

ASSESSMENT OF SERVICE DELIVERY AND CUSTOMER COMPLIANT HANDLING  
PRACTICE (IN CASE OF COMMERCIAL BANK OF ETHIOPIA YEJOKA BRANCH)



WOLKITE UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF MARKETING MANAGEMENT

A RESEARCH SUBMITTED TO DEPARTMENT OF MARKETING MANAGEMENT TO  
THE PARTIAL FULFILLMENT OF BA DEGREE IN MARKETING MANAGEMENT

BY RAHEL ALEMNEW ID/NO 269/10  
ADVISOR ALEM Z. (MA)

DECEMBER, 2020  
WOLKITE, ETHIOPIA

## ABSTRACT

*This research tried to identify service delivery and customers complain handling practice in commercial bank of Ethiopia at Yejoka branch. The objective of this study was to assess the kind of service delivery, assess the company's service delivery system for its customers, identify the method used to recover the complaint of the customer and examine the ways of the company used to communicate its customers to handle their complaints in the study area. The primary data was collected through questionnaire and interview. The study used convenience sampling to select sample respondents. Primary and secondary data collection methods had used. The finding of the result collected through descriptive statistics and interview finding showed that, the bank provides loan service, deposit service, money transfer, trade service and business service to the customers but most of customers gain deposit and money transfer services. The bank use ATM, mobile banking, internet banking and POS service delivery systems but survey finding showed that most of customers use ATM. Among service delivery systems ATM was the most preferred service delivery system because it can easily accessed and use at any time and even it has not any cost incurred. On the other hand customers raise complain on ATM service delivery system for the machine doesn't work properly. As the finding of respondents, the manager and employee of the bank showed the bank use the direct way of complaint report method through oral. After the problem occurred and customers report the problem to the bank employee, employees immediately solve/fix the problem. The researcher recommended the bank should modify and ease the accessibility of ATM machine.*

**Key words:** *Yejoka, service delivery, complain handling, convenience sampling method*

## ACKNOWLEDGMENTS

First, I would like to thank to my almighty God and to stay in life to this day and helps in giving me courage to cop up the complicated situations.

I extend my deepest appreciation to my advisor Ms. Alem Zeynu for her guidance, professional expertise, constructive comments and encouragements in all my moments. Her Constructive guidance during data collection until the end of this research work is highly appreciated and the completion of my study would have been impossible without her support. She was always willing to answer my questions, take my calls, and respond to my Telegram address.

I sincerely acknowledge the study respondent and participants for their honest and concerned response for my study without their relevant replays it was impossible to achieve my goal. I also would like to acknowledge my family for their moral and material support.

## Table of Contents

<b>ABSTRACT .....</b>	<b>I</b>
<b>ACKNOWLEDGMENTS.....</b>	<b>II</b>
<b>LIST OF TABLES .....</b>	<b>V</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>1. INTRODUCTION.....</b>	<b>1</b>
1.1 BACKGROUND OF THE STUDY .....	1
1.2 BACKGROUND OF THE ORGANIZATION .....	2
1.3 STATEMENT OF THE PROBLEM.....	3
1.4 RESEARCH QUESTIONS .....	4
1.5 RESEARCH OBJECTIVES .....	4
1.5.1 General Objective .....	4
1.5.2 Specific Objectives .....	4
1.6 SIGNIFICANCE OF THE STUDY .....	4
1.7 SCOPE OF THE STUDY .....	5
1.8 ORGANIZATION OF THE PAPER.....	5
<b>CHAPTER TWO .....</b>	<b>6</b>
<b>2. LITERATURE REVIEW .....</b>	<b>6</b>
2.1. DEFINITION OF SERVICE DELIVERY AND CUSTOMER COMPLAINT HANDLING .....	6
2.2 DEFINITION OF CUSTOMER SATISFACTION AND CUSTOMER VALUE .....	7
2.3 PARAMETER OF QUALITY SERVICE TO CUSTOMER SATISFACTION.....	8
2.4 CUSTOMER LOYALTY AND RETENTION.....	9
2.5 HANDLING CUSTOMERS COMPLAINTS AND SERVICES RECOVERY .....	9
2.5.1 HANDLING COMPLAINTS THROUGH BUILDING GOOD RELATIONSHIP .....	10
2.5.2 HANDLING COMPLAINTS BY IMPROVING QUALITY OF SERVICE .....	10
2.5.2 MANAGE COMPLAINTS TO ENHANCE LOYALTY .....	11
2.6 UNDERSTANDING CUSTOMER BEHAVIOR.....	11
2.7 BENEFITS OF EFFECTIVE COMPLAINT HANDLING PROCESS .....	12
2.9 HANDLING CUSTOMER COMPLAINTS.....	13

<b>CHAPTER THREE .....</b>	<b>16</b>
<b>3. RESEARCH METHODOLOGY .....</b>	<b>16</b>
3.1 RESEARCH DESIGN .....	16
3.2 RESEARCH APPROACH .....	16
3.3 .TOTAL POPULATION .....	16
3.4 TARGET POPULATION.....	17
3.5 SAMPLING TECHNIQUES.....	17
3.6 SAMPLE SIZE .....	17
3.7 DATA SOURCE AND TYPE .....	18
3.8 DATA COLLECTION METHOD .....	18
3.8 DATA ANALYSIS AND PRESENTATION .....	18
3.9 ETHICAL CONSIDERATION.....	18
<b>CHAPTER FOUR.....</b>	<b>19</b>
<b>4. DATA ANALYSIS AND INTERPRETATION .....</b>	<b>19</b>
4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS.....	19
4.2 THE KIND OF SERVICE PROVIDED TO THE CUSTOMERS .....	20
4.3 COMPANIES SERVICE DELIVERY SYSTEM FOR THE CUSTOMERS .....	21
4.4 THE WAYS OF THE BANK THAT USED TO COMMUNICATE ITS CUSTOMERS TO HANDLE WHOSE COMPLAINT .....	22
<b>CHAPTER FIVE .....</b>	<b>24</b>
<b>5. CONCLUSION AND RECOMMENDATIONS .....</b>	<b>24</b>
5.1 CONCLUSION .....	24
5.2. RECOMMENDATIONS.....	24
<b>REFERENCE.....</b>	<b>26</b>

## List of Tables

TABLE 1.DISTRIBUTION OF RESPONDENT DEMOGRAPHIC CHARACTERISTICS .....	19
TABLE 2 RESPONDENTS RESPONSE RELATED TO THE KIND OF SERVICE THE BANK PROVIDE TO ITS CUSTOMERS .....	20
TABLE 3 RESPONDENTS' RESPONSE RELATED TO COMPANIES SERVICE DELIVERY SYSTEM.....	21
TABLE 4 RESPONDENTS RESPONSE RELATED TO THE BANKS WAY OF COMMUNICATION TO HANDLE CUSTOMERS COMPLAIN.....	22
TABLE 5 RESPONDENTS RESPONSE ON THE BANKS COMPLAIN RECOVERY METHOD.....	23

## CHAPTER ONE

### 1. INTRODUCTION

#### **1.1 Background of the study**

Service delivery means the act of providing a service for customers. It is also a component of activity that defines the interaction between providers and clients where the provider offers a service, whether that was information or a task, and the clients either find value or lose a value as a result. (Anderson R.2004)

Complaints are great keep them coming most companies consider customer complaints a primary source of their ongoing corporate headache. It is the part of the job that most people engage in this type of activity in the business or organization. After all, who enjoys talking to upset people who are on the verge of screaming? “But most companies do not understand the nature of complaints and what they truly represent. Complaints have a completely different meaning from the customer viewpoint and the company view point. Complaints professionally and smoothly increase customer loyalty and retention. (LiorArussy, 2005)

Michele Schermerhorn also said that improving customer service have to minimize customer complaints often results in the design of a prevention process. See what the author recommends as a four step process that was reduces customer complaints. Reducing the time, effort and money used to resolve customer issues was increasing your organizations bottom line.

Customer complaints are actually helpful to the organization for several reasons. First .they give the organization chance to recover its organizational customer in dedded, there is some evidence to suggest that customers whose complaints lead to a successful service is growing even faster in the world economy making up quality of the value of international trade .The service sector contributes the major portion of a domestic market in developed nation than developing countries. The contribution of service sector comprises like ATM (automated tailor machine), mobile banking, insurance, dahabshill, money grams and other financial service was growing rapidly (Kotler, 2003).

Ethiopia which is one of the developing countries was shown tremendous nation , the activity of service delivery occur by providing different service to customer such as loan , checking account, saving account , transfer. In recent years, to minimize problem related with waiting time of customers, the bank began automated tailor machine service.

Customer satisfaction refers to the extent to which customer is happy or unhappy with the product and service provided by a business and the outcome felt by buyers who have experienced a company performance that has fulfilled expectation. The probability of being loyal longer is high in customer (Philip Kotler 2004).

Organization was develop the tendency of providing service quality in a way that satisfy the customer be achieved the organization profit goal (Philip Kotler 2004).

Therefore, this study will be focused on the service delivery and customer complaints handling practice in commercial bank of Ethiopia Yejoka branch service complaint handling is the company deliver the services for their customer at that time the customers are not satisfy by their provided service because of time shrinking, insufficient service deliver for customers, then after these the company is handle any type of service complaint through effectively interview the customer.

## **1.2 Background of the Organization**

The vision of commercial bank is to become a world-class bank by the year 2025 and also to be the bank of excellence in service and commitments. Commercial bank of Ethiopia the leading bank in Ethiopia established in 1942 pioneer to introduce modern banking to the country. In 1974 revolution, commercial bank of Ethiopia got its strength by emerging with privately owned Addis Ababa bank. Since then it has been playing a great role in the country. The commercial banks of Ethiopia which is striving in the world class commercial bank rendering sate of activity and reliable service for its millions of customer both locally and abroad.

Commercial bank of Ethiopia Yejoka Branch is established with the mission of providing fulfilled service in effective and efficient full-fledged banking service focused on development, business growth and profit ability to meet the expectation of all stakeholders.

Commercial bank of Ethiopia Yejoka branch was established in 1976 as a branch of commercial bank of Ethiopia which is banking business. And it has a long and distinguished history of providing financial service.

Commercial bank of Ethiopia Yejoka branch has 19 employee' composed of 3 females and 16 male employees .This branch has one manager that monitor the employee and manage their entire activity of the bank. It gives the following service including foreign exchange, credit, deposit, money transfer, automated tailor machine service and so on.

### **1.3 Statement of the Problem**

Most organization today do not understand how to challenging and depends on many factors that cannot be continued by the service provide on careful inspection and diminution of service delivery.

When the organization deliver sufficient service for customers the satisfaction level of customers was increasing but the reverse is true because service delivery and customer complaint are directly proportional to each other. When the bank meets or exceeds the customer expectations, the customers start to put confident and trust towards the organization ability and thus inclined and willing to spend more time.

Mostly when there is lack of sufficient service it appears customer complaint. Many companies do not pay sufficient attention to handling complaints effectively.

The ultimate goal of the bank is to satisfy customers through good service delivery and handling the complaint of customers. Customers are dissatisfied, if the service performance of the bank is lower than what they have expected.

Mostly there is a big problem in case of service delivery and customer complaint handling in commercial bank of Ethiopia Yejoka branch. Different researchers assessed problems related to service delivery, lack of workforce, length of loan time, and poor technology advancement. Thus, this study is in a position to fill the gap related to service delivery, lack of sufficient attention for customer complaint and customer complaint handling practice due to the variability of customers' need, increment of number of customers, and advancement in technology related to service delivery.

## **1.4 Research Questions**

The study has the following research questions.

1. What are the services delivered to the customers from the bank?
2. What are the bank service delivery systems for their customer?
3. What are the methods used to recover the complaint of the customer?
4. What are the ways of the company, used to communicate customer to handle their complaint?

## **1.5 Research Objectives**

### **1.5.1 General Objective**

The overall objective of the research is to assess customer's compliant handling and service delivery in the commercial bank of Ethiopia Yejoka branch in wolkite.

### **1.5.2 Specific Objectives**

The study addresses the following specific objectives.

1. To assess the kind of service delivery to their customers from the bank.
2. To assess the company's service delivery system for its customers.
3. To identify the method used to recover the complaint of the customer.
4. To examine the ways of the company used to communicate its customers to handle their complaints.

## **1.6 Significance of the Study**

The study will be providing an opportunity for the bank to view the existing customers for the services rendered. So, the bank may take corrective action accordingly. It will be having the researcher to get experience in conducting other research. This study will also help as a reference for others who need to conduct ideas on related studies. It will get information regarding customer handling practice which helps to improve service of organization. On the other hand the customers who will use the bank will get efficient services in terms of customer handling.

### **1.7 Scope of the Study**

In terms of the geographical coverage the study was limited only to the commercial bank of the Ethiopia Yejoka branch. The study was conducted to assess service delivery and customer complaints handling practice of commercial bank of Ethiopia Yejoka branch in the year 2012 E.C.

### **1.8 Organization of the paper**

The Study has organized in to five chapters. The first chapter presents an introduction part containing the background of the study, the statement of the problem, research questions, objective, significance and Scope. The Second chapter is all about review literature written on customer's compliant handling and service delivery. The third chapter contains the research methodology, the fourth chapter is all about data presentation and analysis and finally chapter five deals with conclusion and recommendation.

## CHAPTER TWO

### 2. LITERATURE REVIEW

#### 2.1. Definition of service delivery and customer complaint handling

**Service delivery** means the act of providing the service to customers. It is the distribution of basic resource citizens depend on like information or necessary task of the bank.

**Customer complaints** expression of dissatisfaction made to an organization, managers or other person related to any or more of its products, service or the manner in which it has deal with any such expression of dissatisfaction. Where a response is either provided by or behalf of the organization at which contract is made (Kotler and Keller, 2006)

Besides, complaints or customers' behaviors that have positive outcomes will influence them positively and make them loyal to the organization. Thus, studies have shown that when examining customers' experiences, it is characterized by exceptional level of satisfactions or dissatisfactions. They are more responsive for extreme outcomes rather than just the average outcomes. This is due to the fact that extreme positive outcomes last long in their memory and it will influence their purchasing behavior and becomes loyal to the company (Taylor, 1997)

**Service** - an activity that is not separately identifiable, intangible and the main objectives is of a transaction designed to provides want satisfaction for customers.-service has its own identified characteristic

**Intangibility**-Is characteristic of service is that it has no physical water bus and as a result, is impossible for customers to test, feel, see, hear, or smell before buying.

**Inseparability** -Is a feature of service which tells that it cannot be separated from the creator/seller of the service?

**Heterogeneity**-Is a characteristic of service which indicates that each unit is somewhat different from other "unit" of the same service?

**Perish ability**-Is a characteristic of service that it is highly perishable and cannot stored for future (Stanton et.all), (1991, p.20).

## **2.2 Definition of customer satisfaction and customer value**

**Customer Satisfaction**- Weather the buyer is satisfied after purchase depends up on the other performance in relation to the buyer's expectation.

**Satisfaction**- Is the level of a person's felt state resulting from comparing a product perceived person performance in relation to the person's expectation (Kotler, 1994, p.40).

Since, satisfaction level is a function of the difference between perceived performance and expectation a customer could expectation one of three broad levels of satisfaction. If the performance falls short of expectation, the customer is satisfied. If the performance exceeds the expectation the customer if highly satisfied or delighted. Expectation are formed on the basis of the buyers post buying experience statement made by friends and associates and marketer and competitor information's and promise. If marketers raise expectation too high, buyer is likely to be disappointed. On the other hand if the company set expectation too low it were no attract enough buyers although it was satisfied those who buy.

Some of today's most successful companies are raising expectations and delivering performance to mach. The companies are aiming for total customer's satisfaction because customers who are just satisfied was still find it difficult to switch their customer shape even when better offer comes along. Highly satisfied customers are much left ready to switch and also high satisfaction or delight creates on emotional affinity with the brand not just a rational preference and this creates high customers loyalty.

### **Customer Value**

Customer value is the value that customer expects to receive from the good or service he\she buys to compensate the payment he\she makes for the products "Customer value is difference between total customers value and total customer cost. And total customers value is the bundle of benefits customers expect from given product or service" (Kotler 1994, p.37).

## Observations on Customer Satisfaction

Some industry levels that uses for observing customer satisfaction are:

Customer satisfaction was lower industry where the industry offers a homogeneous product to a homogeneous market. On the other hand, industries that supply a high quality homogeneous product to a homogeneous market was register high satisfaction.

Customer satisfaction is lower in industries where repeat buyers face high switching costs. They have to buy from the supplier even through their satisfaction in low.

Industries which depend up on repeat business generally create higher levels of customer satisfaction.

As a company increases its market share, customer's satisfaction can fall. This is because more customers with heterogeneous demand are drawn into buying fairly homogeneous product.

### 2.3 Parameter of Quality service to Customer Satisfaction

According to Mud brick, if we can know the customers perception of a service relative to a seat of characteristics important to him or hire, we may uncover ways to improve the quality of service as a whole. It is found that customers assess quality intermesh of:-

**Reliabilities:** Is the ability to perform the service dependable accurately and consistency reliable is performing the service right at first time.

**Responsiveness:** Is the ability to provide prompt service the ultimate in responsiveness is offering service 24 H/7D in a weak.

**Assurance:** Is the knowledge and courtesy of employees and ability to trust?

**Empathy:** Is carrying Individualized attention to customers, affirms whose Employees regime customers call them by name and learn their customer specify requirement are provided. (Mc Daniel Lamb 2002,)

**Tangibles:** Are physical evidence of service include facility tools and equipment is used because of service are intangibles, the company tangibles service by physical evidence like decor, color environment neatness etc.

## **2.4 Customer Loyalty and Retention**

Highly satisfied customers produce several benefits like, less price sensitive, talk favorable to others about the company and its products; remain loyal for a long period of time. In any case as satisfaction increases so does loyalty, in highly competitive markets there is surprising little difference between the loyalties of less satisfied customer those who are merely satisfied. There is a tremendous difference between the loyalty of satisfied customers and completely satisfied customer. Even slight drop from complete satisfaction can create an enormous drop in loyalty. However, the relationship between customer satisfaction and loyalty varies greatly across industries and competitive situation (Armstrong 2001; p.6720).

## **2.5 Handling Customers Complaints and Services Recovery**

According to ridge(1980;184).well run services business responds quickly and generously to complaints because customers complaints uses as sources of information so it is good thing to bring each individual complaints to a satisfactory conclusion but it can also be useful to keep a record of complaints over a period of time and from it identify possible causes “studies of customer dissatisfaction show that 25% customer are dissatisfied with their purchase the surprising finding is that the only about 5% of customers who complaint only about 5% report are satisfactory resolved”. Later the need to resolve customer’s problem in satisfactory manner is critical.

Where anon average a satisfied customer tells three people about good product experience and dissatisfied customer tells to eleven people. If each of them tells still other people the number to word of mouth grow exponentially.

Customers who are most upset are the companies best customers, customers whose complaints are satisfactorily resolved often becomes more company loyal than who were never dissatisfies. Therefore, companies need to develop service recovery program.

The first requirement is that companies make it easy for dissatisfy customers to complaint. This can be accomplished by providing customers satisfaction forms and prominently featuring a large number of “hot line”.

The second requirement is that the company employees who receive complaints are were trained and empowered to resolve customers' problem speedily and satisfactory faster the company responds to the complaints the higher the demands of offered and better the attitude the higher the customers' satisfaction with the company.

The third requirement is to go beyond satisfaction particular customers and discovering and correcting the root casus of frequent problems by studying the pattern of complaints the company can correct system failures which are typically the sources of these problems (kotler;1994,p.479).

Customers handling complaints is handling company's problem. Therefore, service provider should have to focus on gathering and resolving customers complaints. The best ways of resolving (handling) complaints are, building good relationship, providing quality service and dealing with dissatisfy customers.

### **2.5.1 Handling Complaints through Building Good Relationship**

There are five different levels of bulging relationship with customers.

**Basic;** the sales person sells the product but does not contact the customer again.

**Reactive:** the salesperson sells the product and encourages the customer to call if he or she has any questions of complaints.

**Accountable:** the salesperson phones the customer a short time after the sale to check whether the product is meeting the customer expectation. The salesperson also solicits from the customer any product improvement suggestions and any specific disappointment. This information helps the company continuously it's offering.

**Proactive:** the company salesperson phones the customer from time to time with suggestion about improved product use of helpful new products.

**Partnership:** the company works continuously with the customer to discover ways to affect customer saving or help the customer perform better (kotler1994; p.49).

### **2.5.2 Handling Complaints by Improving Quality of Service**

Top service complaints are able to effectively deliver service because, they apply the basic principles of quality service. There principles not promotions money, corporate directive are the heart and soul of quality service. This include;-

- Managerial vision.

- Develop a static niche.
- Top management must demonstrate support.
- Understand your business.
- Apply operation fundamental.
- Understand, respect and monitor the customer.
- Use appropriate technology.
- The need to innovate.
- Hire the right people.
- Provide skill-based training.

### **2.5.2 Manage Complaints to Enhance Loyalty**

Complaints, like death and taxes are inevitable even market leaders encounter them. But each grievance represents a chance to correct a flawed process. Educate a customer and strengthen loyalty. Multiple studies already show companies with high quality customer service and effective complaint handling process can change a premium as well increase loyalty. The case for investing in improvement is clear or so it was seemed. Unless decision Maker fully understand customer complaint behavior and can quantify there turn on investment of complaint handling, they won't see the like between complaint handling and loyalty, profits and it's unlikely they will ever allocate adequate resources for change.

This article was arm you with the necessary facts and high level calculation to establish complaint handling as a priority at your company and part of its ongoing strategy to improve loyalty and ultimately increase profits (Dell. Hawkins and Goodman, 2003)

### **2.6 Understanding Customer Behavior**

Technical assistance research program first study for the white house office of consumer affairs in the 10s revealed consumers with problems who did and had their issues resolved.

Subsequent studies for the last 20 years have continued to confirm technical assistance research programs initial finding that every problem presents an opportunity to enhance both loyalty and

word of mouth. A few research highlights follow about half of all consumers usually complain about serious problems to a front line retail rep. in business to business environment three quarters of all customers deem as serious. For less serious problem complaint rates drop significantly .if front line rep is an employee of a distribution of retailer, chances are the problem were never be reported to the manufacturer. Every grievance offers a chance to correct a process educated a customer and strong then loyalty. Armed with facts you can convince organizational leadership improved profits was come from allocating adequate resources to complaint handling (ibid)

## **2.7 Benefits of Effective Complaint Handling Process**

The five benefits of an effective complaint handling process

- Soliciting and satisfying a complaint usually result in a 50% increase in loyalty.
- Moving a complaint from dissatisfied to completely satisfied raises loyalty 30% to 50% and produce significant word of mouth the source of 20% to 70% of all new customers.
- Many problems leading to complaints can be prevented via proactive customer education. In addition on, process changes can prevent unpleasant surprises and empower front line staff with rational to with complaints.
- An effective voice of the customer process can identify problem prevention opportunities that can reduce your overall services expense by 10 to 15 %.Which, in turn pays for the voice of the customer process many times over?
- Loyalty can be further enhanced by identifying in expensive deliverers, which can be implemented during the complaint and general customer service process. Once these give facts are accepted your organization will be poised to implementing the following four best practices and being to qualify the increase in loyalty they yield.

### **How can a complaint be made?**

Ideally, most Complaints were resolved informally with the relevant employees. However, Complaint can be made orally or in written form oral complaints that cannot be resolved informally may need to be put in writing and help was provide if needed by the by the person receiving the complaint (Adrian Palmer and clown, 2005)

### **Who can receive a complaint?**

Any department made employee can receive complaint should be made where the problem

occurred (e.g. the college or school) unless there are can corn's about local principal. Manager or supervision, in which case the complaint should be made to next supervision level research has shown that only one out of twenty five dissatisfied customers complaint the firm.

## 2.8 Basic Steps for Effective Management Complaint

1. Designate allocation to receive complaint,
2. Customers need to know where and how to file complaint or make inquiries
3. Select a place to receive complaint that is visible and accessible to customer
4. Publicize the complaint system to encourage customers to voice their dissatisfaction and to make the good intention of the company apparent
5. Develop a system for record keeping
6. Prepare forms for recording categorizing and finding complaint recodes, design system to perform function such as the following
7. Communicating complaint data to top management
8. Provide market research though complaint trends
9. And enabling management to monitor the efficiency and management system

## 2.9 Handling customer complaints

**Act quickly:** is the complaint is made during service delivery, time is the essence to achieve a full recovery when complaints are made after the fact many complaints are made after the fact many companies have established policies of responding within 24 hours or sooner even when full resolution is likely to longer, fast acknowledgement remains very important.

**Admit mistakes** but don't defensive: acting defensively may suggest they the organization has something to hide or is reluctant to fully explore the situation.

**Don't argue with customers:** the goal should be together facts to reach a mutually acceptable solution not to win a debate or prove that the customer is an idiot. Arguing gets in the ways of listening and seldom diffuses anger.

**Acknowledge the customers feeling:** for example, "I am understood why you're upset" This action helps to guild report the first step is rebuilding a bruised relationship.

**Give customers the benefits of the doubt:** not all customers are truthful and not all complaints are justified. But customers were treated as though they have avoid complaint instill clear evidence to the contrary emerges. If also of money are at state loss in insurance

clime or potential law suits, careful investigation is warranted.

**Clarify the steps needed to solve the problem:** When instant solutions aren't possible telling customers how the organization plans to proceed shows that corrective action is being taken. It also sets expectation about the time involved. So firm were careful not to over promise

**Keep customers informed of progress:** Nobody likes being left in the dark. Uncertainty breeds an anxiety and stress people tend to be more accepting of disruption if they know is going on and receive periodic progress reports.

**Consider compensation:** when Customer don't receive outcome they have paid for or have suffered serious in convenience and/or loss of time and money because the services failed, either a monetary payment or offer of equivalent service in king is appropriate.

A suggested customer complaint procedure

Consider the following eight steps customer complaint procedure for handling customer complaints in your organization:

- Provide customers with the opportunity to complaint
- Give customs your full and undivided attention
- Listen completely
- Ask the key question: "what else?"
- Agree that a problem exists; never disagree or argue
- Apologize
- Resolve the complaint (Ask again: "what else?")
- Thank the customer for bringing the complaint to your attention

As you examine these eight steps, determine which one your organization does most and least effectively. Use your answers to determine where you need to improve your customer complaint procedure ([WWW.lifehack.org/articles/communication](http://WWW.lifehack.org/articles/communication)).

Commonly used external disputer solution techniques

**Mediation:** is a process in which disputing parties with the help of mediator a natural third alternative and try to reach an agreement. The indicator facilitates the process but does not advise parties nor impose an outcome.

**Arbitration:** is process in which disputing parties present argument and evidence to a nutrition arbitration, who when decide the matter generally arbitration decision are binding on the parties.

**Private tribunals or councils:** are non-legislated adjudicative bodies usually consisting of more than one individual with special knowledge of the area .the member of the tribunal or council hear arguments and evidence from both parties in a dispute according to predetermined rules and process and then make a decision that may be binding on at least one of the parties.

## 2.10 Characteristics of effective internal complaint

Handling and external dispute resolution initiative internal complaint handling and external dispute resolution initiative are distinct approaches usually designed to operate sequentially ( I.e. internal complaints handling techniques and exhausted before trying internal approaches) nevertheless they share many characteristics and successful program frequently have similar attributes.

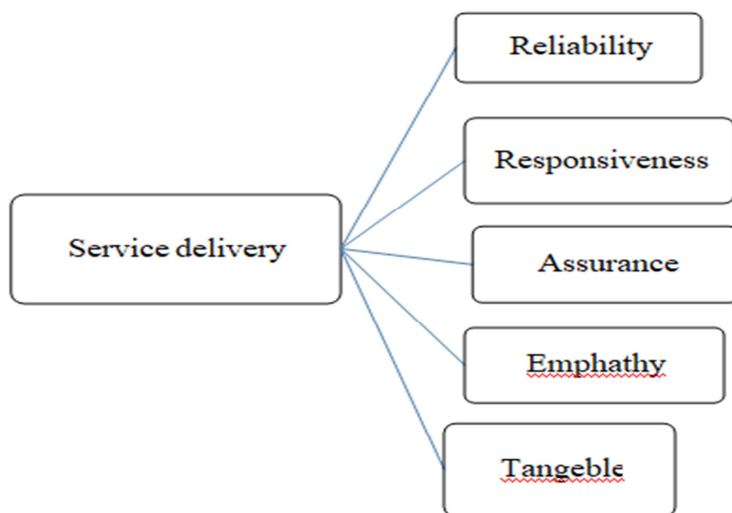
The initiative is well publicized through retail out let's and in advertisements pamphlets and literature.

Employees are trained in handling complaints and resolving disputes and are courteous with customer good list resend imagination problems solvers

The process is adequately funded and appropriate logistical arrangements are in place to make it work.

Regular review and monitoring tend place to ensure that the program works and that continues improvement occur s.

The process is free for Customer.



## CHAPTER THREE

### 3. RESEARCH METHODOLOGY

#### 3.1 Research Design

Once the research topic is identified and defined clearly, the next step is to design the research method, because the research design provides guidelines for data collection. The study used a descriptive research design. Descriptive research design enables the research to describe the characteristics of the customer, performance of the bank and complaint handling producers. The descriptive research design describes the service delivery and customer's complaint handling problem of the commercial bank of Ethiopia yejoka branch.

#### 3.2 Research Approach

The study used both quantitative and qualitative research approach.

**Quantitative** research technique involves the calculation and presentation of statistical information and also used numerical scores are calculating by asking their people.

Quantitative techniques used to make analysis by using tables and charts.

**Qualitative technique** is most relevant for my study. It involves a natural or observational examination of the philosophies that governed customer behavior. The direction and frame work of the research is often revised as new information is gained. Allowing the researcher to evaluate issues and subjects in an in-depth manner is based on opinions, attitudes, and beliefs and in tensions.

#### 3.3 .Total Population

A population can be defined as all people or items (unit of analysis) with the characteristics that the researchers wish to study. The analysis may be a person, group, country, organization, object, or any other entity that the researchers wish to draw scientific suggestions (Bhattacharjee, 2012). The total study population will be 10,000(sum of manager, employees of company and customers of the commercial bank of Ethiopia yejoka branch).

### 3.4 Target population

The target populations of the study were all employees, customers and manager of commercial bank of Ethiopia Wolkite branch. The study used questionnaire and interviews to study the research problem related to service delivery and customer's compliant handling.

### 3.5 Sampling Techniques

The researcher for this study used convenience sampling techniques which are a type of non-probability sampling technique, where members of the target population has meet certain practical criteria such as easy accessibility, availability at a given time or willingness to participate. Convenience sampling technique was selected because it is affordable, easy and the subjects are readily available.

### 3.6 Sample Size

In order to make the feasible and scientific research there is a need to determine sample size relevant to study population.

The total study population was assumed 10,000(sum of managers, employees of company and customers of the bank). So the samples sizes was determined by using the following formula: Cochran, W.G, (1997).Sampling theory, Third edition

Where: N= total population

n= sampling size

e= margin of error (e=0.1=10%) Therefore  $n = \frac{N}{1+N(e)^2}$

$$n = \frac{10000}{1+10000(0.1)^2} = 99$$

Using the calculated sample size the study used convenience sampling to selected 99 samples for distributing the questionnaire, and interviewed manager of the bank. In order to collect relevant information related to the assessment of effective marketing strategies for the increment of profitability, the study was taken 5 employees including managers and 93 customers.

### **3.7 Data source and Type**

The study was conducted based on both primary and secondary data. The primary data was collected by face to face interviews and structured questionnaires. The questionnaire includes both closed and open-ended questions. The closed-ended questions used to collect additional information. The open-ended questions deal with the institutional factors influencing service delivery and customers. Secondary sources include published and unpublished materials about service delivery and customers compliant.

### **3.8 Data Collection Method**

The study used a structured type of questionnaire for the selected service receiver customer so as to get adequate information from them. In addition to the questionnaire, the study used interview especially personal or face to face interviews with the selected employees of the bank through a constructed manner to acquire relevant and adequate information and data. The questionnaire were prepared in the English language and then translated into Amharic to facilitate proper responses from respondents. In addition, qualitative data will be collected through semi-structured interview with selected employees and branch manager. The questionnaires were pretested by a pilot study before conducting a survey for the whole sample.

### **3.8 Data Analysis and Presentation**

The analysis was carried out after collecting the necessary data from different sources that are mentioned above. There are different methods of data analysis of the respondent's information, for this study tabulation method of data analysis had used. It refers to the actual counting of observations that fall into each response category. The method was utilized to present data in tables, numbers, and percentages to make the research more easy, understandable and sensible.

### **3.9 Ethical Consideration**

In conducting the study, the information was gathered from the respondent responsibly. And the study was tried to secure the moral and ethical value of the businesses and the information had used for academic purposes only.

## CHAPTER FOUR

### 4. DATA ANALYSIS AND INTERPRETATION

This part of the research tries to discuss the results obtained from respondents by questionnaire and interview. As it has indicated in the methodology part, questionnaire was prepared and distributed to 93 customers and in addition structured interview for 5 employee and managers which are helpful to strengthen survey data was prepared. In this part of analysis the data collected from customers has presented by the percentage distribution and frequency on the table and discussed with integrated to interview result.

#### 4.1 Demographic characteristics of respondents

Table 1. distribution of respondent demographic characteristics

No	demographic characteristics	Frequency	percentage
1	Sex		
	Male	57	57.6%
	Female	42	42.4%
	Total	99	100%
2	Age		
	<18 year	7	8%
	18-30 year	32	32.%
	31-43 year	40	40%
	>43 year	20	20%
	Total	99	100%
3	Marital status		
	Single	27	27.4%
	Married	62	62.6
	Divorced	10	10%
	Widow	0	0%
	Total	99	100%
4	Education background		
	Illiterate	0	0%

	Read and write	10	10%
	High school	7	8%
	Diploma	20	20%
	Degree	52	52%
	Master and above	10	10%
	Total	99	100%

Source: own survey, 2020

The data on table 4.1 shows 57(57.6%) of the respondents are male and 42(42.4%) are female. From this analysis it can be concluded that most of the respondents are male.

On this table 7(8%) of the respondents are <18 age, 32(32%) of the respondents are between 18-30 age, 40(40%) of the respondents are between 31-40 age, 20(20%) of the respondents are between >43 age. From this analysis it can be concluded that most of the respondents are between 31-43 age categories. The data also show the marital status of respondents and 27 (27.4%) of respondents are single, 62(62.6%) are married, and the rest 10(10%) of respondents are divorced. From this it can conclude that most of the respondents are married. The other information on table 4.1 is the respondent's education background. The table shows that 10(10%) of respondents are read and write, 7(8%) are high school, 20(20%) diploma, 52(52%) are degree and the rest 10(10%) of respondents are master and above educated. From this it can conclude that most of respondents are degree certified.

#### 4.2 The kind of service provided to the customers

Table 2 respondents response related to the kind of service the bank provide to its customers

No	characteristics	Frequency		percentage
Have you got any service from commercial bank of Yejoka branch?	Yes	93		100%
	No	0		%
	Total	93		100%
If you say 'Yes' for the above question number 1, what type of service you have got?	Loan service	Freq.	Total	3.22
		3	93	
	Deposit service	93	93	100%

	Money transfer	93	93	100%
	Trade service	0		
	Business	0		
	If other..	0		
	Total	93		100%

Source: own survey, 2020

The above table 2 shows respondents response on the kind of service provided by the bank to the customers. As the result shows, the total 93 respondents respond “Yes” for they have got service from the bank. Related to that 3(3.22%) of respondents from the total of 93 respond they got loan service, 93(100%) respondents respond as they got deposit and money service. From this it can conclude that most of the customers got money and deposit services of the bank.

In addition to this the bank manager on the interview explained that,

*“ our bank provide different services to the customers like we give loan service, deposit service, trade service, money transfer by using different systems and we give business service related to guidance and counseling.”*

#### 4.3 Companies service delivery system for the customers

Table 3 respondents’ response related to companies service delivery system

	Characteristics	Freq.	Total	percent
What type of service delivery systems that the bank uses to provide services?	ATM	83	93	89.24
	Mobile banking	20	93	21.5%
	C. Internet banking	10	93	10.75%
	D.POS	2	93	2.15

Source: own survey, 2020

The above table 3 shows respondents’ response on companies’ service delivery systems

provided to customers. As the result shows, from the total of 93 respondents 83 (89.24%) respond “ATM” for they have got service from the bank, 20(21.5%) of respondents respond “Mobile banking”, 10(10.75%) of respondents respond “internet banking”, and 2(2.15%) of respondents respond “POS”. From this it can understand that the bank uses all the common service delivery systems to provide services to the customers, but most of the customers use ATM system.

In addition to this, the bank manager on the interview explained that the bank uses all the above type of service delivery systems so as to provide service to the customers.

Respondents were asked- among the services delivery system which is the best to you and what is the reason that you prefer the best? Most of respondents respond that, *“ATM is the best why it is because it can easily access with few and at any time and also it has not any cost incurred.”*

#### **4.4 The ways of the bank that used to communicate its customers to handle whose complaint**

Table 4 respondents response related to the banks way of communication to handle customers complain

	Characteristics	Freq.	percent
Have you ever raise complain to the bank related to service delivery?	Yes	40	43%
	No	53	57%
	Total	93	100%

Source: own survey, 2020

The above table 4 shows respondents’ response on customers’ complaint situation related to service delivery. As the result shows, from the total of 93 respondents 40 (43%) respond “Yes” for they have complain on the banks service delivery, where as 53(57%) of respondents respond “No” for they have no complain on the service delivery of the bank. From this it can understand that, although most of the customers have not complain but there are customers who have complain means the bank have some sort of problem related to service delivery. Related to this respondents were asked, in which service delivery systems does you raise complain? And what was the reason? Most of respondents respond that, *“ATM service delivery system has problem why it is because sometimes the ATM machine*

doesn't work properly, that is, it delivers the card".

In addition to this employee and manager of the bank on the interview explained that customer have raised complain on the bank service delivery system especially on ATM.

Table 5 respondents response on the banks complain recovery method

	Characteristics	Freq.	percent
In what way that you raise your complain?	Through written document at the place adjusted for complain	0	0%
	in oral directly to the concerning body	93	100%
	If other, please specify-----?	0	0%
	Total	93	100%

Source: own survey, 2020

The above table 4 shows respondents' responses on the banks complain recovery method. As the result shows, all 93 respondents (100%) respond "in oral directly to the concerning body" for they rise complain to the banks related to service delivery. Interview result also support this finding. Manager of the bank and employee explained most of complains raised at the bank were related to ATM delivery system because of the machine didn't work properly.

Related to this, respondent, manager of the bank and employee were asked what type of adjustment/possible solution that the bank had taken to handle complains? Respondents said, *"As soon as we present the problem, the expert will correct it immediately that is, the bank employee issues an ATM card and give it to us"*.

Manager and employee of the bank also support this finding. As they explained, *"When someone report to the bank for the problem occurred, one of employee immediately solve the problem."*

## CHAPTER FIVE

### 5. CONCLUSION AND RECOMMENDATIONS

#### 5.1 Conclusion

The overall objective of conducting this study was to assess customer's compliant handling and service delivery in the commercial bank of Ethiopia Yejoka branch in wolkite. The finding of the result collected through descriptive statistics and interview finding showed that, the bank provides loan service, deposit service, money transfer, trade service and business service to the customers but most of customers gain deposit and money transfer services. In order to provide such services to customers the bank use ATM, mobile banking, internet banking and POS service delivery systems but survey finding showed that most of customers use ATM.

As the finding showed, among service delivery systems ATM was the most preferred service delivery system because it can easily accessed and use at any time and even it has not any cost incurred. On the other hand customers raise complain on ATM service delivery system for the machine doesn't work properly.

As the finding of respondents, the manager and employee of the bank showed the bank use the direct way of complaint report method through oral. After the problem occurred and customers report the problem to the bank employee, employees immediately solve/fix the problem.

#### 5.2. Recommendations

Based on the finding the researcher has suggested the following recommendations:

- As the finding shows related to service delivery systems, customers raise complain on ATM. So in order to increase customer satisfaction, the bank should modify and ease the accessibility of ATM machine.
- The finding showed that among services that the bank provide to customers most of customers use deposit and money transfer. So in order to gain acceptance from customers and be profitable the bank should be provide loan, trade service and business services broadly to customers.
- Due to accessibility most of customers are using ATM service only. So in order to expand service delivery to customers the bank should adjust and invite customers to

use mobile banking, internet banking and POS service delivery systems.

- The complaint communication system of the bank is almost oral/direct/ way. So the bank should adjust other type of complaint communicating ways.
- The complaint handling system of the bank is not that much systematic, means the bank solve the problem after customer raise, means it use reaction system. So in order to gain acceptance and be competitive the bank should use proactive way of complaint handling system, means it should design the complain filter system before the problem will occur.

## REFERENCE

- Hawkins, D and Goodman,J (2003), “understanding customer behavior complains” quality progress, university of organization
- Kotler. P and Keller.k (2006) Marketing management 12 edition prentice – hall new Delphi
- Kotler, P (1994) Marketing Management - analysis, planning, implementation, and control. Eight Edition. Prentice-Hall, New Jersey.
- Kotler, P (2003): principle of marketing management 8th edition
- Kotler, P(2004): principle of marketing 9th edition
- Palmer, A. and clown, N. (2005). An experiential, social network-based approach to direct marketing. Direct Marketing: An International Journal.
- Stanton, C. (1991). Journal search results- business Journal, 40(4), p.20.
- Taylor, S.A. (1997). Assessing Regression-Based Importance Weights for Quality Perceptions and Satisfaction Judgments in the Presence of Higher Order and/or Interaction Effects.
- Journal of Retailing, 73 (1), 135-59.
- [WWW.lifehack.org/articles/ communication](http://WWW.lifehack.org/articles/communication)

Appendix 1

WOLKITE UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF MARKETING MANAGEMENT

Dear respondent;

I am graduating class of marketing management student at Wolkite University. This questionnaire is prepared for research purpose entitled “Assessment of service delivery and customer complain handling practice in CBE at Yejoka Branch. As customer of the organization, your participation in this study will be valuable and greatly appreciated. Information gathered will be treated with utmost confidentiality and will not be used for any other purpose.

Rahel Alemnew

General Instructions

No need of writing your name

Use (√) Mark in the box of your choice for closed questions

Write your answer for open question on the space provided.

Part I: Demographic Information of Respondents

**1. Gender:**

A. Male  B. Female

**2. Age:**

A. <18 year  B. 18-30 year  C. 31-43 year   
D. above 43 year

**3. Your level of education:** A. illiterate  B. read and writes

C. High School  D. Diploma  E. First Degree

F. Masters and above

**4. Marital status**

A. single  B. married  C. divorce  D. widow

Part II: Question related to the study

1. Have you got any service from commercial bank of Yejoka branch?

A. Yes  B. No

2. If you say 'Yes' for the above question number 1, what type of service you have got?

- A. Loan service
- B. Deposit service
- C. Money transfer
- D. Trade service
- E. business counseling
- F. if other, please specify-----?

3. What type of service delivery systems that the bank uses to provide the above service to you?

- A. ATM
- B. Mobile banking
- C. Internet Banking
- D. POS

4. among the services delivery systems which is the best to you-----?

5. What is the reason that you prefer the best in the above question number 4? Please justify your reason-----  
-----

6. Have you ever raise complain to the bank related to service delivery?

- A. Yes
- B. No

7. if you say 'Yes' for the above question number 6, in which service delivery does you raise complain-----?

8. What was the reason that you raise complain-----?

9. If you say 'Yes' for the above question number 6, in what way that you raise your complain?

- A. Through written document at the place adjusted for complain
- B. in oral directly to the concerning body
- C. if other, please specify-----?

10. what type of adjustment/possible solution that the bank had take to handle your complain-

Appendix 2

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

**Interview questions for Yejoka Branch manager**

Dear manager;

I am graduating class of marketing management student at Wolkite University. The following are an interview questions prepared to you for research purpose entitled “Assessment of service delivery and customer complain handling practice in CBE at Yejoka Branch. As manager of the organization, your participation in this study will be valuable and greatly appreciated. Information gathered will be treated with utmost confidentiality and will not be used for any other purpose.

1. What type of services that your bank delivers to the customers?
2. in what service delivery system that your bank provides service to the customers?
3. Does complain occur in your bank from customers related to service delivery? If you say yes how you do handle/solve it?
4. Do you have any system/method in your bank that enables your customers to rise complain freely? What are they? Please explain it.

## Appendix 3

WOLKITE UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF MARKETING MANAGEMENT

### Interview questions for Yejoka Branch employees

Dear employee;

I am graduating class of marketing management student at Wolkite University. The following are an interview questions prepared to you for research purpose entitled “Assessment of service delivery and customer complain handling practice in CBE at Yejoka Branch. As an employee of the organization, your participation in this study will be valuable and greatly appreciated. Information gathered will be treated with utmost confidentiality and will not be used for any other purpose.

1. I think your bank provides different services to the customers and you are working closely with customers, so, have you ever inter in to conflict with customers related to service delivery? If you say ‘Yes’ in what case does the conflict occur and how you handle the conflict? Please explain it in detail.
2. Among the services delivery systems that you delivered to the customers, in which type of service delivery system does complain occur frequently from customers?
3. Is there any system/method in your bank that enables customers to rise complain freely? What are they/ please explain it in detail.

Thank you for your support!!!!