (2013)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents how the study was conducted using the appropriate research tools, which includes questionnaires and interviews. In order to achieve the objective of the study this chapter and deals with research design type of data source, sampling techniques, data collection methods and data analysis method.

3.2 Research Approach and Design

According to Pandey and Pandey, (2015) the research followed the quantitative and qualitative approach in which responses are given numerical values (quantitative) and personal judgment (qualitative) for objective analysis purpose. A research design is simply the framework or plan for a study that used as a guide in collecting and analyzing the data. It is a blueprint that is followed in completing a study. Research design is the blue print for collection measurement and analysis of data. Actually, it is a map that is usually developed to guide the research.

This research is descriptive analysis and assessed the current practice of the Dashen bank with regard to customer relationship management (CRM) practices. The researcher was collecting the data from target groups and analyzed it in order to explain the relationship between the dependent variable and the independent variables and customer relationship management practices (CRM)). The independent variables of customer relationship management were: Technology, knowledge CRM, Data quality and quantity, adequate investment, Leadership and top management involvement. The dependent variable of this research was customer relationship managements (CRM). In addition to the above variables the researcher used five customer relationship management dimensions through distributed questionnaires' to the target customers related to the questions arise in independent variables. These dimensions were trust, bonding, empathy, responsiveness and reciprocity.

3.3 Sampling Design

Stratified Random Sampling is one a probability sampling procedure in which simple random sub-samples are drawn from within different strata that are more or less equal on some characteristics (based upon visible or easily identifiable characteristics). It is of two types' strata,

Proportionate stratified sampling is the number of sampling units drawn from each stratum is in proportion to the population size of that stratum. Disproportionate Stratified Sampling is the number of sampling units drawn from each stratum is based on the analytical consideration, but not in proportion to the population size of that stratum (Kumar, 2011).

Choosing the research participants, it could be said that, in this study, stratified random sampling techniques were applied in determining the participants that were enable the researcher to answer the research questions and to meet the research objectives. Since each stratum is more Homogeneous than the total population, we are able to get more precise estimates for each Stratum and by estimating more accurately each of the component parts; we get a better estimate of the whole. In brief, stratified sampling results is more reliable and detailed information , so in this study the population were divided into strata’s of South Addis Ababa district, North Addis Ababa district, West Addis Ababa district ,East Addis Ababa district and Head offices then to select the appropriate sample from the customers under each strata by using simple random sampling methods.

Table 3.3.1 Sample size from Dashen bank target Employees

Population (Group)	Population Size	Sample Size
Branch Managers and customer service managers in four districts	100	100
Senior Customer Relationship managers at corporate level	13	13
Customer Relationship Managers at four district level (north district, south district, west district and east district)	20	20
Main Branch (Special branch) officers	13	13
Customer Relationship Officers at four districts at branch level (grade 3&4 branch)		
Total sample	146	146

Source: Survey Data (2019)

The study followed descriptive research method through the stratified random sampling method that engaged from both Managerial and Non-Managerial staffs. The

Management staff members include all permanent employees in the Bank such as senior executives, directors, district Managers, relationship manager at corporate level, customer relationship managers at district level, and Non-Managerial includes: senior officers/CSM, Officers, branch managers and Junior Staffs'. In short, the following detailed sampling frame used to designate the subtotal of the population and the number of participants to be sampled proportionally from the total 146 population of the study.

The table indicated four groups namely, Branch Managers and customer service managers in four district, Senior Customer Relationship managers at corporate level, Customer Relationship Managers at four district level (north district, south district, west district and east district), main branch (special branch) officers and Customer Relationship Officers at four districts at branch level (grade 3&4 branch).

Dashen bank operates business services at branch levels, district levels and corporate levels head office level, so that for my study I was focused on employees who operated the business in different area. The reason selected employees just by simple randomly in different groups and more related to understand about the customer relationship management practice., so that for my studied I used stratified sampling techniques drawn the sample by using simple random sampling method for selection of the target group employees, from the point of the researcher, the sample chose were a true representative of the universe. I were also use descriptive methods for explanation of the respondent .so that I were selected 100 Branch Managers and customer service managers in four districts, based on stratified sampling technique and drawn from each district 25 Branch Managers and customer service managers at branch by using simple random sampling method. It implied I were distributed the 25 questionnaires to each district and return the all 25 responses from each district. The other the target groups were Senior Customer Relationship managers at corporate level, under these group, I was selected 12 Senior Customer Relationship managers at corporate level, based on stratified sampling technique and drawn from each corporate 12 Senior Customer Relationship managers at corporate by using simple random sampling method. It implied I were distributed the 12 questionnaires and return the all 12 responses from respondent.

The other the target groups were Customer Relationship Managers at four district level (North District, South District, West District and East District), so that I was selected 20Relationship

Managers in four district level, based on stratified sampling technique and drawn from each district 5 Customer Relationship Managers by using simple random sampling method. It implied I were distributed the 5 questionnaires to each district and return the all 5 responses from each district level. And finally, that I was selected 13 Main Branch (Special branch) officers and Customer Relationship Officers at four districts at branch level (grade 3&4 branch), based on stratified sampling technique and drawn from each district 3 and 10 Customer Relationship Managers by using simple random sampling method. It implied I were distributed the 13 questionnaires to each area and return the all 13 responses from each area.

From the total sample of 146 who are working with Dashen bank, i was select one top corporate director who has more experience and knowledge about customer relationship management practice. I was asking key question through open end structured interview about customer relationship management practices connected with research studied.

3.4 Source of Data

Data were obtained from primary and secondary sources. Primary data refer to information obtained firsthand by the researcher on the variables of interest for the specific purpose of the study. Sources of primary data are individuals, focus groups, panels of respondents specifically set up by the researcher and from whom opinions may be sought on specific issues from time to time. Secondary data refer to information gathered by someone other than the researcher conducting the current study. Secondary data can be obtained from, company records or archives, Government publications, industry analyses offered by the media, web sites, the Internet, and so on .In this research, the researcher were collects primary data from Branch Managers, Special grade mangers, Customer relationship managers and customer relationship officers , corporate level CRM .In addition to this the researcher conducted an interview with the higher officials (district manager and corporate manager).secondary data sources indirectly relating to the purpose, was collected through a theoretical study comprised of; books, research thesis, articles, internet, manuals and annual reports.

3.5 Data Collection Instrument

In this study, the researcher was use questionnaire and interview. The questionnaire were distributed to branch managers, customer relationship managers found in corporate office,

customer relationship manager at district offices, and customer relationship officers found in branches of Dashen Bank S.C in Addis Ababa city .The questionnaires were developed under a five point Likert scale ranging from strongly disagree, disagree, neutral, agree and strongly disagree .The qualitative data were collected through key structured opened interview, who have good understanding and managerial experience about customer relationship management practice at Dashen bank.

The researcher was able to get back one hundred forty-six (146) out of the 146 questionnaires administered to selected employee that gives 100 % response rate. On the whole, data collection lasted a total of two (2) weeks. This was done in order to obtain a larger response rate. Of the one hundred forty-six (146) closed end questionnaires distributed, one hundred forty-six (146) questionnaires were returned at all and thus all responses are included in the analysis. At the end of the editing, all the returned questionnaires were successfully processed for the analysis. The scale items were developed from previously suggested and validated measures in many researches and carefully restated to reflect the characteristics of CRM in Dashen bank. The analysis is done in line with the research questions and objectives set in the proposal and it is presented in the form of tables as well as graphs in order to give better explanations. All tables as well as graphs in the analysis are generated from survey data through the SPSS (statistical package for social studies) after being coded.

3.6 Methods of data analysis

To present the association between the variables, the data collected was analyzed using quantitative type of explanatory analysis method.

After the data is collected through structured questionnaire, interview, computation and analysis is done by using SPSS (Statistic Package for Social Science) software. Descriptive statistics Mean Score, Standard Deviation and inferential statistics like Correlation test using Pearson's correlation and Multiple Regression analysis are used in order to address the initial research question of the study.

3.7 Reliability and Validity

3.7.1 Reliability

Reliability analysis helps to test the internal consistency of the measures before launching the questionnaire to the respondents using Cronbach's alpha as it is the most frequently used

Reliability measure by researchers to test the internal consistency instruments (Mohammad, *n.d*).

Reliability test coefficient can hold a value of 0 to 1 and the result of 0.7 and above implies an acceptable level of internal reliability (Shifera, 2011).. Therefore, in this research of the total sample of 47 cases was analyzed Cronbach's alpha for the effect of the variables that affected customer relationship management practices in Dashen bank is 0.843, which indicates that the independent variables impact on customer relationship management. So that the researcher decided to test over all items at once and this on the other hand resulted 0.843 this shows the whole items were reliable and acceptable as (Shifera, 2011) described Chronbch's alpha of 0.843 is acceptable.

Table 3.7.1 Reliability test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.843	0.859	47

Source: Survey Data (2019)

3.7.2 Validity

Validity is a very important and useful concept in all forms of research methodology. Its primary purpose is to increase the accuracy and usefulness of findings by eliminating or controlling as many confounding variables as possible, which allows for greater confidence in the findings of a given study (Marczyk, G., Dematteo, D.and Festinger, and D.2015).

There are four distinct types of validity (content validity, external validity, construct validity, and statistical conclusion validity) that interact to control for and minimize the impact of a wide variety of extraneous factors that can confound a study and reduce the accuracy of its conclusions (Marczyk,G., Dematteo,D.and Festinger,D.2015).

In relation to this study two validity measurements are used. The first one is Content validity which is the extent to which a measuring instrument provides adequate coverage of the topic under study. In this case this study, the researcher used the variables which is tested by researchers in order to assess CRM practice. The second one is Statistical conclusion validity which examines the extent to which conclusions derived using a statistical procedure is valid. The right statistical tools were used in order to test the research questions and also to conclude the study.

3.8 Data Analysis Method

The data were collect and analyze by using qualitative and quantitative data analysis techniques. The qualitative data was analyzed using content analysis; that is items were identified, categorized and grouped. Based on their group the data were interpreted. However, the numerical data was analyzing using SPSS (statistical packages for social science) software program version 20. In addition to this, the data was analyzed through cross-tabulation and the significance of the CRM variables were also tested through correlation. The analytical tool is also support using frequency and percentage techniques. The final results were presented using tables.

3.9 Ethical consideration

As this study required the involvement of persons, employees and customer different ethical issues were addressed. The consideration of these ethical issues is necessary for the purpose of ensuring the privacy of participants as well as the confidentiality of respondents' data. In order to secure the consent of the selected participants, the researcher clarifies the purpose of the study and the role of participants in completion of the study. The researcher was also informs participants that their participation in the study is based on their willingness, and the idea and comments they raise are highly honored and kept confidential. In the final result of the research paper personal information was not included, only the summery of relevant data that was help in answering the research questions were incorporate.

CHAPTER FOUR
DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

The primary focus of the study is to assess Customer Relationship Management Practices at Dashen banks, in Addis Ababa. Therefore, this chapter presents the analysis for the responses that were received from the closed end questionnaires distributed to customers as well as the employees. In addition to under these chapter asses customer relationship management through developed open-ended structured interview to top management.

4.2. Demographic characteristics of respondents

This aspect of the analysis deals with the basic data on the respondents of the questionnaires sent to the employee.

The basic data comprise of the respondent’s sex, age, educational background, the number of years spent with the bank and their frequent usage of the bank service. The table below shows the details of the respondents’ demographic data.

Table 4.2: Demographic Characteristics of Respondents of employee

No			Frequency	Percent	Valid Percent	Cumulative percent
1	Gender	Male	90	60.8	61.6	61.6
		Female	56	37.8	38.4	100
		Total	146	98.6	100	
2	Age Range	Less than 30	44	9.7	30.1	30.1
		31-40	84	56.8	57.5	87.7
		41-50	15	10.1	10.3	97.9
		Above 50	3	2.0	2.1	100
		Total	146	98.6	100	
3	Educational Background	MA and Above	41	27.7	28.1	28.1
		First degree	102	68.9	69.9	97.9

		College diploma	3	2.0	2.1	100
		Total	146	98.6	100	
4	Job Title	Branch Manager	27	18.2	18.5	18.5
		Customer Relationship Manager	52	35.1	35.6	54.1
		Customer Relationship Officer	51	34.5	34.9	89
		Customer Service Manager	16	10.8	11	100
		Total	146	98.6	100	
5	Years of service in Dashen bank	Less than 2 years	18	12.2	12.3	12.3
		3 to 5 years	31	20.9	21.2	33.6
		6 to 10 years	62	41.9	42.5	76.0
		More than 10 year	35	23.6	24.0	100
		Total	146	98.6	100	

Source: Survey Data (2019)

Table 4.2 presented the summarized characteristics of respondents of the 'Employee Questionnaire' who are mainly involved in the CRM practice of Dashen bank s.c.

The male respondents constitute the largest share of the gender composition representing 61.6% of the respondents while 38.4% were female employees

In terms of age range, 57.5% of the respondents were in the age range 31-40 years, these indicated the majority of the respondents are young, 30.1% the respondents were the age indicated less than 30 years, and these also indicated Dashen bank operate the service with young employees, 10.3% of the respondent age falls between 41-50 years old and the remaining 2.1% of the respondents were the age comprises more than 50 years old.

In terms of educational level 69.9% of the respondents were first degree holders, 28.1% were MA and above and the remaining 2.1% of the respondents were College diploma. Among the employees of the bank who are involved in this study, 35.6% were customer relationship managers, 34.9% were Customer Relationship Officer, 18.5% of the respondents were branch managers and the remaining 11% the respondents were Customer Service Manager.

Finally, the respondent distribution shows that nearly 24.0 % of the respondents were highly experienced in the Dashen bank more than 10 years. Accordingly, 42.5 % of the respondents were the job experience between 6 to 10years,21.2% of the respondents were the job experienced between 3 to 5 years and the reaming 12.3% of the respondents were the job experienced Less than 2 years.

4.3 The analysis deals with the Factors that Affecting Customer Relationship Management practice in the perspective of employee of Dashen bank

The data was collected to seek the perception of employees that work under the title of branch manager, senior customer relationship manager, Customer relationship manager, customer service manager, and customer relationship officer of CRM in Dashen Bank S.C.

The descriptive statistics of the mean scores and standard deviation of 25 attributes discussed in the subsequent five tables for each category.

4.3.1 Knowledge of CRM

Table 4.3.1 Regarding knowledge of CRM

Regarding knowledge of CRM	N	Mean	Std. deviation
The employees have the basic knowledge regarding the concept CRM.	146	3.116	1.177
The employee gets a continuous supplementary training about CRM from the bank.	146	2.897	1.184
The employees have the basic knowledge regarding implement of CRM.	146	3.232	1.089
The employee developed CRM skill through empathy	146	1.958	0.713

Source: Survey Data (2019)

The mean rating and the standard deviation of the of respondents' evaluation of Knowledge factor is presented on Table 4.2.

Among the listed factor in the knowledge of CRM dimension, developed CRM through empathy scored lowest mean which is 1.958. However, Knowledge of Customer relationship management requires knowing and understanding customers need and serves them properly with respected scored the highest mean and the second the lowest mean score secured was knowledge of

employee gets a continuous supplementary training about CRM from the bank 2.897 , these implies that the employees of the bank related to training about CRM is was not enough due to these ,it affected the service to provide the customers so it should be arrange supplementary training about CRM for effectiveness of the employee while according to table 4.2 indicated that employees have the basic knowledge regarding implement of CRM as result of these it secured the highest mean scored that was 3.232,these implies that the majority of the employee has the basic knowledge for implementation of CRM these were very important to the bank to retain the customers by providing quality service to the customers and the second highest mean score was employees that have the basic knowledge regarding to the concept CRM , the implication these dimension of knowledge shows the majority of the employee have a basic concept of CRM that leads , if the majority of the employee have a basic concept, it important also for implementation of CRM. The standard deviation ranges from 0.713 to 1.184 which shows the deviation of the variable from the mean score. In general, one can observe from the overall mean representing the four dimensions that, employees of DB have better understanding of customer relationship management unless in a few knowledges of CRM dimensions.

4.3.2 Adequate Investment

Table 4.3.2 Adequate Investment

Regarding Investment	N	MEAN	STD.DEV
The bank allocates adequate investment to implement the CRM	46	2.815	.975
The bank allocates the budget promptly (on time)	46	2.904	.949
The bank's budget allocation is based on the tasks (CRM) to be performed and the objectives to be achieved.	46	2.876	.960
The bank has a mechanism to check whether the budget is spent on the intended CRM activity.	46	2.664	.824
The bank has a mechanism to evaluate the outcome of the budget allocated for CRM.	46	2.917	1.079
The bank responsive to allocate resources to implement CRM in practice.	46	1.828	1.032

Source: Survey Data (2019)

This dimension appraises the extent to which inadequate investment that affects CRM in DB. As the above table indicated that the mechanism of evaluation the outcomes of the budget allocation to CRM has highest mean score that was 2.917. These implies that the bank has a good mechanism to evaluate the outcomes of the budget allocation for CRM and checking of the budget whether it spent on CRM or not.

The second highest mean scores were the bank allocates the budget promptly (on time) that was 2.904. These indicated that the bank highly committed on budget allocation schedule. Due to these, the operation not affected by shortage of resources mobilization, the bank's budget allocation is based on the tasks (CRM) to be performed and the objectives to be achieved.

From the data presented the third highest mean secured that was 2.876, these implies that majority of the bank employees understand the objectives of CRM when compared to over all mean rating, but it needs more effort also to create the awareness, the objective of CRM to the all concerned staff.

According to table 4.3 show, the bank allocated adequate investment to implement the CRM mean scored was 2.815, the implication of these mean rate was the bank needs more effort to adequate investment regarding to implementation of the CRM as compared to over all mean rating. One can say that even if the bank has a good mechanism to evaluate the outcomes of the budget allocation for CRM and the checking of the budget whether it spent on CRM or not, it still regarding on investment dimension factors which affected CRM practices when compared with overall mean rating. Especially on the area below the average mean rate like the responsiveness of allocation resource from the bank the mean rating was 1.828, these implies that there were gap between budget allocators or the concerned department and the department which were budget received from the concerned department.

The final dimension of investment factors was the mechanism to check whether the budget was spent on the intended CRM activity that scored mean rate was 2.664, these also shows that the bank needs the mechanisms to identify the budget on CRM activities. The standard deviation ranges from 0.824 to 1.079.

4.3.3 Data quality and Quantity

Table 4.4.3 Descriptive Statistics-Data quality and Quantity

Regarding data quality and quantity	N	MEAN	Std.dev
The bank has easy mechanisms to collect enough data regarding customer profile from the customers and other sources.	146	2.979	1.200
The bank collects quality data that are helpful to achieve CRM objectives.	146	2.808	1.084
There are no problems regarding the collection of customer profile data.	146	2.445	.939
The bank provides consistent quality data and quantity at different time in trust full for the achievement of CRM practice	146	1.828	1.032

Source: Survey Data (2019)

As table 4.4.3 indicated that, there are good mechanisms in bank for collecting customer data from customers and other sources as a result, it was secured the highest mean score 2.979, these implies that the bank currently operated their business in well-organized systems while the bank collected quality data that are helpful to achieve CRM objective was the second highest mean score 2.808, these implies the bank has a good quality data for the achievement of CRM objective but it needs more effort to maximize the quality data for the achievement of CRM, however, in other hand presented in the questionnaires there are no problems regarding the collection of customer profiles so that, it was secured the second the lowest mean score 2.445, so these shows that there is a problem to collect quality data to achieve the CRM, and the lowest mean score was the consistent quality data and quantity at different time in trust full for the achievement of CRM was 1.828, these implies that it expects more efforts to develop consistent quality data and quantity with trust full manner for a better satisfied or to fill customer satisfaction through develop consistent quality data quantity data. And the standard deviation ranges from 0.939 to 1.200, these implies that standard deviation value goes from the lowest to highest value that indicates the risk magnitude which affected the implementation of CRM practices.

4.3.4 Leadership and Top Management Involvement

Table 4.3.4 Descriptive Statistics- Leadership and Top Management Involvement

Leadership and management involvement	N	Mean	STD.DEV
Top managers are cooperative and collaborative to achieve customer relationship management objective	146	3.020	1.117
Top managers accept and provide leadership for building and maintaining customer relationship as a major goal of the bank	146	2.849	1.032
CRM responsibilities for employees are clearly defined, assigned and understood	146	2.904	1.164
The bank receives feedback from customer seriously	146	2.575	.988
The bank replies the customer feedback seriously.	146	2.452	1.070
The bank has effective customer relationship management strategies	146	2.643	1.042
The bonding of leadership and management involvement with CRM are key issue for effectiveness of CRM practice	46	.794	1.002

Source: Survey Data (2019)

This dimension was concerned with identifying the extent to which top level managers are involving constructively to support the practice of CRM within the Dashen bank. As table 4.4.3 indicated, top managers are highly cooperative and collaborative to achieve customer relationship management objective due to this, it was secured the highest mean 3.020, which implies the majorities of the top managers are committed to the achievement of the CRM objectives.

Table 4.4 shows the CRM responsibilities for employees were clearly defined, assigned and understood as the result of these, it was scoring the second highest mean that was 2.904, these implies that the majorities of the employees they were understands their duties and responsibilities.

The third dimension of Leadership and management involvement, top managers accept and provide leadership for building and maintaining customer relationship as a major goal. According to the above table indicated, the mean rate was 2.849, these implies that even if top managers accept and provide leadership for building and maintain CRM still the bank needs the improvements for these particular dimensions, the fourth dimensions of Leadership and management involvement were the bank has effective customer relationship management strategies according to the table shows it was scores mean rate 2.643. This indicates that the bank has a strategy, but it was poor when compared to the overall mean rate so that the bank must formulate strong CRM strategy to achieve the bank objectives.

According to the above table the bank receives feedback from customer and also replies to customer feedback seriously has the mean rating was 2.575 and 2.452 respectively, these implies that both the dimensions are below the overall mean rate, these means the mechanisms of handle the feedback of the customers were very poor ,due to these the customers complaine's not handled easily so it should be develop strong the customer feedback mechanisms to improve the weakness of the overall Dashen bank service and the last and the least dimension of leadership and management involvement were according to the table ,bonding of leadership and management involvement with CRM are key issue for effectiveness of CRM practice , however, according to table 4.4 indicated ,it was scored the lowest mean that was 1.794, it was far from the overall mean rating , that implied that the bonding of leadership and management involvement with CRM were very poor, so that for achievement of CRM objective Dashen bank should be done a strong relationship between leadership and management involvement with CRM. And the standard deviation ranges from 0.988 to 1.117.

4.3.5 Technology

The collected data is used to assess the extent to which technological related factors of the employees working in customer relationship management areas perceive technological related issues as the factor that affect the CRM practices in DB.

Table 4.3.5 Descriptive Statistics- Technology

Technology	N	MEAN	STD.DEV
There has been provision of logistics or resources (computers, stable internet connectivity, cars, people, etc.) for use (in the right quality, quantities, place and time.)	146	2.589	1.054
Regular training has been provided to employees of the bank to introduce cutting edge IT software to enable understand the bank's CRM process.	146	2.582	1.081
The bank regularly takes measure to improve the existing level of CRM related technology	146	2.719	.994
The bank applied Cutting edge IT to developed reciprocity and also important to effectiveness of CRM practice.	146	1.808	1.019

Source: Survey Data (2019)

The table indicated that, the bank has provision of logistics or resource (computers, stable internet connectivity, cars, people. etc.) enough for used, due to these they were secured high mean score 2.589, it was implies that the bank ready any time to full fill the gap related to resources facilities whereas the lowest mean score was applied Cutting edge IT to developed reciprocity and also important to effectiveness of CRM practice. With the mean score of 1.808, these implies that the bank was maintains a complete data base and use recent technology to satisfied the customer demands and, it was becomes high mean score high whereas the bank regularly takes measure to improve the existing level of CRM related technology and Regular training has been provided to employees of the bank to introduce cutting edge IT software to enable understand the bank's CRM process are both secured mean score 2.719 and 2.582 respectively, these implies that both dimensions of regarding to technology good when compared with the overall mean rating but it is not enough to achieve the CRM objective easily so the bank should be updated itself related to technology . Standard deviation range from 0.994 to 1.081

4.4 Discussions on research questions

1. Can you describe the Customer Relationship Management (CRM) practice of Dashen bank? In what way does it differ from other banks?
2. Interviews were also conducted with corporate managers and district managers of the banks considered in this study. The interviews consisted of six structured questions. This section presents the results of each interview questions.

The first question forwarded to them was about the CRM practices of Dashen banks as compared to their rivals. In this regard, an interviewee Dashen bank customer relationship management practices, their CRM practice is one window service and they attentively follow the daily service activities. This service is also preferred by their customers and they thought that this is the better practice compared to other rivals banks. However, currently some privat banks their services provided to the target customers by its door to door banking services. Accordingly, interview understand Dashen bank should be implemented customer relationship management through design better customer relationship management practices like door to door service, service working hour should be flexible and so on.

2. How does the Dashen bank attain knowledge about customers?

How does the Dashen bank attain knowledge about customers? In this regard, the corpora manager and district managers of the Dashen bank replied that they get information about their services from their suggestion box. Though, this may not be sufficient source of information, questionnaires and research works being the most reliable source of information about customer's satisfaction on the bank services.

3. What are the CRM strategies that Dashen bank applies to make customers satisfied?

The third question was regarding CRM strategies of the Dashen banks under consideration. The corporate and district manager of the Dashen banks. Among these strategies; introducing new technology, structure revision and customer focused services are emphasized by the respondents.

4. How do you appraise the trustworthiness, reciprocity, empathy, bonding, and responsiveness of your bank customers?

The fourth interview question was regarding the CRM dimensions such as trustworthiness, reciprocity, empathy, bonding and responsiveness of the Dashen banks. With regard to trust,

interviewees of the Dashen banks replied that they are trustworthy in keeping customer record safely as well as confidentiality. In addition, Dashen banks admitted the existence of interdependence between the banks and their customers, which show a positive value of reciprocity within the organization.

Regarding to empathic relationship with their customers, managers of Dashen have doubt on employees' response towards customers request because, according to the interviewee, some customers provide information regarding the response capacity of employees of the bank.

Whoever, DB bank front officers should be transfer the question of their customers to back sitter officials, if it is beyond their capacity.

Considering bonding, interviewee agreed that they are working to establish long term relationship with their customers and doing various efforts, since nothing is absolute in the world, towards customer retention. In addition, responsiveness was one area of interview question for the study. As showing sincerity and willingness to help customers are some of the key issues in responsiveness, from the Dashen banks interviewees are replied that their r bank trying to provide prompt customer focused services.

Create awareness for employees through continuous training towards understanding customer's individual character, needs and preferences is key factor to implement CRM in this regards both.

5. How do you describe the awareness of employees on the concept as well as practice of CRM?

The six interview question was about the awareness of employees on the concept as well as practices of CRM. In this regard, interviewees replied that they create awareness among their employees through continuous training. They said also that their employees are in a good ethics of conduct towards understanding customer's individual character, needs and preferences.

6. Would you tell me any strength and weakness of the bank related to maintaining good relationship with customers?

Finally, a question was also asked to interviewees about their banks strength and weaknesses related to maintaining good relationship with their customers. Regarding their strength Dashen bank according the interview, is strong in introducing new technology; for instance their branches are networked with other branches of the respective banks. In addition, two Dashen

bank were introducing ATM (working 24 hours) banking so as to provide better service to their customers. However, from their challenge, interviewee raised internet interruption problem. This network interruption adversely affects their services.

Finally, the researcher understands that the selected Dashen bank identified their gaps that adversely affect their quality banking service towards customer's individual character, needs and preference

4.5 Correlation Analysis

A Correlation is a measure of linear relationship between variables (Field, 2009). A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases (Zaid, 2015).

A coefficient of +1 indicates that the two variables are perfectly positively correlated, so as one variable increases, the other increases by a proportionate amount. Conversely, a coefficient of -1 indicates a perfect negative relationship: if one variable increases, the other decreases by a proportionate amount. A coefficient of zero indicates no linear relationship at all and so if one variable changes, the other stays the same (Field, 2009).

4.6 Pearson's Correlation

Pearson's Correlation is a correlation between two variables (Field, 2009). It measures the strength and direction of their relationship, the strength can range from absolute value 1 to 0. The stronger the relationship, the closer the value is to 1. Direction of The relationship can be positive (direct) or negative (inverse or contrary); correlation generally describes the effect that two or more phenomena occur together and therefore they are linked (Zaid, 2015).

Table 4.6 Correlation matrix between factors affecting of CRM and CRM

	Knowledge	Investment	Data	Management	Technology	CRM
Knowledge	1					
Investment	0.404**	1				
Data	0.307**	0.638**	1			
Management	0.183*	0.509**	0.477**	1		
Technology	0.128**	0.326**	0.268**	0.528**	1	
CRM	0.137**	0.389**	0.872**	0.619**	0.556**	1

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

*Correlation is significant at the 0.05 level (2-tailed).

The reason I choice Pearson correlation for my study was, it was very easily to understand the relationship between dependent and independent variable easily and each the relationship variables of each other's.

Pearson's Correlation of a two-tailed test confirm the presence of statistically significant difference at probability level $p < 0.01$ i.e. assuming 99% confidence interval on statistical analysis.

Pearson's Correlation of a two-tailed test confirm the presence of statistically significant difference at probability level $p < 0.05$ i.e. assuming 95% confidence interval on statistical analysis.

Dancey and Reidy (2004) state that a correlation result which is 0 indicates zero correlation, result which is between 0.1 and 0.3 indicates a weak correlation among variables, a result which is between 0.4 and 0.6 shows a moderate correlation, a result between 0.7 and 0.9 indicates a strong correlation among variables, while a result which is equal to 1 indicates perfect correlation.

The correlations of the variables are shown in the Table, however, each variable correlates perfectly with itself, as evidenced by the coefficients of +1.00 at the intersection of a particular variables' row and column.

According to the above table, correlation matrix shows knowledge and investment have the weak associations with customer relationship management (CRM) with a value of 0.137 and 0.389 respectively. As per the above correlation matrix, it falls in the range between 0.1-0.3, these show the knowledge and investment weak correlated with CRM. This implies that to satisfaction of customers need and the achievement of bank objectives, Dashen bank should be developed the practices of customer relationship management knowledge and skill through different mechanisms and, it should be also developed a best investment mechanisms to create a best customer relationship management practice in Dashen bank. According to the above table result, data has strong association with customer relationship management (CRM) with a value of 0.872. This implies that data has strong correlated with customer relationship management so that, the bank should be keep it as it is. Based on the above table correlation analysis, management and technology with-value has moderate correlation associations with overall customer relationship management with a value of 0.619 and 0.556 respectively. These implies that the independent variables not highly correlated with customer relationship management so that for a quality service provide to the customer the bank should be up grade those independent variables through with most suitable effort.

Generally, data has highest positive associations with customer relationship management towards Dashen bank. Knowledge and investment have the weak associations with customer relationship management (CRM). Management and technology with-value has moderate correlation associations with overall customer relationship management It implies the independent variables affected the customer relationship management (CRM).

4.7 Regression analysis

Regression analysis is a way of predicting an outcome variable from one predictor variable (simple regression) or several predictor variables, multiple regressions (Field, 2009).

When there is a single continuous dependent variable and a single independent variable, the analysis is called a simple linear regression analysis. This analysis assumes that there is a linear association between the two variables. Multiple regressions is an extension of simple linear regression. It is used when we want to predict the value of a dependent variable (target or criterion variable) based on the value of two or more independent variables (predictor or explanatory variables). Multiple regressions allow determining the overall fit (variance

explained) of the model and the relative contribution of each of the predictors to the total variance explained (Zaid, 2015).

Mathematically, the multiple regression models is represented by the following equation

$$y_i = (b_0 + b_1x_i + b_2x_i^2 + \dots + b_nx_i^n) + \epsilon_i$$

Y is the outcome variable, b_1 is the coefficient of the first predictor (X_1), b_2 is the coefficient of the second predictor (X_2), b_n is the coefficient of the n th predictor (X_n), and ϵ_i is the difference between the predicted and the observed value of Y for the i th participant

4.7.1 Assumptions testing for regression analysis

A parametric test is one that requires data from one of the large catalogue of distributions that statisticians have described and for data to be parametric certain assumptions must be true (Field, 2009).

4.7.1.1 Linearity relationship

Testing for non-linearity is necessary because correlation, regression and other members of the general linear model (GLM) assume linearity. Variety of methods are available to test normality, graphical methods, curve fitting with R-squared difference tests, ANOVA test of linearity, eta the correlation ratio, adding of nonlinear terms to a model and Ram says reset (Garson, 2012). For the purpose of this research, the researcher used ANOVA test of liner regression model.

4.7.1.2 Multiple regressions

So far, we have focused on a model of simple linear regression in which one independent or predictor variable was used to predict the value of a dependent or criterion variable.

But, on other occasions, there can be many other potential predictors that might establish a better or more meaningful prediction. With more than one predictor variable we use multiple regressions.

Multiple correlations (designated R) are a measure of the correlation of one dependent variable with a combination of two or more predictor variables. In multiple regression researchers can determine the statistical significance of both the overall multiple.

Correlation coefficient, R, as well as for each b or beta individually. In most cases, however, if the overall R is not significant, the individual b's and betas will not be tested for significance. Yet, it is possible for overall R to be significant but for some of the individual b's or betas not to be significant. For example, the overall significant correlation might be due to the strong influence of only one predictor variable, while the others have minimal contributions (Garson, 2012) Business Research Methods and Statistics Using SPSS.

4.7.1.3 ANOVA test liner regression

One can compute an ANOVA table for the linear and nonlinear components of any pair of variables (Garson, 2012).

Table 4.7.1.3 ANOVA test of liner regression

	Sum of Squares	Df	Mean Square	F	Sig.
(Combined)	35.327	7	.406	17.570	.000
Between	30.918		30.918	1337.813	.000
Linearity CRM *Groups	4.409	6	.051	2.218	.042
Deviation from Dime. of CRM Linearity Within Group	0.347	5	.023		
TOTAL	71.001				

Source: Survey Data (2019)

From the above table one can understand that the test for linearity has a significance value smaller than 0.05, indicating that there is a linear relationship between CRM and the other independent variables (Knowledge, Investment, Data, management and technology).

4.8 Data Independence

Independent observations are assumed by most statistical procedure including multiple regression, logistic regression and members of the General linear model. In some cases it means that data from different participants are independent, which means that the behavior of one participant does not influence the behavior of another (Field, 2009).

This test can be done using Durbin-Watson coefficient. The Durbin-Watson statistics should be Between 1.5 and 2.5 for independent observation (Garson, 2012).

Table 4.8.1 Durbin Watson Statistics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.902 ^a	0.879	0.873	0.21923	1.626

a. Predictors: (Constant)Technology, Knowledge, Data, management, Investment.

b. Dependent Variable: CRM

In the above table the Durbin- Watson statistics shows the result is within the acceptable range.

Model summery

Table 4.8.2 Model summery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.902 ^a	0.879	0.873	0.21923

Source: Survey Data (2019)

a. Predictors: (Constant), Management, Knowledge, Data, Investment, Technology

Multiple *R* is the correlation between the observed values of *Y* and the values of *Y* predicted by the multiple regression models. Therefore, large values of the multiple *R* represent a large correlation between the predicted and observed values of the outcome. A multiple *R* of 1 represents a situation in which the model perfectly predicts the observed data (Field, 2009).

R square-it is the amount of variation in the outcome variable that is accounted for by the model (Field, 2009).

Adjusted R Square - a measure of the loss of predictive power or shrinkage in regression. The adjusted R^2 tells us how much variance in the outcome would be accounted for if the model had been derived from the population from which the sample was taken (Field, 2009).

Interpretation-As indicated in the above table 4.6.1, the independent variables predict the dependent variable with R square =87.9% with adjusted R Square 86.3 % the remaining 12.1% are other extraneous variables that can effect of CRM ANOVA^a

Table 4.8.3 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	31.012	5	6.202	129.053	.000 ^b
Residual	4.662	97	.048		
Total	35.674	102			

Source: Survey Data (2017)

a. Dependent Variable: CRM

b. Predictors: (Constant), Management, Knowledge, Data, Investment, Technology

The F Ratio-the F-ratio is a measure of the ratio of the variation explained by the model and the variation explained by unsystematic factors. In other words, it is the ratio of how good the model is against how bad it is (how much error there is) (Field, 2009).

In the above table, the ANOVA test, it is noticed that F (f-ratio) value of 129.503 is significant at 0.000 levels. Therefore, from the result, it can be concluded that with 87.9 % of the variance (R-Square) of CRM is significant and the model appropriately measures the construct.

Coefficients ^a

Table 4.8.4 Regression result of the dimensions of CRM practices and CRM

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.024	.206		.128	.899
Knowledge	.247	.052	.195	4.897	.000
Investment	.180	.043	.260	4.418	.000
Data	.150	.048	.206	3.358	.001
Management	.217	.046	.263	4.510	.000
Technology	.186	.046	.249	4.310	.000

Source: Survey Data (2019)

a. Dependent Variable: CRM

Unstandardized regression coefficient- Indicates the strength of relationship between a given predictor, i , and an outcome in the units of measurement of the predictor. It is the change in the outcome associated with a unit change in the predictor.

Regression equation of CRM

These equation measures the strength of the relationship between Y and the independent variables.

$$Y=0.24+0.247X1+0.180X2+0.150X3+0.217X4+0.186X5+e$$

Where,

Y-CRM

X1-Knowledge

X2-Investment

X3- Data

X4-Management

X5-Technolog

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Chapter Overview

In this final chapter, the main findings of the study are summarized, and conclusions are drawn.

5.2 Summary of major findings

This part of the study aims to summarize the finding and results that have emerged from the data analysis presented in Chapter four. The general objective of this study was to examine the effect of customer relationship management practice in the case of Dashen Bank S.C.

To assess Customer Relationship Management (CRM) practices in Dashen Bank

- To evaluate whether the employees of the bank have competent knowledge and expertise about customer relationship management.
- To identify whether the bank owns necessary technology adequate to implement customer relationship management activities.
- To examine the data quality and quantity of the bank that is used in customer relationship management implementation.
- To assess whether the bank deployed adequate investment to adopt customer relationship management
- To assess the effect of leadership and top management involvement in the implementation of Customer relationship management.

From the study the following particular finding were observed:

- A total of 146 questionnaires were distributed to employees, and all questioners were correctly filled and returned. Among the total population 61.6% of the respondents were male and 38.4 % of the respondents are female. About 58% of the respondents were between 30-40 years old, 31.1 % less than 30 years, 10.3 % of the total respondents are within the age group 40-50 and Only 2.1 % of the respondent were above 50 years old. Regarding to educational background 69.9% of respondent were first-degree holder, 28.1 % of the total respondents are MA and above, among the total population 2.1% of the respondents were college diploma holder. In relation to their job title 68% of the total respondents were branch

Managers. 12.6 % of the respondents were Customer relationship managers, 8.7 % of the respondents were senior relationship managers and the rest 9.7 % of the respondents were customer relationship officers. Among the employees of the bank who are involved in this study, 35.6% were customer relationship managers, 34.9% were Customer Relationship Officer, 18.5% of the respondents were branch managers and the remaining 11% the respondents were Customer Service Manager, the respondent distribution shows that nearly 24.0 % of the respondents were highly experienced in the Dashen bank more than 10 years. Accordingly, 42.5 % of the respondents were the job experience between 6 to 10 years, 21.2% of the respondents were the job experienced between 3 to 5 years and the remaining 12.3% of the respondents were the job experienced Less than 2 years.

- With regard to customer respondents, 58% of the respondents were male and 42 % of the respondents were female. Regarding to age range , 42% of the total respondents were in the age range 48-59 years, 30 % the total respondents the age ranges 37-47 years old, 20 % of the total respondents the age range falls between 28-37 years old and the remaining 8% the age range indicated more than 60 years old. Regarding to education, from the total respondents 36% are primary school completed , 20% are secondary school completed , 28% are certificate holders , 6% are diploma holders and the remaining 10% were degree and above holders.
- From data analysis the Cronbach's Alpha for this study is 0.843 which shows that there is internal consistency among the variables.
- Furthermore, as per the conducted interview results of higher official of selected, the bank was found to be strong in introducing new technology and make networking system among their own branches. On the other hand, they faced problem of network interruption that adversely affects their quality banking service practices.
- The correlation result shows that data, were positively and strongly correlated with customer relationship management, technology of CRM moderately correlated with customer relationship management, knowledge and investment are a weak correlated with customer relationship management.
- The result of regression analysis showed that technology, knowledge of CRM, data quality and quantity, Technology, top management involvement Data quality and top management involvement and investment.

- The finding indicated that 87.9 % of customer relationship management was influenced by knowledge of CRM, Technology, Data quality and quantity, Investment and leadership and top management involvement. However, the remaining percentage was influenced by other extraneous variables that were not included in this study.
- From the above table one can understand that the test for linearity has a significance value smaller than 0.05, indicating that there is a linear relationship between CRM and the other independent variables (Knowledge, Investment, Data, management and technology).
- The ANOVA test, it is noticed that F value (f-ratio) of 129.503 was significant at 0.000 levels. Therefore, from the result, it can be concluded that with 87.9 % of the variance (R-Square) of CRM is significant and the model appropriately measures the construct.

5.3. Conclusion of the study

The results of the study were based up on the discussion of data obtained from close ended questionnaire distributed to customers and employees of DB. In addition, interviews were conducted with respective district managers as well as corporate managers of the Dashen bank. However, the study emphasizes on the existence of relationship between the bank and their customers measured by customer relationship management practices.

According to literatures in order to attract customers, first their requirements and expectations are identified and then, services are developed based on such requirements and expectations. If an organization imagines be aware of customer's opinions on its products and industry, probably it has an isolationistic view of the market. In this respect, identifying CRM success components and factors which influence CRM will help the firms appreciate customer requirements and expectations and consequently, promote sales and market share as well as increased customer satisfaction and loyalty. The major objective of this study was to assess of customer relationship management practice in Dashen bank.

As per the foregoing findings, the following conclusions are drawn;

❖ In In the assessment process of CRM, the employees of Dashen Bank have significant difficulties in understanding what CRM is about, its benefits and also serving their customers. This study identified that knowledge of employees about CRM are significantly affected CRM practice. Concerning technology related dimensions, the employees perception were that the

bank face lack of technologies which support the CRM. Regarding quality and quantity data, there is a problem of collecting quality data from internal and external sources, lack of modern technologies to collect data, and also a data warehouse. Among the factors identified, top managements and investment are in somehow working better in CRM practice. Therefore it can be inferred that although the bank is facing the problem of installing CRM technology, data quality and knowledge while the bank have a better regarding to top management and investment to CRM practice .

❖ The correlation result shows that technology($r=0.619$), moderately correlated with customer relationship management, quality data ($r=0.872$), positively and strongly correlated with customer relationship management, investment($r=0.389$), weak correlated with customer relationship management, management($r=0.556$), moderately correlated with customer relationship management, Knowledge of CRM($r= 0.137$), weak correlated with customer relationship management this shows that data were more influence on CRM practice than the other listed factors.

❖ The regression analysis showed that there was a strong effect of top management involvement and to the Performance of customer relationship management practice in Dashen Bank.

❖ The objective of CRM is also to establish, maintain, and enhance relationships with customers at profit. So, doing what was promised to do is the fundamental issue to maximize profit. However, customers of Dashen bank perceived that the bank was not a better in keeping their promises and not also provided a quality service to the customers. It is common that as trust declines, customers are unwilling to conduct business transaction. Particular to the banking industry, trust leads to construct long-term relationship with their customers. Though there are customers who have doubt considering trustworthiness of the Dashen bank, majority of them, however, perceived that bank was trustful. Considering the consistency of quality service provision by their banks, significant numbers of customers did not express their agreement.

❖ As per the result from the data collected, Dashen bank is relatively weak in giving individual attention, sincere interest to solve difficulties and improving the working hour as well. Similarly, significant number of customers of DB do not expressed their witness regarding banks individual attention. However, DB has better understanding of individual customers need.

❖ Furthermore, as per the conducted interview results of higher officials of Dashen bank, the bank were found to be strong in introducing new technology and make networking system among their own branches. On the other hand, they faced problem of network interruption that adversely affects their quality banking service practices.

❖ Finally, the purpose of customer retention is to keep a high proportion of valuable customers through reducing customer dissatisfaction. As suggested on the literature review part of this study, normally, the costs of cultivating the existing customer base are far less than the costs of attracting new customers. From the descriptive statistics results of this study, there exists a relationship between CRM and Customer retention. The results clearly revealed that the five CRM dimensions are very close. This shows us that CRM has significant influence on customer retention both from customers' and branch managers and officers view. Though it will need further and detailed study, generally, the results indicated that customer relationship management important for customer retention that was essential for the success of the Dashen banks.

5.4 Recommendation

Based on the results of the analysis and conclusion made the following recommendations are forwarded by the researcher.

- Even if Knowledge of CRM gets the highest mean score, Bank should invest on employees. Employees should get necessary training regarding CRM and CRM technologies. Enhancing employee skills and knowledge, education boosts motivation and commitment of employee.
- A main component of any CRM strategy entails the facilitation of two-way interaction between individual customers and the organization about every aspect of the relationship, enabling the organization to adjust its strategy, including product design, customer service and channel preferences. In order to do all this there should be upgrade the Technology, The Bank should install recent necessary technologies. This technologies include internet, data warehouse technologies, CRM software, call centers, help desk and others.
- Correct, complete, up-to-date and therefore high quality customer data in the CRM system were just as important as the system itself. The key satisfactory customer relationship management was not only the CRM system but also high data quality. If the company does not succeed in achieving and maintaining a high data quality in the system, the potential of the CRM system cannot be fully utilized: long-term customer retention and increased

efficiency when working with customer data therefore remain theoretical. There for Dashen Bank should collect and hold quality customer data, use modern technologies in order to collect data and should make a periodic checking and real time updates of customer data.

- There has to be an improvement in the introduction of cutting-edge IT software to enable the bank's CRM processes. There should also providing up-to-date machines to customers at various convenient locations. New system developed and cutting–edge technology . should be up grade system 10 .5flex cube- 13 flex cube
- There for Dashen Bank should collect and hold quality customer data, use modern technologies in order to collect data and also should made a periodic checking and real time updates of customer data. It should be evaluate the Data quality.
- Management has to make significant decisions in respect of regular and systematic training of staff in order to improve staff knowledge in customer service as customers should be rewarded with the superior service from employees. Provision of timely, regular and up-to-date training is indispensable to employees in particular and the bank in general in achieving the best result from CRM process. Since top management's commitment is decisive for proper implementation of CRM, it has to show its perseverance by designing sound CRM strategies, and stipulating clear policies for a smooth customer relationship management.
- The CRM initiative of the bank is pivotal in winning of the Ethiopian banking sector. But it is only when management involves in the CRM constructively by accepting CRM as a strategy by itself, not something supplementary which can be handled by extra time and resource alone.
- The data obtained from respondents agreed with literature that budget related problem is a major factor affecting the CRM process largely. Thus, it is imperative to the bank that it should allocate the necessary budget to run the CRM effectively. Not only allocating the required budget but also should follow whether the budget allocated to the program is in its best way to fetch what was intended as CRM objective.
- Understanding the dynamics of CRM and performing a cost-benefit analysis of its is critical for competition in the bank sector. Therefore, there must be occasions and programs provided by the bank to its employees to improve their understanding about the benefits of CRM and enhance their capabilities in executing the CRM.

5.5 Limitation of the Study

Actually, it is rare to conduct a study without any limitations and challenges. Dashen Bank has around 400 branches all over Ethiopia. From these 172 branches are in Addis Ababa. However, the study was conducted at four district levels and head office in Addis Ababa city only because of time constraint and other resources limitations the results of the study may not be generalized to all branches.

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APPENDIX A: QUESTIONNAIRE

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MBA-GENERAL**

Questionnaire to be filled by Employee' of Dashen banks.

Dear Respondent;

I am currently pursuing my Master of Business Administration (MBA) at the School of Graduate studies, St. Mary's University. As partial fulfillment towards the completion of my postgraduate degree, this research titled as “**Assessment of Customer Relationship Management Practices in Dashen bank**” is undertaken. Hence, I kindly request you to fill in this questionnaire while assuring you that the information that you provide will be treated with confidentiality and shall only be used for the purpose of this academic research. I would also like to remind you that your fair and impartial feedback will make this research a very successful one.

Thank you for your cooperation and assistance. Sincerely, please respond to each item by putting a tick mark “✓” in the box & fill in the blank on the number which best reflects your own perception.

Part I – personal data

1. Gender

Male Female

2. Age Range

Less than 30 31-40
41 -50 Above 50

3. Educational background

Master's degree and above College diploma
First degree Certificate

4. Job Title:

Branch Manager Customer Relationship Manager

Customer Relationship Officer

Customer Service Manager

5. Years of service in Dashen bank

Less than 2 years

More than 10 year

3 to 5 years

6 to 10 years

Please show the extent to which you agree or disagree with the statements given below. This is to assess the following on the scales of strongly disagree to strongly agree. Strongly disagree is given the least weight of 1; while strongly agree is given the highest weight of 5. The (likert scale, which is a psychometric scale commonly involved in research that is employee questionnaires).

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

Part II. Challenges that affect CRM practice

	The factors that affects CRM in practices	Level of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	Regarding skill					
	The employees have the basic knowledge regarding the concept of CRM					
	The employee gets a continuous supplementary training about CRM from the bank.					
	The employees have the basic knowledge regarding implement CRM.					
	Regarding Investment					
	The bank allocates adequate investment to implement the CRM program					
	The bank allocates the budget					

	promptly (on time)					
	The bank's budget allocation is based on the tasks (CRM) to be performed and the objectives to be achieved.					
	The bank has a mechanism to check whether the budget is spent on the intended CRM activity					
	The bank has a mechanism to evaluate the outcome of the budget allocated for CRM program.					
	Regarding data quality and quantity					
	The bank has easy mechanisms to collect enough data regarding customer profile from the customers and other sources.					
	The bank collects quality data that are helpful to achieve CRM objectives.					
	There are no problems regarding the collection of customer profile data.					
	Leadership and management involvement					
	Top managers are cooperative and collaborative to achieve customer relationship management objective					
	Top managers accept and provide leadership for building and maintaining customer relationship as a major goal of the bank					

CRM responsibilities for employees are clearly defined, assigned and understood					
The bank receives feedback from customer seriously.					
The bank replies the customer feedback seriously.					
The bank has effective customer relationship management strategies					
Technology					
There has been provision of logistics or resources (computers, stable internet connectivity, cars, people, etc.) for use (in the right quality, quantities, place and time.)					
Regular training has been provided to employees of the bank to introduce cutting edge IT software to enable understand the bank's CRM process.					
The bank regularly takes measure to improve the existing level of CRM related technology					

1. In your opinion, what are the challenges Dashen Bank S.C has been facing while implementing CRM?

APPENDIX B: QUESTIONNAIRE

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MBA-GENERAL

Structured interview conducted with top management member of Dashen bank.

Hello sir/madam! My name is **Kassahun H/Mariam** and I am currently pursuing my Masters of Business Administration (MBA) at the school of graduate studies, St. Mary's University. I kindly request you to ask a few set of questions regarding Customer relationship management practices in your bank. Shall I proceed?

Survey of Assessment of Customer Relationship Management Practices in Dashen Banks.

Thinking over your entire experience in the position you have hold now, would you please give me your genuine response to the following questions?

1. Can you describe the Customer Relationship Management (CRM) practice of your bank? In what way does it differ from other banks?
2. What are the CRM strategies that your bank applies to make customers satisfied?
3. How do you appraise the trustworthiness, reciprocity, empathy, bonding, and responsiveness of your bank customers?
4. What is the main challenge of the bank to practice CRM?
5. How do you describe the awareness of employees on the concept as well as practice of CRM?
6. Would you tell me any strength and weakness of the bank related to maintaining good relationship with customers?

THANK YOU FOR YOUR COOPERATION!!!