ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

THE EFFECT OF RELATIONSHIP MARKETING ON CUSTOMER LOYALTY: THE CASE OF COMMERCIAL BANK OF ETHIOPIA

BY

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The Effect of Relationship Marketing On Customer Loyalty

In The Case Of Commercial Bank of Ethiopia

By: Hana Gosaye

ADVISOR: Mohammed (Ass.Prof)

ATHESIS SUBMITTED TO ST.MARY'S UNIVERSIY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFIIMENT OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF MARKETING MANAGEMENT

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DECLARATION

I, HANA GOSAYE BOGALE, declare that this thesis is my original work, prepared under the guidance of Mohammed (Ass. Prof). All source of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

HANA GOSAYE BOGALE

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St. Mary's university college, Addis Ababa   May, 2019

ENDORSEMENT

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

Mohammed.M (Ass.Prof)
_____

    Advisor   signature and date

ST.MARY' S UNIVERSITY, ADDIS ABABA   MAY, 2019

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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Relationship marketing is very important in this modern world, since customers all around the world are complicated and have a good amount of knowledge and seeks a better offer. So, this factor force marketers to shift from push marketing to pull marketing.

High-quality relationship marketing leads to the increase of element values in a relationship through personal satisfaction. Since services satisfaction includes mental, emotional and feeling factors and these factors are affected by relationship marketing, it can be assumed that appropriate relationship marketing has a positive relationship with services satisfaction. In fact, the emotional component of satisfaction is more important than its cognitive one. (Tarokh and Sheykhan, 2015)

Relationship marketing has the potential to become the dominant paradigm without rejecting the marketing mix theory (Maxim, 2009). However, a paradigm shift has yet to occur in the practices of Romanian companies.The winner in the Indian banking sector will be the player who can be aware of the customer, fulfill customer needs and attain high levels of customer retention (Kamath, Shenoy, Nayak and Kuppus, 2003).

When we come to prior studied done in Ethiopia have documented several underpinnings of relationship marketing among this, (Shiferaw, 2011) focuses on four dimensions (Trust, commitment, empathy, conflict handing). (Fikire, 2017) focused on the component of relationship marketing (switching cost, trust, customer perceived quality, perceived value and customer satisfaction).

Relationship marketing strategy, apart from its ability to help understand customers' needs, can also lead to customer loyalty and cost reduction. Research has shown that the cost of serving

one loyal customer is significantly less than the cost of attracting and serving one new customer (Ndubisi, 2004).

The intention of this study is to analyze the effects of relationship marketing on customer loyalty. Specifically, this study aims at identifying a major dimension of relationship marketing that affect consumer loyalty on the commercial bank of Ethiopia. Such understanding will assist in better management of firm-customer relationship and in achieving a higher level of loyalty among customers (Gilaninia, Pournaserani and Mousavian, 2011).

1.2 Statement of the Problem

With stiff competition from various banks in Ethiopia, every bank has come to realize that customer satisfaction is the key to their business. It has become a key factor in business strategy. Customer satisfaction is critical for service industries to be successful in today's competitive business environment.

Customer loyalty is an important issue for the success of any retail organization because it is known that drawing new customers is more expensive than keeping existing ones. (Singh & Imran 2012) estimate that on average online retailers lose 25% of their customers every year and a small increase in customer retention can increase profits by more than 25%. Relationship marketing aims to create lifetime customers because when customers have a relationship with a company, they are ready to forget any other competitors offer. The relationship is the foundation of marketing and the company's success is strongly influenced by its ability to keep up long-term relationships with its employees and customers.

Since many of Ethiopian banks give almost similar product the point of differentiation is becoming very difficult. Based on preliminary survey done in 2018 on customer of few branches of Commercial Bank of Ethiopia customers pointed many problems they are facing with CBE branches for instance, poor customer handling, poor conflict handling, they complain their is no one to communicate and handle their complains. The bank doesn't have the culture of relationship marketing. CBE's culture of service delivery focuses on transactional marketing. Even though it understands the importance of relationship marketing it gives the biggest

priority for service excellence and profitability. Hence this shows little emphasis given for relationship marketing and in addition to that commercial bank of Ethiopia has a vision to be world-class bank by 2025 in order to achieve its vision the bank has to focus on relationship marketing strategies. Hence, the motivation behind this study is to examine the effects of relationship marketing on customer loyalty of commercial banks in Addis Ababa in order to identify the extent to which relationship marketing have effect on customer loyalty and recommend possible strategies to maintain and/or increase customers who remain loyal to respective retail banks.

Therefore, this study sought to investigate the effect of relationship marketing on customer loyalty mainly focusing on an extension of the relationship marketing dimensions not addressed by other prior researchers (trust, commitment, conflict handling, and culture, customer satisfaction and communication) that needs to be considered in the context of relationship marketing.

1.3 Research Hypothesis

This study will guide by the following research hypothesis:

H1-Organization Trust has a Positive and significant effect on customer loyalty of CBE.

H2- the Bank practice of Communication has a Positive and significant effect on relationship with customer loyalty of CBE.

H3- Organization Culture has a Positive and significant effect on customer loyalty of CBE.

H4- Commitment has Positive and significant effect on customer loyalty of CBE

H5- the Bank practice of Conflict handling has Positive and significant effect on customer loyalty of CBE.

H6- the Bank Customer satisfaction has Positive and significant effect on customer loyalty of CBE.

1.4 Research Objectives

1.4.1 General Objective

➢ The general objective of this study is to investigate the effect of relationship marketing on Customer loyalty in commercial bank of Ethiopia.

1.4.2 Specific Objective

➢ To explain the positive effect of the Bank practice communication on customer loyalty.

➢ To explore the positive effect of the Bank practice commitment on customer loyalty.

➢ To assess the positive effect of organization trust on customer loyalty.

➢ To investigate the positive effect of the Bank customer satisfaction on customer loyalty

➢ To assess the positive effect of the organization culture on customer loyalty.

➢ To explore the positive effect of the organization conflict handling mechanism on customer loyalty.

1.5 Significances of the Study

The results of this study are intended to indicate management of the Bank some measures to improve its strategy towards relationship marketing, retain and constantly delight their customers. The study would also be significant to the banking industry in its attempt to maintain service levels and implement international performance standards. It was hoped that scholars, academicians and researchers would find this study as a crucial contribution to the existing literature on relationship marketing particularly in regard to banks. Practically, it hopes that this study would provide a foundation upon which continuing research into the effect of relationship marketing on customer loyalty in the other service firms. In addition, the researcher will get more experience in doing research in a specific area.

1.6 Delimitation / scope of the study

The scope of the study focuses on two dimensions conceptual and Geographical scope.

Geographical Scope

The scope of this study was the commercial bank of Ethiopia customers in Addis Ababa on selected branches. It is not feasible or unmanageable to include all commercial bank of Ethiopia branch customers on this study because of resource limitations and experience of the researcher. Addis Ababa was selected from other regions because of its close proximity to the researcher. This study only focuses on the Banking sector; specifically commercial bank of Ethiopia the other banks and sectors are not included.

Conceptual Scope

In terms of the constructs showing in the research framework, only seven dimensions of relationship marketing underpinnings (trust, commitment, conflict handling, and culture, information exchange, customer satisfaction and communication) are focusing area and their impact on customer loyalty. Other dimensions of relationship marketing measurement are beyond this study.

Methodological Scope

The research design was explanatory design and the research only conducted via semi structured questionnaire distributed for customer's employees of the bank is not included.

1.7 Organization of the Paper

The study work is divided into five chapters. The introduction part includes Background of the study and Organization, Statement of the Research problem, Research Questions, Research Objectives, Significances of the Study, and Delimitation/Scope of the Study. The second Chapter deals with a review of related literature. The third chapter presents Research Design and methodology through Research Design/type and Sampling design. Results were analyzed in Descriptive and Organization of the Paper. Discussion of the result found from the study will be presented in Chapter Fourth. The Fifth chapter contains Summary, conclusion and Recommendation of the Study respectively.

1.8 Definitions of Basic Terms

Table 1 term definition

Term	Definition	Source
Relationship marketing	The process of creating, maintaining and enhancing strong long-term relationships with customers and other stakeholders through mutual exchange and trust.	Hollensen,2010
Loyalty	customer's willingness to have a close relationship with a firm in long-term, using and purchasing a company's services and products on a repeated basic as well as voluntarily introducing the company's services and products to other people.	Brink & Berndt, 2008
Communication	Is the consumer's perception of the extent to which a retailer interacts with its regular customers in a warm and personal way	Naoui and Zaiem, 2010
Conflict handling	Conflict handling Is an opportunity for the company to show its engagement towards its client through its efforts to resolve the conflict and its willingness to openly discuss reasons and possible satisfactory solutions.	Naoui and Zaiem, 2010
Trust	Trust is the belief that one's alliance partner will act in a predictable manner, will keep his or her word, and will not behave in a way that negatively affects the other.	Hollensen,2010
Customer satisfaction	Customer satisfaction is described as the general evaluation of the customers upon the current service performance	Johnson and Fornell, 1991
Commitment	Commitment Is an enduring desire to maintain a	Moorman et

	valued relationship.	al.,1992

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Relationship marketing

Philip Kotler defines Relationship marketing include create, maintain and strengthen a strong relationship with customers and other stakeholders.

Relationship marketing is the process that organizations have to understand the customers like or/and dislike and serve the customers according to their desire to anchor them for a continuous relationship (Kotler& Armstrong, 2010).

In service businesses, their is no real separation of production, delivery, and consumption, so the buyer–seller interaction is part of the marketer's task, and this can only be fulfilled in a relationship with the customer. In other sector such as industrial trading, the performance of repairs, servicing, maintenance, delivery, installation, and training requires not just close connections between seller and buyer, but also often other partners (Varey, 2002)

In Relationship marketing, customers take a much more active role than they normally are given. The success of relationship marketing also, to a large extent, depends on the attitudes, commitment and performance of the Employees. If they are not committed to their role as part-time marketers and are not motivated to perform in a customer-oriented fashion, the strategy fails. (Hollensen, 2010)

Figure 2.1: - The switch from transactional to relationship marketing

Extensive Marketing		**Intensive marketing**
Growth of sales volume	Growing Strategic	Growth of the frequency of customer visits
Growth of market share		Growth of sales per customer
Growth of the number of customers		Growth of the value of sales per customer

Transactional marketing

Relationship marketing
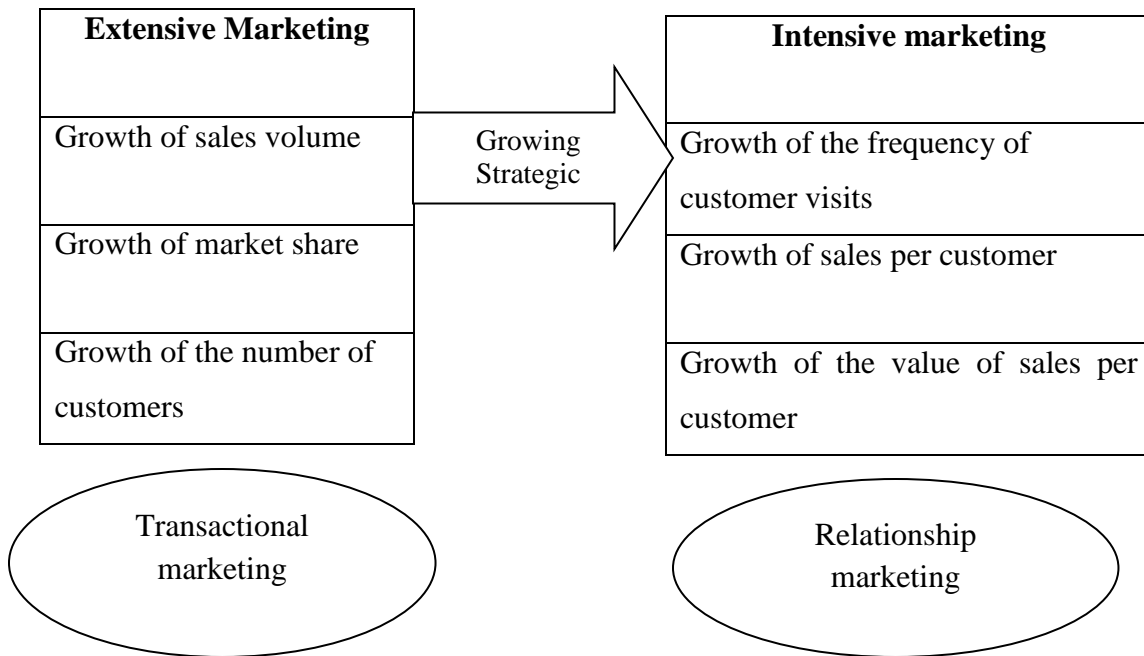
Source: - (pelau and Alpop, 2006)

In recent years, marketing has been undergoing considerable self-examination and internal debate. The overriding emphasis in the 'traditional' marketing approach is on acquiring as many customers as possible. Evidence is mounting; however, that traditional marketing is becoming too expensive and is less effective. Many leading marketing academics and practitioners have concluded that many of the long-standing practices and operating modes in marketing need to be evaluated, and we need to move towards a relationship approach that is based on repeated market transactions and mutual gain for buyers and sellers (Hollensen, 2010). While the Product Era focused on informing people about products and the Consumer Era focused on persuading consumers to buy more, integrated marketing communication welcomes a new era that we call the Relationship Era. The role of marketing in this new era is to foster sustainable relationships between brands and people. (Levey, 2010)

Figure 2.2:- the progression to the Relationship Era and the predominant marketing models

PRODUCT ERA

MARKETING IS:
Informing people about products

Brands that simply inform lose to those that tap emotions

CONSUMER ERA

MARKETING IS:
Persuading people to buy

Now people feel manipulated and distrustful

RELATIONSHIP ERA™

MARKETING IS:
Fostering sustainable relationships

1900s-1960s   1960s-2000s   2000s-NOW

The new model of marketing fostering sustainable relationships represents a meaningful change in the role of marketing. In the Consumer Era, the starting point was typically the consumer. Marketers worked to understand the buyer and become what consumers wanted them to be. Problem is what consumers want the brand to be may not be what the brand authentically is. This causes a gap between the brand's true intentions and how the brand presents itself a gap that can cause distrust with customers. In the Relationship Era, the starting point is the brand. The brand must know its authentic self before it can engage in sustainable relationships with people. The winners in the Relationship Era will be those that build trust and transactions, creating sustainable relationships with people.

Outcomes and Quality of Customer Relationship Management

➢ *Increase the overall quality of services providing.*

➢ *Increase trust of customers.*

➢ *Increase customer satisfaction of the services provided.*

➢ *Increased customer's commitment to organizations.*

➢ *Keep customers.*

➢ *Increase customer's loyalty.*

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➢ *Customers encouraged to proposals submit. (Papenhausen, 2006)*

2.1.2 Benefits and Functionalities of Relationship Marketing in service industries

A number of authors suggest that an emphasis on the 4P marketing mix is no longer the dominant marketing logic and that relationship marketing may be a more appropriate new paradigm for marketing thought, theory, and practice. Customers find relationship marketing attractive because of its potential to reduce risk, increase recognition, and impart prestige (Berry, 1995). One of the key benefits of relationship marketing comes from the continuing patronage of loyal customers who display decreased price sensitivity over time with a concomitant decrease in marketing costs, reduced overall costs, and partnership actions on the part of those customers (Bowen & Shoemaker, 1998)

Customer relationship has become one of the most major elements of companies' strategies (Khalifa, 2014) Customer relationship management (CRM) has some advantages such as ability to influence the customer profitability, providing integration program across the channel, improving the efficiency of sales team, personal marketing messages, customized products and services improving effectiveness of customer services, and improved the prices (Richards & Jones, 2008).

(Clogate, 1998) point out three benefits of relationship marketing as:-

Trust: - Reduce of worry; increase of trust the product and the service provider.

Social benefits: - recognition by employee, introduction and developing of friendships with staff

Specific behavior: - More services, special prices, higher priority than other customers

Creating long lasting relationships helps to ensure long-lasting customers and repeat sales. Customers want to know and feel that they are valued and appreciated as an individual. Showing existing customers that you value and appreciate them encourage them to refer other potential customers which may be their colleagues, friends, relatives, and others to your business(Martins, 2015).some relationship marketing strategies as suggested by (Martins,2015) are:-

- Make every customer interaction count.

- Follow-through on commitment and claims about product and services.

- Offer benefits and product value that responds to the customer's desires.

- Treat customers as individuals who are respected and valued.

- Listen to customers.

- Build a strong brand identify.

- Surround your customers with valuable information.

- Create a user-friendly website

- Reward loyal customers.

(Berry, 1983) recommended the following five strategies for practicing relationship marketing:-

- Developing a core service around which to build a customer relationship,
- Customizing the relationship to the individual customer,
- Augmenting the core service with extra benefits,
- Pricing services to encourage customer loyalty,
- Marketing to employees so that they will perform well for customers.

2.1.3 Customer Loyalty

Customer loyalty is defined as the willingness of any given customer to purchase the company's goods or services over competitive ones available in the marketplace. (Singh and Khan, 2012). (Oliver,1999) defined customer loyalty as a deeply held commitment to rebuy or re patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour.

Due to the fact that loyalty is the result of developing past positive experiences with the customers and having them return to the company various times due to these experiences,

customers will return again and again to do business with the company; regardless of whether it may not have the best product, price or service delivery (Ghavami & Olyaei, 2006).

A Model of Trust and Transactions

Because trust and transactions can have different meanings, we start by defining each term. The word "transactions" refers to the amount of money a consumer spends on a particular brand relative to what might make sense for a person to spend in that category. Specifically, we can define "trust" as having three progressively complex components. The level of trust in a consumer-brand relationship stems from the consumer's perspective on the following topics:

- Credibility: Does the brand deliver on its promises?
- Care: Does the brand understand my needs?
- Congruency : Does the brand resonate with my value

Figure 2.3 - progression of era
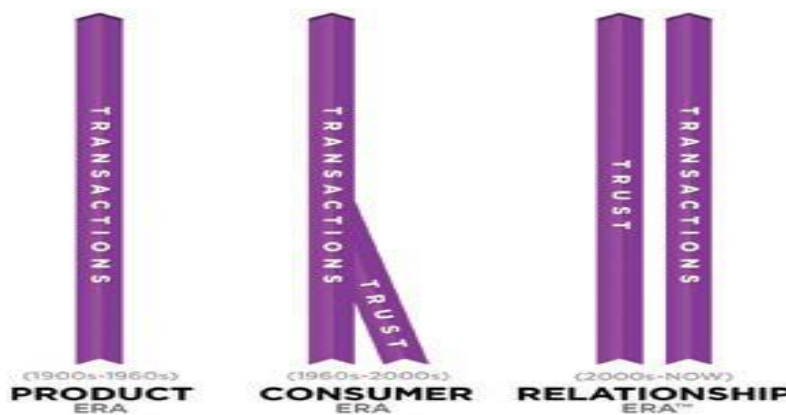
The distinction between the role of trust in the Consumer and Relationship Eras is important. In the Consumer Era, trust was seen as a means to achieve an end, namely a consumer buying more. It's a manipulation. One could certainly question whether "trust" is an appropriate word to use in the context of convincing people to do something. The word "trust" has simply been misused in marketing, and we now use the word to describe a concept more in keeping with the depth and importance of its true meaning. Similarly, "relationship marketing" is a term often

used to describe a technique for learning as much as you can about people to more successfully sell them things. (Levey, 2010)

2.1.4 Relationship Marketing Dimensions

2.1.4.1 Trust

According to Morgan and Hunt, 1994 trust is conceptualizing as a state that exists when one party has confidence in an exchange partner's reliability and integrity. The literature on trust suggests that confidence on the part of the rusting party results from the firm belief that the trustworthy party is reliable and has high integrity, which is associated with such qualities as consistent, competent, honest, fair, and responsible. Trust in relationship marketing is very important. This is the main focus in service organizations. It needs to go along with commitment. If deliverable is good then trust increases. Based on above definitions, it is clear that trust is a human characteristic that is based on assessment of one another's personality traits (Chu, 2009). Trust is an important mediating factor between customer behaviour before and after purchasing a product which can lead to long-term relationship and strengthened the relationship between the two parties. (Singh and Sirdeshmukh, 2000)

2.1.4.2 Commitment

The need for customer participation in service delivery process makes the concept of commitment specifically relevant to services (Kelley and Davis 1994). According to (Bowen and Shoemaker, 1998) commitment is the belief that an on-going relationship is so important that the partners are willing to work at maintaining the relationship and are willing to make short-term sacrifices to realize long-term benefits. Short-term sacrifices could be monetary or non-monetary, and the long-term benefits would be future business with customers and positive word of mouth by customers. And rendering to (Chu, 2003) loyalty is a positive attitude and behaviour related to the level of re-purchasing commitment to brand in future. Commitment can be divided into affective and continuance commitment. Affective commitment is based on emotional attachments such as identification, shared values, belongingness, dedication, friendship, and similarity. Continuance commitment is based on switching cost, investment, dependence and lack of choices (Gundach et al. 1995).

2.1.4.3 Communication

Communication Sales and communication are essential elements of transaction marketing. We have to adjust the customer's communication desires or needs and start on the communication cycle all over again (Schultz et al., 1992). (Morgan & Hunt, 1994) found that trust exist due to communication and with shared values. In retail banking, communication mean as done through letters, mail, interactions on websites and other machine related interactions and even personal interactions with personnel's who provide service after, before and during transactions. If these communications are appropriate, supportive, positive, valuable, simple, and pleasing then it consider as "good". In short customers can personally benefits by interpreting the communication if information offers by the service provider is in proper manner.

2.1.4.4 Customer Satisfaction

Satisfaction is one of the antecedents of customer loyalty. Relationship marketing is a long-term approach that its main objective is providing superior customer Value over the long period of time and the primary success criterion is to develop long-term customer satisfaction (Kotler et al., 1999).According to (Doyle,2002) highly satisfied customer will exhibit the following characteristics:-

- Stays in loyal longer,
- Buys more,
- Talks favourably about the company,
- Pays less attention to competing brands and advertising and
- The company will cost less to serve than a new customer.

And also Doyle suggested that the three cornerstones for relationship marketing are: planning and controlling of customer satisfaction, building and maintaining stable relationships (customer loyalty) and customer value management.

Customers in successful relationships have been far more potential for loyalty as they are often prepared to pay a premium price for goods or service (Newell, 2000) this means the customers will be loyal to the company and will willing to pay more rather than switching.

2.1.4.5 Organizational culture

Organizational culture is an attractive candidate if we want to identify organizational characteristics that can be linked to relationship skills. Compared to other organizational traits, organizational culture is both specific to an organization (Barley, 1983).

2.1.4.6 Conflict Handling

One way of dealing which conflict handling is through complaints handling is defined as the degree to which a formal organizational procedure for registering and processing customer complaints exists and is consistent with complainants' needs (Homburg and Furst, 2005).

2.2 Empirical Review

Numerous relationship marketing on customer loyalty studies have been investigated by various scholars. The studies were collected from various journals and research papers. A total of 20 articles are included in this review.

Table 1: Empirical Literature on Relationship marketing variables affecting customer loyalty

Authors	Relationship marketing dimensions	Summary of Findings
Lin and Luarn (2003)	Trust, customer satisfaction, Commitment and perceived value.	The findings prove that all variables are distinct concepts but that determine loyalty, commitment exerting a higher impact than others variables. Customer satisfaction and perceived value were also indirectly related to loyalty through commitment.
Kim and Yoon(2004)	Quality of service, satisfaction, image, and switching barriers	The results showed only factors such as call quality, handset type, and brand image affect customer loyalty.

Beerli et al. (2004)	Satisfaction, and switching costs	This study suggests that satisfaction and personal switching costs are antecedents to the direct formation of customer loyalty and perceived quality is a consequence of satisfaction.
Ndubisi(2007)	Trust, commitment, communication,and conflict management	Findings confirm that all factors have a great influence and provide a well-proportion of the variance in customer loyalty.
Liang(2008)	Perceived quality, trust, satisfaction,perceived value, and membership programs	The results of the study suggest that satisfaction is the most major factor, followed by trust in the training of attitudinal and Behavioral loyalty among the other factors.
Kim and Lee(2010)	Corporate image, brand awareness,service price, and service quality	The findings of the study show that corporate image, brand awareness, price of service and quality of service are antecedents to customer loyalty in the markets of mobile communications services.
Akhter*et al.* (2011)	Satisfaction, product image, trustworthiness, and relationship	The findings of the study prove that theiris a great relationship between all variables and customer loyalty.
Vuuren et al. (2012)	Customer satisfaction, trust, and Commitment	The main conclusion is that customer satisfaction has a strong correlation with customer loyalty, but the other factors also greatly affect customer loyalty.

Coelho and Henseler(2012)	Service personalization, quality ofservice, satisfaction, and trust	Personalization increases the perceived quality of service, customer satisfaction, customer trust, and ultimately, customer loyalty to a service provider. Personalization has direct and indirect influences on customer loyalty and interacts with the influences of customer satisfaction and customer trust on loyalty.
Jumaev and Hanaysha (2012)	Empathy; perceived conflict handling,trust, perceived value, andcommitment	From the tests and findings all predictors including commitment, trust, empathy, perceived conflict handling, perceive value have a positive correlation to customer's loyalty
Pratminingsih et al.(2013)	Satisfaction, trust, and commitment	The empirical study results revealed that three variables have a significant effect on student loyalty toward online shopping.
John(2013)	Satisfaction, trustworthiness, image,and importance of a relationship	Trustworthiness, relationship, image, value-added services andinconvenience in switching phone no. were found to the keyfactors that influenced the loyalty of the BSNL customers.
Agyei*et al*.(2014)	Service quality, competence (CEO/reputation), brand image, and physicalevidence.	The results of the study have shown, however, that while all factors correlate with customer loyalty, only service quality and brand image strongly predict customer loyalty.

Husnain and Akhtar, (2015)	Trust, commitment, communication, and conflict handling	The findings suggest that all factors have a significant influence and provide a high level of the variance in customer loyalty.
Khizindar*et al.* (2015)	Price, service quality, brand image, and trends	All variables tested for the price, quality of service, branding, and trends directly affect the customer loyalty of the service provider.
Meziane and Lakhdar (2015)	Trust, commitment, satisfaction, personalization, quality perceived, and value	The analysis of the results of different regressions simple has confirmed the occurrence of a significant relationship between the qualities, value, personalization, trust, commitment, and Satisfaction on customer loyalty.
Youcef*et al.* (2015)	Satisfaction, trust, and commitment	The outcome of the study after the statistical processing through the AMOS software indicated that theiris a high effect on customer satisfaction on the fidelity with the existence of intermediate variables of trust and commitment.
Abtin and Pouramiri(2016)	Trust, satisfaction, management, communication, and competence	The Pearson correlation coefficient was used to estimate therelationship between fidelity as a dependent variable and fiveindependent variables and found that theirwas a significantpositive relationship between the variables.

Gaurav (2016)	Customer centricity, commitment,trust, and communication	Multiple regression analysis has revealed that all variables of relationship marketing; customer centricity, commitment, trust, and communication conduce to customer loyalty.
Mbango (2017)	Competence, trust, commitment, communication, satisfaction, and cooperation	The empirical results suggest that to keep up customer satisfaction, a cement supplier must invest in ways to improve customer trust and communication. Customer satisfaction has a significant impact on customer loyalty

2.3 Conceptual Framework

Previous studies clearly indicated that various factors affected on the customer loyalty. Considering this, several models and structures of these factors have been studied. An overview of this study is presented in the conceptual framework which is given in Figure below.

Independent variable

dependent variable

```
┌─────────────────────┐
│       Culture       │
└─────────────────────┘

┌─────────────────────┐
│        Trust        │
└─────────────────────┘

┌─────────────────────┐                    ╭───────────╮
│    Communication    │                   │  CUSTOMER  │
└─────────────────────┘                   │  LOYALITY  │
                                           ╰───────────╯
┌─────────────────────┐
│     Commitment      │
└─────────────────────┘

┌─────────────────────┐
│   Conflict handling │
└─────────────────────┘

┌─────────────────────┐
│ Customer satisfaction│
└─────────────────────┘
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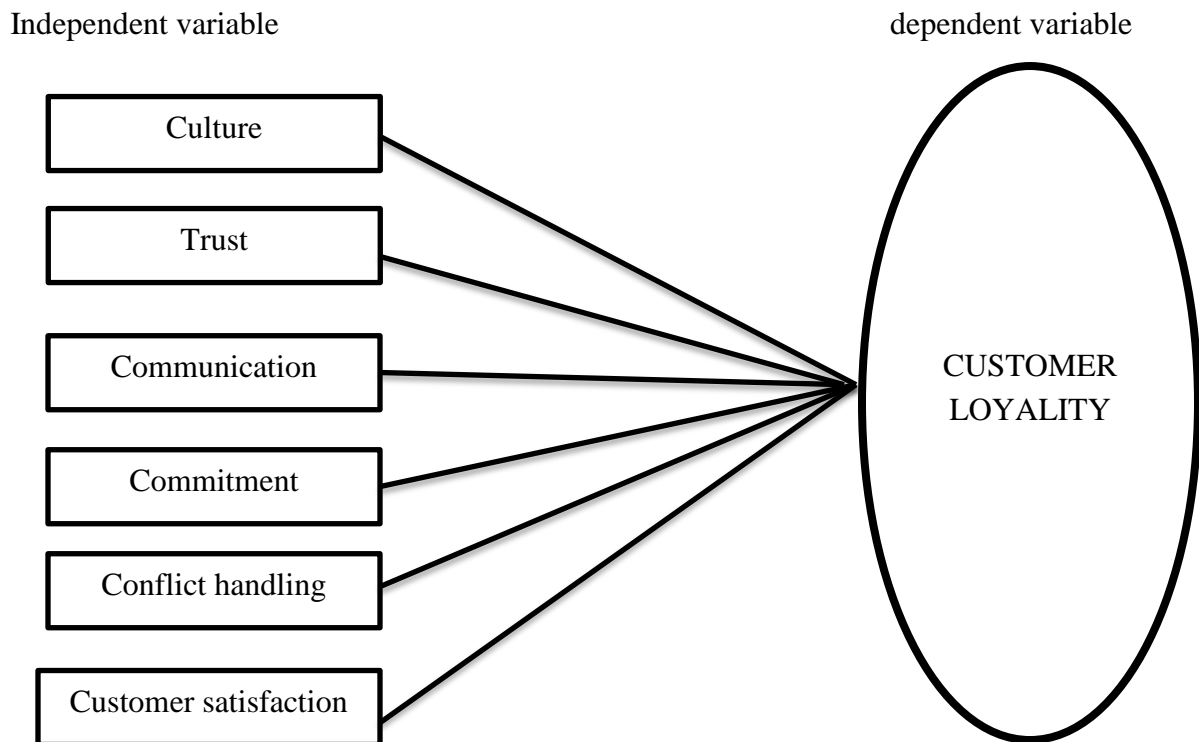
Figure 2.4 theoretical frame work of the study

Source: own construction, 2019

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

Explanatory research design will be used. Explanatory research attempts to clarify why and how their is a relationship between two aspects of a situation or phenomenon (Ranjit Kumar, 2011). Studies that establish causal relationships between variables may be termed explanatory studies. The emphasis here is on studying a situation or a problem in order to explain (Saunder et ai., 2007).

Explanatory research requires data to test a theory. This means that, you need to define the theories you wish to test as relationships between variables prior to designing your questionnaire. You therefore need to have reviewed the literature carefully, discussed your ideas widely, and conceptualised your own research clearly prior to designing your questionnaire (Ghauri and Gronhaug, 2005).

3.2 Research Approach

Qualitative research is fundamentally interpretive; this means that the researcher makes an interpretation of the data (Creswell, 1994). This includes developing a description of an individual or setting, analyzing data for themes or categories, and finally making an interpretation or drawing conclusions about its meaning. The task of the qualitative approach is to identify a theory that explains the dimension of relationship marketing and customer loyalty.

This study used quantitative research approach. The Quantitative approach was used to examine the effect of relationship marketing on customer loyalty and to test predetermined hypotheses regarding the relationship between determinant of relationship marketing and customer loyalty.

3.3 Target Population, Sample Size and Sampling Techniques

3.3.1 Target Population

The target population for this study was customer of the commercial bank of Ethiopia in four districts. Within one district the researcher was selected two branches based on their grade.

District	Branch	Grade	Daily Average customer served
South	Mexico	4	874
	Finfine	Special	1311
North	Aradagiogies	Special	1270
	Mahtemagandi	2	671
East	Ureal	4	830
	Teferadegiefe	3	705
West	SatenTera	2	814
	SomaleTera	3	723
Total	8		**7198**

Source: - branch data from T24 December, 2018

Table3.1 Daily average customer served in sample branches

3.3.2 Sampling Techniques

Non- Probability technique was used in this research. The reason commercial bank of Ethiopia selected because it is the biggest bank in Ethiopia it is the leading Bank in terms of market share, region network, customer base and capital. All district in Addis Ababa (South, North, West and East districts) selected for this study. From the selected districts branches were selected using purposive or judgmental sampling method based on the grade they have. After that the sample was distributed by percentage constructing on the average customer served by

each branches by using proportional sampling. The questionnaires were distributed by using convenience sampling; this method involves collecting units that are the easiest to access.

3.3.3 Sample Determination

To calculate the sample size simplified formula provided by (Yamane,1997) from Addis Ababa branches (North, South, East, and West Districts).To get a representative sample size from the total population the study used calculation of sample size formula for a finite number of population. A 95% confidences level was assumed for this formula to determine the sample size, at e=0.05. The sample size is determined by the following formula.

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

Where, n = number of sample size

N = Total number of study population

e = Sampling Error

e =0.05

$$n= \frac{7198}{(1+7198(0.05)2)}$$

n=378.94

Approximately n=379

The sample of this research was 379 customers from four districts of Addis Ababa. Depending on the average customers the branch serves different percent of sample was distributed (17.68 for AradaGiorgies, 9.23 for Matemagandi branch, 18.4for Finefine, 12.14 for mexico branch, 11.35 for satentera branch, 10.03 somalitera, 11.61 for ureal branch and 9.76 for Teferadegfebranch)

Table 3.2 sample and sample percentage

District name	Branch name	Grade	Percent	Sample
North	AradaGiories	Special	17.68	67
	Matemagandi	2	9.23	35
South	Finfine	Special	18.4	69
	Mexico	4	12.14	46
East	Teferadegife	3	9.76	37
	Ureal	4	11.61	44
West	Satentera	2	11.35	43
	SumaleTera	3	10.03	38
Total			**100**	**379**

Source: - 2018 District Classification Taken from CBE

3.4 Type of data tools/ Instrument of data collection

Primary data were used in this study. Primary data was collected by using a questionnaire. Questions about the dimension of relationship marketing were developed with reference to the theoretical studies reviewed. That can reveal the impact of dimensions of relationship marketing on customer loyalty and was distributed directly to the participants selected as a study sample (waking consumer).

3.5 Procedures of Data Collection

For the primary data collection 379 self-administered Questionnaires were distributed to the selected sample of the customers in Addis Ababa. In addition to the English version of questionnaire Amharic version was also developed and distributed so it facilitates easy understanding of the questions for respondents who are not able to read the English version.

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3.6 Method of Data Analysis

Descriptive and inferential analysis was used. The data entered in to Microsoft excel and raw data set was established following this the raw data was imported to SPSS version 20 and the frequency tables was produced for all responses variables in the data set. Correlation analysis also was conducted to measure whether there are relationship between relationship marketing dimensions and customer loyalty or not. Regression was carried out to identify the extent to which the dimensions of relationship marketing are affecting customer loyalty.

3.7 Ethical Consideration

Marketing research requires serious of ethical considerations, Aware of this fact the researcher has taken all precautions while securing the necessary information for the accomplishment of the research objective. The researcher exerted effort to get consent of the organization under study prior to the collection of the data. Customers were subjected of the survey conducted were briefed about importance of the study and their valuable contribution in providing information. These people were treated with respect and care as the same time they were assured that the data obtained from them kept confidential and only be used for academic purpose. Finally the data was collected with strict adherence to the above-mentioned research ethics and code of conduct of the organization.

3.8 Reliability and Validity

Validity

And to secure the content validity of the instrument, the researcher also referred previous researcher's questionnaires that fit the purpose and let different staff of CBE in the work place to review the instrument before distributing to the respondents and they had critically examined and forwarded some modifications on the instrument; therefore, their expertise feedback has been incorporated.

Reliability Test

As indicated in the Table below, the Cronbach Alpha is 0.995, which is very high and showing a very strong internal consistency among the measurement items. According to George &Mallery (2003), the value of alpha should be greater than 0.7 so as to accept the instrument. And the closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale

Table 3.3 Reliability test

Variables	N of items	Cronbach's Alpha
Trust	7	.982
Commitment	8	.978
Communication	5	.955
Culture	4	.960
Conflict handling	6	.968
Customer satisfaction	5	.979
Loyalty	6	.978
Total	41	.995

Source: analysis of survey data 2019, using spss 20

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Questionnaires were successfully delivered to 379 purposively selected customers at the purposely sampled eight branches of commercial bank of Ethiopia with in a period of seventeen days. A total of 340 valid responses with 39 missing questionnaires were returned back with 89.7% response rate. The questionnaires were personally handed to the respondents with close follow up and guide in filling the questioners.

The data collected are presented by frequency tables and to analyze the results Statistical Package for the Social Science (SPSS) vision 20 was used. Linear regression analysis was used to test the hypothesis and appropriate analysis and interpretations were made theiron in accordance with the results of the testing. Hence, the research results that were collected through the survey questionnaires were analyzed using descriptive statistics and linear regression statistics with the help of SPSS software and the results are presented and discussed in the following sections.

4.1 General information

The general information is organized in the following areas: gender, level of education, occupation, frequency of using CBE services. The purpose of the general information was to find out the characteristics of the respondents and to show the distribution of the population in the study.

Table 4.1 General information

	Frequency	Percent
Male	194	57.1
Female	146	42.9

Total	340	100.0
Below high school	56	16.5
First degree	140	41.2
College diploma	131	38.5
Masters or PHD	13	3.8
government employee	48	14.1
private work	177	52.1
Merchant	92	27.1
Student	23	6.8
once a month	54	15.9
once in six month	16	4.7
two to three times a week	158	46.5
Everyday	112	32.9
Total	340	100.0

Source: analysis of survey data 2019, using SPSS 20

The above table shows that distribution of respondent's gender.57.1% of the respondents was male, while 42.9 % of the respondents were female. This implies that majority of the participants in the research were male. The education qualifications of respondents are shown in table 4.1 As it indicated in the table, 41.2% holds a first degree, 38.5% were college diploma holders, while 16.5% reads and write and 3.8% of the respondents achieved masters or PHD. The results of respondent's occupation are indicated in table 4.1 The table demonstrates that 52.1% of the respondents are working in private sector, 27.1% are merchants, 14.1% are working in government sector and 6.8% indicated that they are students. The result form the

table 4.1 shows that 46.5% use any of CBE products two to three times a week, 32.9% of the respondents visit CBE branches every day, 15.9% once in a month, the rest of the respondents responded they use CBE product once in six month holding 4.7%

4.2 Descriptive analysis

Table 4.2 descriptive analysis

Descriptive Statistics			
	Mean	Std. Deviation	N
Loyalty	3.8554	0.70298	340
Trust	3.6811	0.71208	340
Commitment	3.7915	0.65371	340
Communication	3.8535	0.75513	340
Culture	3.675	0.77138	340
Conflict Handling	3.8564	0.68093	340
Customer Satisfaction	3.7371	0.77218	340

Source: analysis of survey data 2019, using SPSS 20

The above table demonstrates in detail about the mean and the standard deviation of the customer response, the interpretation is depended on the table proposed by (Andrich and David, 1978)

Rating scale

Mean Range	Interpretation	Response Made
1.0 - 1.7	strongly disagree	Very low
1.8 - 2.5	Disagree	Low
2.6 - 3.3	Not Sure	Neutral
3.4 - 4.1	Agree	High
4.2 - 5.0	Strongly Agree	Very High

The result of the descriptive table 4.5 shows that the mean of trust is 3.85 the perception of customer in trusting the bank is high. The perception of customer towards CBE making a commitment to wards customer need is high having a mean score of 3.7. Communication mean of customer responses 3.8535meaning the respondent agree on the method and practice of communication and information delivering technique of the bank. Organizational culture similarly the response is high having a mean score of 3.6 meaning the customer think the organizational culture specially the bank customize its service for its customers. Customer satisfaction of the respondent get high rating by agreeing on they are satisfied on the service they get from CBE having a mean score of 3.8564. Finally the respondent answers loyalty testing questions by agreeing on most of the question having a mean score of 3.8554.

4.3 Correlation Analysis

Different authors suggest different interpretations; however, (Cohen, 1988) suggests the following guidelines for interpreting correlation coefficients:-

Small =.10 to .29

Medium=.30 to .49

Large =.50 to 1.0

These guidelines apply whether or not there is a negative sign out the front of your r value.

Table 4.3 correlation result between the dependent and independent variable

correlation		
		Loyalty
Conflict Handling	Pearson Correlation	.630**
	Sig. (2-tailed)	.000
Loyalty	Pearson Correlation	1
	Sig. (2-tailed)	
Trust	Pearson Correlation	.596**
	Sig. (2-tailed)	.000
Culture	Pearson Correlation	.682**
	Sig. (2-tailed)	.000
Commitment	Pearson Correlation	.576**
	Sig. (2-tailed)	.000
Communication	Pearson Correlation	.629**
	Sig. (2-tailed)	.000
Customer Satisfaction	Pearson Correlation	.674**
	Sig. (2-tailed)	.000

Source: analysis of survey data 2019, using SPSS 20.

The above table 4.3 shows, the relationship between the independent variables which is Relationship marketing (Trust, Commitment, Communication, Culture, Conflict handling and customer satisfaction) and the dependent variable customer loyalty was investigated using Pearson correlation coefficient. The results of correlation analysis in the table 4.3, shows that all the independent variables were positively and significantly correlated with the dependent variable. The correlation coefficient between conflict handling and customer loyalty is 0.630 with $p < 5$. This means if the bank focus on conflict handling, the bank's customer loyalty will be improved. Therefore, conflict handling has power to determine the customer loyalty.

Based on the correlation result as it is shown in the table 4.3 Trust have large/ high relationship with customer loyalty having 0.596This means that if the bank can gain customer trust, the bank customer loyalty will be improved. Therefore, customer trust has power to determine the bank customer's loyalty.

4.4 Regression analysis

The multiple regression analysis was conducted. Multiple regressions is an extension of simple linear regression. It is used when we want to predict the value of dependent variable based on the value of two or more independent variables. It is conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influence of the independent variable (Trust, Commitment, Communication, Culture, Conflict handling and customer satisfaction) to the dependent variable customer loyalty.

Before interpreting the regression data result we have to check whether assumption of multicollinearity and normality assumptions are violated or not.

Normality assumption

Figure 4.1 Histogram and normal P-Plot

Histogram

Dependent Variable: LOY

Mean = -1.98E-15
Std. Dev. = 0.991
N = 340

Frequency

Regression Standardized Residual

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: LOY
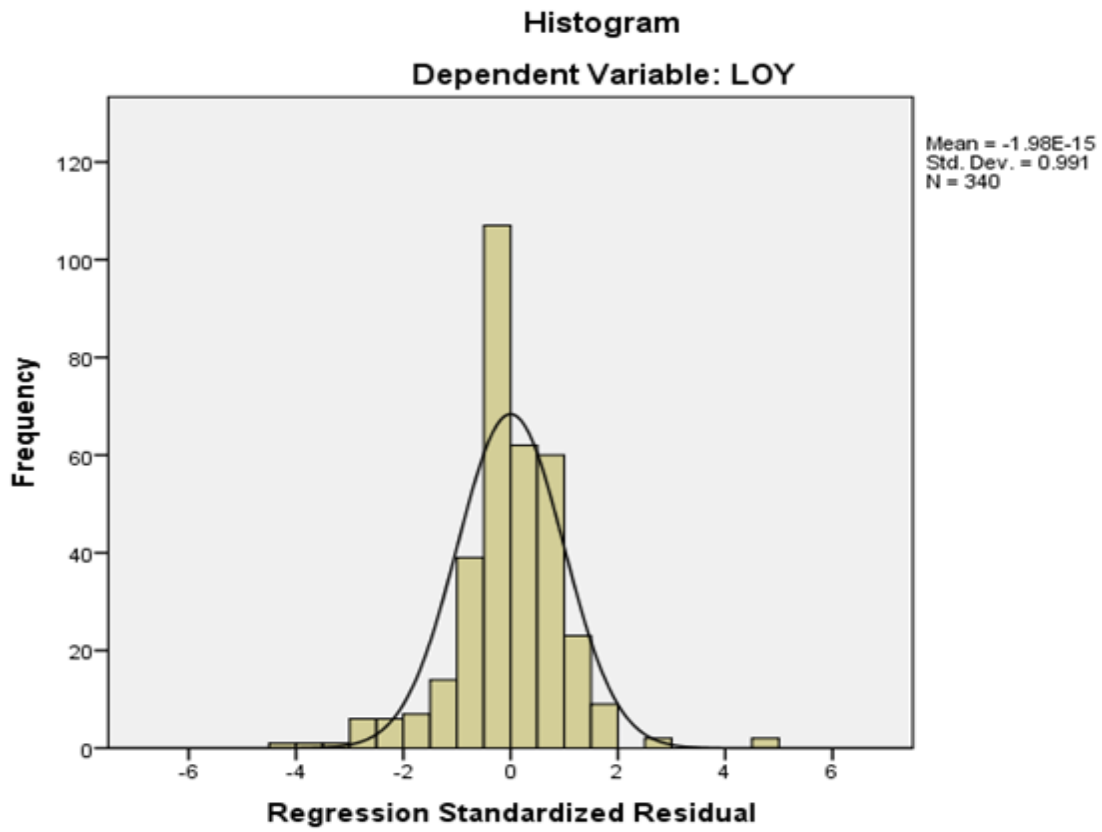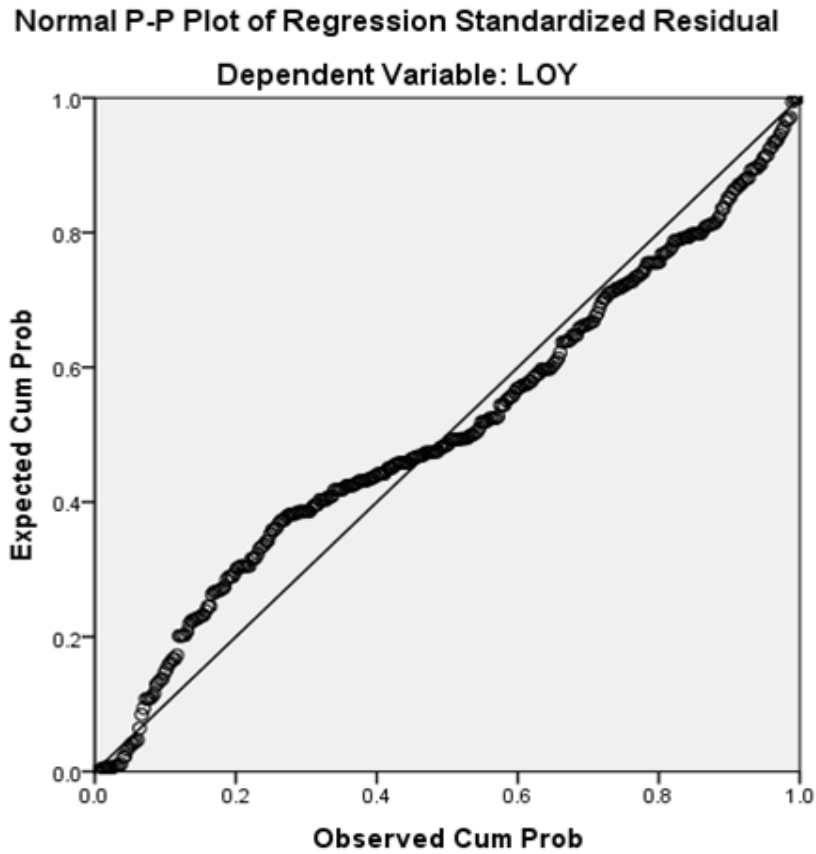
Source: analysis of survey data 2019, using SPSS 20

Normality can be checked by histogram and p-plot. In the Normal P-P Plot, you are hoping that your points will lie in a reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. As we can see from the histogram and p-plot graph in the above diagram we can say the variables are normally distributed.

Autocorrelation Assumption

Correlations		CHD	TUR	CUL	CMI	CMU	CST
CHD	Pearson Correlation	1		.			
	Sig. (2-tailed)	.000					
TUR	Pearson Correlation	.566**	1			.	
	Sig. (2-tailed)	.000					
CUL	Pearson Correlation	.551**	.549**	1		.	.
	Sig. (2-tailed)	.000	.000				
CMI	Pearson Correlation	.611**	.522**	.555**	1		
	Sig. (2-tailed)		.000	.000			
CMU	Pearson Correlation	.632**	.480**	.638**	.389**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
CST	Pearson Correlation	.538**	.547**	.748**	.472**	.703**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).							
b. List wise N=340							

Table 4.4 correlation between independent variables

Source: analysis of survey data 2019, using SPSS 20

Result from the table 4.4 shows that there so no high correlation between the independent variables (Trust, Commitment, Communication, Culture, Conflict Handling and Customer satisfaction).

Multicollinearity assumption

Multicollinearity can be checked using VIF and tolerance. Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent

variables in the model and is calculated using the formula 1–R squared for each variable. If this value is very small (less than .10) it indicates that the multiple correlation with other variables is high, suggesting the possibility of Multicollinearity. The other value given is the VIF (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance). VIF values above 10 would be a concern here, indicating Multicollinearity. The result from table 4.7 shows the VIF is below ten and the tolerance result didn't exceed 0.10. Hence, we have not violated the multi collinearity assumption.

Table 4.5 model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782[a]	.612	.606	.44107

a. Predictors: (Constant), Customer satisfaction , Commitment,   Conflict handling , Communication Culture

Source: analysis of survey data 2019, using SPSS 20

The result summary table 4.5 shows that value of R=0.782 and R Square 0.612 the fitted regression model explain by 61.2% which is greater than 0.50 indicates that there is a strong correlation between the dependent variable (customer loyalty) and the independent variable (relationship marketing) with effect on the dependent variable 61.2% so we can say that the remaining 38.8% of the variation in dependent variable is not explained. So the overall goodness of the model is satisfying.

Table 4.6 ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.551	5	20.510	105.428	.000b
	Residual	64.978	334	.195		
	Total	167.529	339			
a. Dependent Variable: Loyalty						
b. Predictors: (Constant), Customer satisfaction , Culture, Communication , TRUST , Commitment , Conflict handling						

Source: analysis of survey data 2019, using SPSS 20

As we see from the above ANOVA table the P value is 0.00 which is less than the level of significance or 0.05. Thus, the combination of the variables significantly predicts the dependent variable (F=77.378; $p < 0.05$). Therefore, the overall regression model is significant.

Table 4.7 Coefficients

Coefficients							
Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	.273	.162		1.681	.094		
	Trust	.148	.044	.150	3.343	.001	.562	1.780

Commitment	.158	.050	.147	3.171	.002	.522	1.916
Communication	.131	.050	.141	2.625	.009	.392	2.549
Culture	.184	.051	.202	3.629	.000	.364	2.750
Conflict handling	.159	.053	.154	2.971	.003	.421	2.374
Customer satisfaction	.172	.052	.189	3.302	.001	.343	2.920
a. Dependent Variable: Loyalty							
B. Independent variable : trust, commitment, communication, culture, conflict handling, customer satisfaction							

Source: analysis of survey data 2019, using SPSS 20

The above table shows that the standardized Beta Coefficients that present the contributions of each variable to the model. The results of regression analysis of each model, the result show that relationship marketing co-jointly predicted by trust $\beta = 0.148$, $p<0.05$), commitment ($\beta = 0.158$, $p< 0.05$), communication ($\beta = 0.131$, $p< 0.05$),culture ($\beta = 0.184$, $p< 0.01$),conflict handling ($\beta = 0.159$, $p< 0.05$) and customer satisfaction ($\beta = 0.172$, $p< 0.01$).These variables together explain 27.3% of the variance in customer loyalty.

4.5 Hypothesis test

The above coefficients table 4.10 illustrates that the influence of customer relationship management on organization performance of the bank. At this point using this multiple regression coefficient results, the proposed hypotheses for this study were tested as follows:-

H1-customer Trust has a significant effect on customer loyalty of CBE.

As show in coefficients table 4.13 indicate that Trust on the organization has a positive influence on customer loyalty having a beta value of (β=0.148) this shows that there is a positive and significant effect on customer loyalty with 95% confidence interval. Thus, the above proposed hypothesis is accepted

H2- the Bank practice of Communication has a significant effect on relationship with customer loyalty of CBE.

Based on regression analysis result in the above table 4.13 illustrates that communication has significant influence on customer loyalty the value of beta is 0.131 this shows that there is a positive and significance influence of communication practice of CBE on customer loyalty with 95% confidence interval. Thus, the above proposed hypothesis is accepted.

H3- Organization Culture has a significant effect on customer loyalty of CBE.

The result of multiple regression analysis in the above table 4.13 clearly indicates that culture has positive and significant influence on customer loyalty the value of beta is (β=0.184) with 95% confidence interval this shows there is a significance influence of organizational culture on customer loyalty. therefore, the above proposed hypothesis is accepted.

H4- Commitment has significant effect on customer loyalty of CBE

The result form the coefficients table 4.13 indicate that commitment of the organization has a positive influence on customer loyalty having a beta value of (β=0.158) with 5% significant level this shows that there is a positive and significant effect on customer loyalty. Thus, the above proposed hypothesis is accepted.

H5- the Bank practice of Conflict handling has significant effect on customer loyalty of CBE.

The result of multiple regression analysis in the above table 4.13 it can be inferred that conflict handling practice of commercial bank of Ethiopia has a positive effect on customer loyalty and significant effect on customer loyalty. the value of beta is (β=0.159) Thus, the above proposed hypothesis is accepted.

H6- the Bank Customer satisfaction has significant effect on customer loyalty of CBE.

The results of regression analysis show in the above table 4.13 it can be inferred that customer satisfaction has a significant influence on customer loyalty the value of beta is(β= 0.172) this

shows that there is a positive and significance influence of customer satisfaction on customer loyalty with 95% confidence interval.

Hypothesis summary

Number	Hypothesis	Accepted/not accepted
H1	Customer Trust has a significant effect on customer loyalty of CBE.	Accepted
H2	The Bank practice of Communication has a significant effect on relationship with customer loyalty of CBE.	Accepted
H3	Organization Culture has a significant effect on customer loyalty of CBE.	Accepted
H4	Commitment has significant effect on customer loyalty of CBE	Accepted
H5	The Bank practice of Conflict handling has significant effect on customer loyalty of CBE.	Accepted
H6	The Bank Customer satisfaction has significant effect on customer loyalty of CBE.	Accepted

Table 5.1 hypothesis summary

Source: summary made from result of SPSS, 2019

CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The main purpose of the study was to examine the impact of relationship marketing noncustomer's loyalty in banking industry, particularly in commercial bank of Ethiopia. The major goal of relationship marketing is to create long-lasting relationship with customers. Good relationship with customers is the first requirement to survive in a competitive environment and to generate profit. The relationship marketing dimensions that were included in this research are trust, commitment, communication, culture, conflict handling and customer satisfaction.

With regard to the Pearson correlation analysis, it can be clearly seen as that the six relationship Marketing dimensions namely trust, commitment, conflict handling, customer satisfaction, and culture are positively Related to customer loyalty in commercial bank of Ethiopia the relationship looks like the following:-

➢ Trust dimension and customer loyalty have moderate relationship.

➢ Commitment dimension and customer loyalty have high relationship.

➢ Conflict handling and customer loyalty have high relationship.

➢ Culture and customers loyalty have moderate relationship.

➢ Customer satisfaction and customer loyalty have moderate relationship.

➢ Communication and customer loyalty have a positive relationship.

The regression analysis it clearly shows that 61.2% customer loyalty is explained by relationship marketing dimensions (trust, commitment, communication, culture, conflict

handling and customer satisfaction). Each independent variable regressed against customer loyalty and the result shows all the independent variable can explain the dependent variable (customer loyalty).

5.2 Recommendations

This study raised a number of research questions and developed hypotheses related to the study variables. The purpose of the study was to identify benefit and risk perceptions of customers towards the e-banking service of commercial bank of Ethiopia. The study applied a descriptive study on Commercial Bank of Ethiopia and tried to infer the findings through testing the hypotheses. And based on the conclusions drawn above the following recommendations are forwarded for the concerned bodies:

➢ CBE should work on customer trust by making them feel their privacy is protected while transacting, by giving them reliable information in time, CBE should also work on organizational culture and conflict handling mechanism by making it easy for customers to how where and when to report their complains that will eliminate unnecessary inconvenience to customers lead to being not loyal.

➢ CBE management should develop strategy in accordance with relationship marketing because loyal customers are valuable communicators of favorable word-of-mouth about organizations or products to which they feel loyal and may even increase their usage of different CBE products collectively will benefit the revenue and profit of the bank.

➢ Future research should test these relationships in other service sectors other than banking sector Moreover; future research in this area can introduce some other relational dimensions such as empathy, customer centricity, personalization, brand awareness, physical evidence, perceived quality, image and trends. By examining these effects, this future study will add value to the present knowledge in this area, by pushing back the frontier of knowledge in the field.

5.3 Limitation of the research

Despite the useful findings of the study, this study has several limitations that need to be acknowledged. The limitation of this research is it only focuses on one sector the banking sector particularly in commercial bank of Ethiopia. Focusing only 6 relationship marketing dimensions

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APPENDIX A

ST.MARY'S UNIVERSITY

POSTGRADUATE STUDY IN

MARKETING MANAGEMENT

Dear Participant,

Thank you for agreeing to take part in this important survey to investigate the effect of relationship marketing on customer loyalty the case of commercial bank of Ethiopia. **And** the collected data will be applied for the study conducted as a patial fulfillment of MA degree in Marketing Management. This survey should only take 4-5 minutes to complete. The information you provide in this questionnaire will be kept confidential and will be utilized only for the purpose of this study. Your genuine response is highly valuable for the achievement of the objectives of this research. If you have any comment or suggestions do not hesitate tocontact me via my email hanagosayeb@gmail.com or +251913520851.

PART ONE: - GENERAL INFORMATION /DEMOGRAPHIC QUESTIONS

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

1. Gender

   A. Male ☐   B. Female ☐

2. Educational level

   A. Below high school ☐   C. college diploma ☐

   B. First degree ☐   D. Masters or PhD ☐

3. Occupation

   A. government employee ☐   C. merchant ☐

   B. private work ☐   D. student ☐

4. Frequency of usage

   A. once a month ☐   C. twice a week ☐

   B. more than two times a week ☐   D. everyday ☐

PART TWO: -RELATIONSHIP MARKETING RELATED QUSTIONS

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

1=Strongly Disagree   2= Disagree   3=neutral   4=Agree   5=Strongly Agree

Code	Trust related Questions	1	2	3	4	5
TRU1	I can count on CBE to ensure that transaction carried out without error.					
TRU2	I think that the information presented by CBE is reliable.					
TRU3	I feel like my privacy is protected while transacting.					
TRU4	Employee of the bank show respect to customers.					
TRU5	My bank has the ability to meet its promises.					
TRU6	I never doubt that my bank will not keep its promises.					
TRU7	Given my experience, the bank can be trusted completely.					
	Commitment related question					
CMI1	The bank makes adjustment to suit my needs.					
CMI2	The bank offers personalized services to meet customers need.					
CMI3	The bank is flexible when their services are changed.					
CMI4	The bank is flexible in serving my needs.					
CMI5	My relationship with the bank is one that I am very committed to continue.					
CMI6	My relationship with the bank is very important to me.					
CMI7	My relationship with the bank is one that I really care about					
CMI8	My relationship with the bank is worth my effort to maintain.					

	Communication related question					
CMU1	I trust that the CBE informs me about new services/products.					
CMU2	Every front officer has full information about the bank products and services.					
CMU3	The bank provides information easy to access.					
CMU4	I believe CBE provide timely and trustworthy information.					
CMU5	Theiris two way communications between me and the customer service officer when I visit.					
Culture related questions						
CUL1	I believe CBE have the culture to ask if I am satisfied with the service or not					
CUL2	The customer service officer aims to insure repeated visit.					
CUL3	The bank customize its service for customers					
CUL4	The bank put customers concerns first					
Conflict handling related question						
CHD1	CBE is concerned about answering my complaints.					
CHD2	CBE user takes corrective actions to avoid situation that have originated complaints.					
CHD3	The bank has the ability to openly discuss solutions when problems arise.					
CHD4	The bank listens to customer's problem.					
CHD5	The bank clearly communicates to you about how and where to complain in case of a problem.					
CHD6	The bank asks you about your feeling toward their responses for your complaints.					
Customer satisfaction related question						

CST1	When I have experienced unforeseen or critical situations, CBE has managed these in a satisfactory manner.					
CST2	I am satisfied with the interactions that I have had with CBE.					
CST3	CBE satisfies my needs.					
CST4	CBE understands my needs.					
CST5	I am satisfied with the quality of CBE services.					
Loyalty related questions						
LOY1	I prefer CBE to other competitor.					
LOY2	CBE is the best bank for me.					
LOY3	I would be willing to defend CBE in the face of any controversy.					
LOY4	I would consider CBE as my first choice for banking service.					
LOY5	I am a loyal customer to the bank.					

THANK YOU VERY MUCH!

APPENDIX B

በቅድስትማርያምዩኒቨርሲቲ

ማርኬቲንግማኔጅመንትየድህረምረቃትምህርት

በደንበኞችየሚሞላመጠይቅ

ውድ ተሣታፊ

ይህ ጥናት በኢትዮጵያ ንግድ ባንክ ደንበኞችና በባንኩ መካከል ያለውን የደንበኛ እና ያገልግሎት ሰጪ ትስስር እንዲሁም ይህ ትስስር የደንበኞችን በዘላቂነት ለመያዝ የሚኖረውን አስተዋስኦ ለመዳሰስነው፡፡በዚህ መጠይቅ አማካኝነት የሚሰበሰበው መረጃ ሙሉ በሙሉ በገበያ ጥናት አስተዳደር ትምህርት ዘርፍ የድህረ ምረቃ ፕሮግራም ማሟያ ጥናታዊ ፅሁፍ ብቻ ይዉላል። የሚሰጡት መረጃም ሚስጥራዊነቱ የተጠበቀ ይሆናል።ከእርስዎ የሚሰበሰበው መረጃ የጥናታዊ ፅሁፍን አላማ ለማሳካት ወሳኝ ስለሆነ ሀሳብዎን በነፃነት እንዲሰጡ እጠይቃለሁ።በተጨማሪም ምንም አይነት አስተያየት ቢኖርዎ በኢሜል አድራሻዬ hanagosayeb@gmail.com ወይም በስልክ ቁጥር +251913520851 ሊገልፁልኝ ይችላሉ። ከዉድ ጊዜዎ ቀንሰው ቃለ መጠይቁን በመሙላት ስለተባበሩኝ ከልብ አመሰግናለሁ።

ክፍልአንድ: - አጠቃላይመረጃ

ለእያንዳንዱ ጥያቄ በተሰጠው ሳጥን ውስጥ ተስማሚ ምላሹን ምረጥ ()

1. ጾታ

   ወንድ   ▭   ሴት   ▭

2. የትምህርትደረጃ

   ማንበብናመፃፍየኮሌጅዲፕሎማ   ▭   ▭

   የመጀመሪያዲግሪማስተርስወይም PHD   ▭   ▭

3. ሥራ

   የመንግስትሰራተኛነጋዴ   ▭   ▭

   የግልሰራተኛሪ   ▭   ▭

4. የባንኩንአገልግሎቶችየመጠቀምድግግሞሽ

   በወርአንድጊዜበሳምንትሁለትሶስትጊዜ   ▭   ▭

በስድስትወርእንዴበየቀኑ

ክፍልሁለት:- የደንበኛናኅልግሎትሰጪትስስርጋርየተያያዙ ጥያቄዎች

የሚከተሉትንከባንኩአሠራርጋርተያያዥኅርየሆኑትንዳዮችያለዎትንግምገማ 1 – 5 በተጠቀሱመለኪያዎችበመምረጥያሳዩ

1 = በጣምአልስማማም 2 = አልስማማም 3 = ገለልተኛ 4 = እስማማለሁ 5 = በጣምእስማማለሁ

Code	ደንበኞችበባንኩላይያላቸውንእምነትንየሚመለከቱተዛማጅጥያቄዎች	1	2	3	4	5
TRU1	በባንኩማንኛውምየገንዘብእንቅስቃሴሳደርግእንከእልባባሆነመልኩይከናወናልብዬአምናለሁ ፡፡					
TRU2	ከ ባንኩየማገኘውመረጃተአማኒነውብዬእስባለሁ፡፡					
TRU3	ከባንኩጋርማንኛውም ዓይነትአገልግሎትሳገኘግላዊእንቅስቃሴእንደሚጠበቅልኝይሰማኛል፡፡					
TRU4	የባንኩየደንበኛአገልግሎትባለሙያዎችለደንበኞችተገቢውንአክብሮትይሰጣሉ፡፡					
TRU5	ባንኩቃልአክባሪነውብዬእስባለሁ፡፡					
TRU6	ባንኩቃሉንያጠፋልብዬተጠራጥሬአላውቅም፡፡					
TRU7	በኔተምክሮባንኩመሉበመሉእምነትሊጣልበትይችላል፡፡					
	ባንኩበአገልግሎትአሰጣጡየደንበኞቹንፍላጎትለሚሟላትያለውቁርጠኝነት					
CM11	ባንኩየአገልግሎትአሰጣጡንከእኔፍላጎቶች ጋርለማጣጣምየአሠራርማሻሻያዎችንይተገብራል					
CM12	ባንኩየተገልጋዩንፍላጎትለሚሟላትየተገልጋዮችንምኞትታሳቢያደረገየአገልግሎትአሰጣጥመንገዶችን ለማቅረብይተጋል፡፡					
CM13	አሰራራሲቀየርባንኩለደንበኞችምቹሁኔታዎችንያመቻቻል፡፡					
CM14	ባንኩየደንበኞችንፍላጎትበማሟላትሂደትወቅታዊሁኔታዎችንታሳቢለማድረግግዝግጁነው፡፡					
CM15	ከባንኩጋርያለኝየስራግንኙነትእንዲቀጥልቁርጠኛነኝ፡፡					
CM16	ከባንኩጋርያለኝየስራግንኙነትለኔበጣምአስፈላጊነው፡፡					
CM17	ከባንኩጋርላለኝየስራግንኙነትከፍተኛዋጋአስጣለሁ፡፡					
CM18	ከባንኩጋርለሚኖረኝግኙነትወደፊትየገንዘብ'የጊዜእናየስነልቦናመሰዋትነትተተገቢነውብዬአምናለሁ፡፡					
	የመረጃፍሰትንየተመለከቱጥያቄዎች					
CMU1	ባንኩአዲስየባንክአገልግሎቶች / ምርቶችሲተገብርያሳውቀኛልሚልእምነትአለኝ፡፡					
CMU2	እያንዳንዱየባንኩየደንበኞችአገልግሎትመከንንስለባንኩምርቶችናአገልግሎቶችሙሉመረጃአለው፡፡					
CMU3	ባንኩመረጃዎችንለማድረስቀላልዘዴዎችንይጠቀማል፡፡					

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| CMU4 | ባንኩወቅቱንያገናዘዘበናናትአማኔዎታ... | | | | | |

CMU4	ባንኩወቅቱንያገናዘዘበናናትአማኔዎታ...					

Code	Statement					
CMU4	ባንኩወቅቱንያገናዘዘበናናትአማኒየሆኑመረጃዎችንእንደሚያቀርብልኝናለሁ፡፡					
CMU5	ባንኩንብምስበኝበትጊዜበኔናበደንበኞችአገልግሎትስራተኞችመሀከልእርስበርስየሀሳብለውውጥአለ ፡፡					
	የአሰራርባህልንተመለከቱትጥያቄዎች					
CUL1	ባንኩደንበኛውበአገልግሎቱእንደተደሰተለማረጋገጥእሚያስችልአሰራርባህ|ልአለው፡፡					
CUL2	የደንበኛአገልግሎትመኮንኖችየአአገልግሎቱበመስጠትደንበኛውበተደጋጋሚአገልግሎትለማግኘት ወደባንክእንዲመጣአቀድውይሠራሉ ፡፡					
CUL3	ባንኩየሚሰጣቸውንአገልግሎቶችደንበኛውፍላጎትበሚያ∫ላመልከመስጠትንታሳቢ አ⊕ርጎይሠራል፡፡					
CUL4	ባንኩለደንበኞቹፍላጎትቅድሚያይሰጣል፡፡					
	የግጭትአፈታትንተመለከቱትጥያቄዎች					
CHD1	ባንኩየአገልግሎትቅሬታዎቹንለመመለስይተጋል፡፡					
CHD2	ባንኩየተጠቃሚዎችንቅሬታመነሻበማድረግአገልግሎትማሻሻያዎችንይተገብራል					
CHD3	በአገልግሎትአሰጣጡላይችግሮችበሚከሰቱበተጊዜባንኩበመፍጤውዘርያበሀግጽነትየመወያየትል ማድአለው፡፡					
CHD4	ባንኩየደንበኞችንትግርያደምጣል፡፡					
CHD5	ባንኩበአገልግሎትአሰጣጡላይየሚነሳፈቀታንብትናንዴትባለሁታማቀረብእንዳለብዎአግባቡያ ስረዳዎታል፡፡					
CHD6	ባንኩለቅሬታዎየሰጠውምላሽአጋባመሆኑንለማረጋገጥያሎትንስሜትይጠይቃል፡፡					
	የደንበኞችእርካታንተመለከቱትጥያቄዎች					
CST1	ከባንኩአሠራርጋርየተያያዙችግሮችሲያጋጥሙባንኩበአጥጋቢሁኔታችግሮቹን ፈ~ቸዋል፡፡					
CST2	ከባንኩጋርባሳለፍኳቸውየደንበኝነትጊዜያትደስተኛነኝ፡፡					
CST3	ባንኩየባንክአገልግሎትፍላጎቶቼንያሟላል፡፡					
CST4	ባንኩየባንክአገልግሎትፍላጎቴንይረዳል፡፡					
CST5	በባንኩየባንክአገልግሎቶችጥራትበጣምተደሰቻለሁ፡፡					
	ዘላቂደንበኝነትንተመለከቱትጥያቄዎች					
LOY1	ከባንኩአገልግሎቶችእምክፍለውክፍያከሴሎችተመሳሳይአገልግሎትሰጪዎችከሚያቀርቡትዋጋከፍያ ለቢሆንምእን≤ን ደንበኝነቴንእቀጥላለሁ፡፡					
LOY2	ባንኩንከሌላተወዳዳሪባንክእመርጣለሁ፡፡					

LOY3	ባንኩለእኔተመራጭባንክነው::					
LOY4	በባንኩላይየሚነሱትንየተዛቡመረጃዎችንአመለካከቶችለመከላከልእናለማጥራትፈቃደኛነኝ::					
LOY5	ባንኩበባንክአገልግሎትተተቀዳሚያምርጫዬነው::					
LOY6	ለባንኩታማኝደንበኛነኝ::					

APPENDIX C

Histogram
Dependent Variable: LOY

Correlations

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: LOY

		CHD	TUR	CUL	CMI	CMU	CST
CHD	Pearson Correlation	1		.			
	Sig. (2-tailed)	.000					
TUR	Pearson Correlation	.566**	1			.	
	Sig. (2-tailed)	.000					
CUL	Pearson Correlation	.551**	.549**	1		.	.
	Sig. (2-tailed)	.000	.000				
CMI	Pearson Correlation	.611**	.522**	.555**	1		
	Sig. (2-tailed)		.000	.000			
CMU	Pearson Correlation	.632**	.480**	.638**	.389**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
CST	Pearson Correlation	.538**	.547**	.748**	.472**	.703**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).							
b. List wise N=340							