

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

**THE ASSESEMENT OF CUSTOMER SERVICE MANAGEMENT (IN CASE OF HIBRET
BANK IN WOLKITE BRANCH**

**A RESEARCH PAPER SUBMITTED TO DEPARTMENT OF MANAGEMENT IN
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IN MANAGEMENT**

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Abstract

The objective of the study is to assess customer service management of Hibret Bank in wolkite branch. The study discusses the aspects of customer service management like customer handling and customer satisfaction. The study conducted on the selected branch located in wolkite town. Consequently, this study expected to bring that the bank should avoid its short comings so that it should improve for better future performance.. In this effort different customer service management analysis method used in the study.

The result will also be helpful to see the impact of qualitative and quantitative factors on the customer service management of the particular firm. Primary data are gathered by interview of the bank manager and questionnaires distributed. The study was conducted through descriptive research type and random sampling technique was applied, with the sample size of 300 of the whole population. The data which is gathered from the customers and managers of the organization were presented and analyzed through tabular form.

Finally, based on the presented and analyzed data finding and recommendations were forwarded for the company or the concerned management groups to give attention and to take the necessary measure.

ACRONYMS

CSM- Customer services management

ATM- Automatic teller machine

IT_ information Technology

SALCA_ saving Account linked with current Account

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CHAPTER ONE

1. Introduction

This chapter was concerning with introductory part of the study. It includes background of the study, statement of the problem, objective of the study, significant of the study, scope of the study, Limitation and organization of the study.

1.1. Background of the study

Relation marketing approach draws attention to the importance of retaining as well as attracting customers with the emphasis being placed on the development of long term relationships with existing customers. Relationship marketing is about retaining customer using defensive strategies (minimizing customer) turnover and maximizing of loyal customer can result in significant mutual thrust and commitment (Steve & kim2003).

Customer service management is the functional head of relation marketing of much organization. Customer service management is about gathering information that essential to serve customers in a better way.

The better a business can manage their relationships with its customers the more successful it will be customer service management is not just an application but is a strategy to learn. More about customer's needs and behavior in order to develop strong relationship with them. (Fank buttle2004).

In servicing company like bank, CSM brings a wide organizational change process and result improved profitability of the organization by retaining and customers attracting new customers; organizations like banks cannot meet its goal without efficient and effective implementation of customer service management.

Required for better CSM implementations of different organizations like private and government banks, telecommunication agency and government administration sectors. since customer service management implementations in our country is new for many organizations this study tries to contribute some effective way to get more benefits from implementation of CSM .and improve customer satisfaction of Hibret bank so, this study tried to assess the implementation of CSM in Hibret bank.

1 .2 Statement of the problem

Customer service management is the most important concept of modern marketing. Until recently, CSM will define narrowly as a customer data management activity. By this definition, it involves managing detailed information about individual customers and carefully managing customer “touch points” in order to maximize customer loyalty.

More Recently however, CSM has taken on a broader meaning. In this broader sense, CSM is the overall process of building and maintaining profitable customer relationship by delivering superior customer value satisfaction. (P.kotler and G. Armstrong, 2005).

Successful development, implementation, use and support of customer service management systems can provide a significant advantage to the user or bank, such as social benefits-developing sense of familiarity and even a social relationship with their service providers, special treatment including being given a special deal or price. Reduce advertising; promotion costs and cost incur to know customers and so on (Kenneth E.clow).

However, often there are obstacles that obstruct the user (bank) from using the system to its full potential. Instances of a customer service management attempting to contain a large, complex group of data can become cumbersome and difficult to understand for ill-trained users. (P.kotler and G Armstrong).

1.3. Basic research questions

The study was try to access the following issues.

1. What advantage does customer service management provides for the Hibret bank?
2. What problems and difficulties exist in implementing customer service management in the Hibret bank?
3. How does customer service management is directly related to profitability of the organization?

1.4. Objective of the study

1.4.1 General objectives:

The general objective of this study will to assess the main activities of customer service management (CSM) in Hibret bank.

1.4.2 Specific objective of the study

1. To identify advantage does customer service management provides for the Hibret bank.
2. To identify a customer service problem that exists in the bank.
- 3.To show how customer service management is directly related to profitability of the organization.

1.5 Significance of the study

There are benefits generated by applying effective CSM activities comparing other for those who don't apply to their organization. Hence, this study was try to insight for how is its effectiveness and minimizes problems relate to customer service management. In conducting this study, there are beneficiary bodies such as;

- For organizations: - After conducting this research the organization will be benefited the manager to describe certain idea and recommend possible solution to the problem and finding better way of customer service management.
- For researcher: - Beneficiary on getting knowledge about the study and experience on conducting such assessment to get satisfaction that when the study is the solution for problem to practice the theoretical part with in addition practice in the real world.
- For other researcher: - Researcher can take this study as a reference for conducting other similar assessment and may use as a base to conduct and identify research gaps.

1.6. Scope of the study

The coverage of the study was focus on assessing customer service management practices of the selected branch located in Wolkite town. Since customer service is very important for any service dealer firm the study was cover specific department in the selected branch and customer who demand services of domestic banking and international banking services.

Geographically: the study was depending only Hibret bank in Wolkite branch at which is 135 km far from the capital city of Ethiopia (Addis Ababa) and it does not represent the other areas.

Conceptually: the study was focus only on issues of assessment of customer service management.

1.7 Limitation of the study

Conceptually: this research concentrates on the challenges of CSM system. The finding of the research is more successful if it's conducted widely by including other similar company.

- ❖ The study was being lack of or unavailability source of data.
- ❖ It was being targeting respondents' unwillingness to respond the question properly.
- ❖ It was being involuntariness and carelessness of the respondents to give the information what the researcher need
- ❖ Lack of cooperation of the respondents and their commitment to fill the questionnaires.
- ❖ Lack of sufficient time that limit the outcome of the researcher.

1.8. Organization of the Study

The study was being five chapters. The first chapter deals with introduction part which contains background of the study, statement of the problem, research question, objective of the study, significant of the study, and scope of the study, limitation of the study and organization of the study. The second chapter deals with the review of related literature. The third chapter contains methodology of the study. The fourth chapter also concerns with data presentation and analysis. Finally, at the fifth chapter the researcher was described conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical review

Introduction

This chapter was try to indicate relevant facts about customer service management. Definition of customer, service and types of customers and service. Then identify customer service management. After identity empirical review.

2.1.1 Definition of customer

A customer is a person or a business that purchases other businesses' offerings. Every business designs its products or services based on the needs and wants of the customers. When customers purchase the products, the sales numbers increase for the business. The business thus spends a lot of advertising dollars in order to attract customers towards their products/services. You need to make your customers happy and satisfied throughout the journey to increase the customer life cycle value.

2.1.1.1 Types of customers

Customers play an important role in the success of any business. In order to understand the customer preferences, their behavior and attitude, it is important to identify and segment different types of customers. By analyzing the different customers, you can better devise your strategies that would yield much better results.

Loyal customers

Loyal customers are the top priority customer groups and an important segment to appease. Usually these customers represent 20% of the customer base and also contribute to the major portion of revenue for the company. Loyal customers purchase products or services over a longer period of

time and are likely to be brand advocates for the company. The businesses should also obtain feedback from the customers in order to grow the business to a next level.

2. Impulse customers

These are the second most attractive segment of customers identified by the businesses. You can effectively up sell or cross sell to these customers. Impulse customers buy products and services spontaneously triggered by an impulse. They don't have a shopping list at hand while purchasing. Impulse customers respond to the recommendations and offers. You need to devise strategies to capture these customers in order to make impulse purchases.

3. Discount customers

Discount customers play a key role in upbringing the company's inventory. The discount customers contribute to the cash flow of the company. These customers look for discounts, seasonal offers and festive offers. Up selling or cross selling to these customers would be a bit difficult and they are considered to be less loyal towards the company.

4. Need based customers

Need based customers buy products or services driven by a particular need. They come with a shopping list based on their needs and quickly purchase those products from the store. It is quite difficult to up sell to these customers and they are also less loyal to the business. If their need is satisfied better by the competitor's products, they will switch to substitute products easily. In order to retain such customers, you need to develop interaction and a positive bond with these customer segments. There is a possibility of converting need-based customers to loyal customers by building strong positive relationship.

5. Wandering customers

Wandering customers are those customers that make up the crowd in the mall or a shopping complex. They have no specific need/ preference in their mind and just wander the stores for some enjoyment or relaxation. They in particular do not contribute to the profitability of the company. The customers might love the ambience of the store and might stay there just randomly looking for products. These customer segments do not contribute much to the profit of the business. The

business can still provide insightful information to these customers to stimulate interest, which might potentially end up in a purchase.

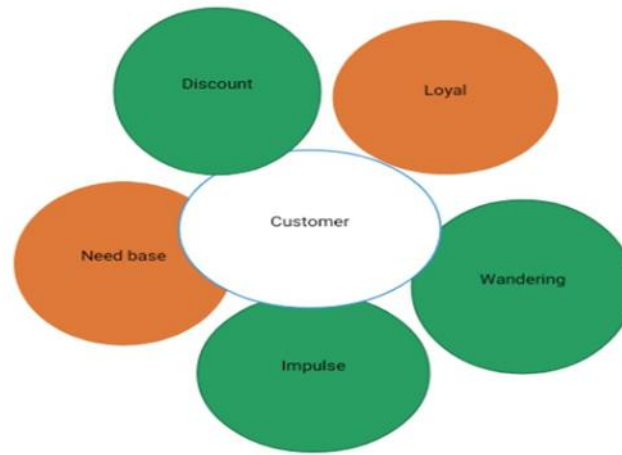


Figure 2.1 types of customer

2.1.2 Definition of services

Services are activities, benefits or satisfaction which are offered for sale or provided in connection with sale of goods. (The American Marketing Association). Services are those separately identifiable essentially intangible activities, which provide want satisfaction when marketed to consumers and/or industrial uses and which are not necessarily tied to the sale of a product or another service.

According to the definition of Gronroos (2000), a service is a process that consists of a set of activities which take place in interactions between a customer and people, goods and other physical resources, systems and/or infrastructures representing the service provider and possibly involving other customers, which aim at solving customers' problems.

3)



Figure 2.2 Definition of service

According to Adrian (1995), pure services have several distinctive characteristics that differentiate them from goods and have implications for the manner in which they are marketed. These characteristics can be described as follows.

1. Intangibility: - a pure service cannot be assessed using any of the physical senses; it is an abstraction which cannot be directly examined before it is purchased. It has no tangible properties that can be used by consumers to verify advertising claims before the purchase is made. The intangible process characteristics that define services, such as reliability, personal care and attentiveness and friendliness of staff, can be verified only when a service has been purchased and consumed.

2. Inseparability: - the production and consumption of a tangible good are two quite distinct activities. On the other hand, consumption of a service is said to be inseparable from its means of production. Producer and consumer must interact in order for the benefits of the service to be realized: both must normally meet at a mutually convenient time and place in order that the producer can directly pass on service benefits. In the extreme case of personal care services, like health care service and ATM service, the customer must be present during the entire production process.

3. Variability: - refers to the fact that the quality of services depends on who provides them as well as when, where, and how they are provided (Armstrong and Kotler, 2011). For services, variability impacts on customers not just in terms of outcomes but also in terms of processes of production. The latter point causes variability to pose a much greater problem for service than for goods. Because, customers are usually involved in the production process for a service at the same time

they consume it, it can be difficult to carry out monitoring and control to ensure consistent standards. Many service organizations have sought to reduce variability by adopting equipment base production methods such as automation of baking services.

4. Perishable: - services cannot be stored for later sale or use (Armstrong and Kotler, 2011). A producer of cars that is unable to sell all its output in the current period can carry forward stocks to sell in a subsequent period. However, the producer of a service that cannot sell all its output produced in the current period gets no chance to carry it forward for sale in a subsequent period. So, matching time of supply and demand for service is a requirement.

5. Ownership: - The inability to own services are related to their intangibility and perishability. In purchasing goods, buyers generally acquire title to the goods in question and can subsequently do as they want with them. On the other hand, when a service is performed, no ownership is transferred from the seller to the buyer.

2.1.2.1 Baking service

Banking Service means any banking transaction, service or product provided by the Bank on the basis of a uniform banking license in accordance with EU law, including, but not limited to: (a) the opening, maintaining and closing of the Customer's bank accounts,

(b) the provision of credit facilities and other banking products and services to the Customer (including, for example, documentary payments, securities dealing, investment advisory, broker, agency, custodian, clearing or technology procuring services), processing applications, ancillary credit assessment and product eligibility assessment, and

(c) the maintenance of the Bank's overall relationship with the Customer, including marketing or promoting financial services or related products to the Customer, market research, insurance, audit and administrative purposes.

2.1.2.2 Types of Services in Bank

1. Individual Banking- Banks typically offer a variety of services to assist individuals in managing their finances, including: Checking accounts, Savings accounts, Debit & credit cards, Insurance and Wealth management

2. Business Banking- Most banks offer financial services for business owners who need to differentiate professional and personal finances. Different types of business banking services include: Business loan, Checking accounts, Savings accounts, Debit and credit cards, Merchant services (credit card processing, reconciliation and reporting, check collection) and Treasury services (payroll services, deposit services, etc.)
3. Digital Banking- The ability to manage your finances online from your computer, tablet, or smart phone is becoming more and more important to consumers. Banks will typically offer digital banking services that include: Online, mobile, and tablet banking, Mobile check deposit, Text alerts, Statements, Online bill pays
4. Loans- Loans are a common banking service offered, and they come in all shapes and sizes. Some common types of loans that banks provide include: Personal loans, Auto and boat loans, Home equity lines of credit, Home loans and Business loans

2.1.3 Definition of customer service

Customer service is an important part of maintaining ongoing client relationships that are keys to continuing revenue. Bringing in new customers is great, but won't keep a business profitable for long if those customers don't come back for more and they will only do this if they are happy.

According to Elain (1996), customer service is anything we do for the customer that enhances the customer experience. Customers have various ideas as to what they expect from customer interaction. The customer service provider must go to know his/her/its customers and strive to provide them with excellent customer service as customer satisfaction is the goal to attain.

Today, companies have realized that customers are the life blood of the business; business survival is largely depended on the customers. The realization of this fact has made it possible for companies to have a better chance to outperform competition. Customers are therefore, better satisfied through a competitive superior product and services beyond their expectation. Satisfying the customer eventually graduate into a relationship where the company sees the customer as part of the business and business decision making by continuously seeking customers opinion.

According to Kotler and Keller (2006) marketers must connect with customers, informing, engaging and may be even energizing them in the process.

2.1.4 Customer satisfaction

Customer satisfaction means that customer needs, wishes and expectations are met or overcome during the product or service period, giving way to re-purchasing and customer loyalty. According to Anton (1996) customer satisfaction is the assessment of the pre-purchasing expectations from the product, with the results reached after the act of purchasing.

Furthermore, organizations may also use customer satisfaction as a point of differentiation in competitive markets especially in promotion activities Dehgan et al, (2012) and Oliver (2014).

Finally, Customer satisfaction also reduces the potential for negative word of mouth since unsatisfied customers tend to complain about their experience to other potential customers, thus harming the organizations or brand's reputation and sales Rego et al, (2013), Hill et al., 2013; and Kaura (2013).

2.1.5 Definition of CSM

Before we begin to examine the conceptual foundations of customer service management, defining what CSM is would be useful. In the marketing literature the terms customer service management and relationship marketing are used interchangeably. As Nevin (1995) points out, these terms have been used to reflect a variety of themes and perspectives. Some of these themes offer a narrow functional marketing perspective while others offer a perspective that is broad and somewhat paradigmatic in approach and orientation. A narrow perspective of customer service management is database marketing emphasizing the promotional aspects of marketing linked to database efforts (Bickert, 1992).

Customer service management is perhaps the most important concept of modern business. Until recently, CSM has been defined narrowly as a customer data management activity. By this definition, it involves managing detailed information about individual customers and carefully managing customer "touch points" in order to maximize customer loyalty. More recently however, customer service management has taken on a broader meaning. In this broader sense, CSM is the overall process of building and maintaining profitable customer relationship by delivering superior customer value satisfaction. (P.kotler and G. Armstrong, 2005)

Customer Service Management is a managerial philosophy that seeks to build long term relationships with customers. CSM can be defined as "the development and maintenance of

mutually beneficial long-term relationships with strategically significant customers” (Buttle, 2000). Customer service management is sometimes considered a database technology supported by the process of collecting, processing, and utilizing information about the company’s customers.

2.1.5.1 Function of CSM

The following are function of customer service management

Social reinforcement –appeals to customer’s esteems and officiating needs.

Reassurance- involves the concept of trust worthiness reliability, commitment and concern staying with customers provides reassurance.

Benefit reinforcement- involve felling customers why a service is beneficiary to them and reduced cognitive dissonance.

Solve customer problem- the goal of service management is to solve customer problem, not just sell them a service solving a problem develops relationships.

Customization- involve making customer steel special through modifying the service to meet his/her particular relationship. Service enhancement- involve giving customers something extra or special as a thank you for their business. (Kenneth and Edow, 2003)

2.1.5.2 Goal of CSM

The primary goal of CSM who is to build and maintain a base of committed customer who are profitable for the organization. To achieve this goal, the firm will focus on the attraction, satisfaction and enhancement of the customer relationship once they are attracted to being relationship with the company, customer will be more likely to stay in the relationship when they are consistently provided with quality products and service and goods value over times. The goal of customer enhancement suggests that loyal customers can be even better customers if they buy more products and service from the company over time.

The goals of CSM are:

Getting customers

Satisfying customers

Retaining customers enhancing customers

2.1.5.3 CSM levels and tools

Company can build customer relationship at many levels depending on the nature of the large market.

Low margin customers

It may seek to develop basic relationship with them tools for low margin customers are born. Building advertising, sales promotion, a toll free customer response number and tide network website.

2. High margin customers

This are few in numbers and the form want to create full partnership with key customers. Tools for fewer and high margins customers are rewarding frequent buying customer special discount, club marketing programs and creating member communities.

In between high arraign and low margin customers market over level of customer relationships are appropriate. (P. Kottler G Arms trong)

2.1.5.4 CSM benefits

Better customer knowledge – CRM allows you to collect, store and generally work with valuable customer data. Everything from basic information to their preferred modes of communication and other details can be stored and accessed when needed.

Personalized service – The more data you have to work with, the better and more personalized service you can provide.

Increased customer satisfaction levels – Your clients value when you tailor your approach to their needs. The better the services you offer, the higher the level of customer satisfaction.

Better customer retention – When you not only offer great products and services but also support and nurture your customers, they are more likely to come back to do business with you.

Increased productivity – It's easier for your agents to provide quick and effective support when they have all the customer data at their fingertips. It not only eliminates the time they spend searching for information but also makes the whole experience more streamlined.

Enhanced security – In addition to storing basic customer information, CRM can also collect data about what they have consented to. This way it not only protects the clients but also helps you make sure you're complying with any applicable security policies and laws.

2.1.5.5 Aim and purpose of CSM

The aim of any customer service management to develop more profitable relationships with Customers and to produce high customer equity.

2.1.5.6 Why does the organization CSM need?

The ultimate purpose of CSM, like any organizational initiative, is to increase profit. In the case of customer service management this is achieved mainly by providing a better service to your customers than your competitors. CSM not only improves the service to customers though; a good CSM capability will also reduce costs, wastage and complaints (although you may see some increase initially, simply because you hear things that without CSM would have stayed hidden). Effective CSM also reduces staff stress, because attrition-a intent market research as well: opening the lines of communications with your customers gives you direct constant market survey. Good CSM also helps you grow your business: customers stay with you longer; customer churn rates reduce; referrals to new customers increase from increasing numbers of satisfied customers; demand reduces on fire-fighting and trouble-shooting staff and overall the organizations service flows and teams work more efficiently work and more happily. (P. Kotler and G Armstrong, 2005).

2.2 Empirical review

Relationship Marketing Theory-relationship Marketing focuses on building long-term, mutually beneficial relationships with customers, rather than focusing only on short-term transactions;Developed strongly in the 1980s by researchers like Berry and Grönroos.

The goal is to retain customers by offering superior value and maintaining trust. It's cheaper to retain an existing customer than to attract a new one. Emphasizes customer loyalty, two-way communication, and personalized service.

Customer Satisfaction Theory Customer Satisfaction Theory states that satisfaction results from a comparison between customers' pre-purchase expectations and their actual service experiences. If performance meets or exceeds expectations, customers are satisfied; if performance falls short, customers are dissatisfied.

Developed mainly by Oliver (1980). Satisfaction influences customer loyalty, repeat behavior, and word-of-mouth marketing. Organizations must constantly monitor expectations and adapt services accordingly.

SERVQUAL Model Developed by Parasuraman, Zeithaml, and Berry (1988), SERVQUAL is a framework to measure service quality across five key dimensions..

Five Dimensions of SERVQUAL: 1. Reliability – Ability to perform the promised service dependably and accurately.

2. Responsiveness – Willingness to help customers and provide prompt service.

3. Assurance – Employees' knowledge and courtesy, and their ability to inspire trust.

4. Empathy – Providing caring, individualized attention to customers.

5. Tangibles – Appearance of physical facilities, equipment, personnel, and communication materials.

Kaovská, 2010, Customer satisfaction should be guaranteed in all corporate operations, including production, sales, and customer service. Because they may assist to raise client satisfaction in regard to the services they provide, customer services are always crucial and relevant. Services might be considered a source of revenue for a business (Kaovská, 2010).

Customer service, according to McQuerrey (2019), is a crucial aspect of business operations that may have an influence on your bottom line and how the public perceives your organization. It goes beyond simply being kind to consumers. In recent months, a number of well-known

companies have made headlines due to their subpar customer service practices. In the case of customer service, participants simply wanted to improve the delivery of their services to make an easier transaction and meet the customers' needs especially in this modern time. This may increase customer satisfaction and to decrease if not to eliminate numbers of customers complaints. Improvement of the delivery of services may include adopting new practices to keep up with the evolving customers' needs. Information sharing and the emotional component of customer contact may need to be stressed more in order to improve customer service.

According to Hauser (2017), there are many reasons to improve service delivery, including internal searches for more efficient and organized methods of doing things as well as external demands from customers and companies for higher quality or more accessibility.

CHAPTER THREE

REASERCH DESIGHN AND METHODOLOGY

3.1. Introduction

This chapter presents the methodology used for the study. It explains the research design, population and sample size, methods of sampling, source data, Methods of data collection and method of data analysis.

3.2. Study area

This study was intended to be carried out, at wolkite town which is one of the towns in southern nations, nationalities and peoples Regional State. It was located at 135 km to South-West from the capital town of the country, Addis Ababa, along the main road that passes through sebeta, Tulu bolo, waliso and reach wolkite. Based on figures from the central statistical Agency in Wolkite had an estimate total population will be around 27,775. The district has climate condition which means woinaDega.

3.3. Research design

Since the major purpose of this study was to investigate the critical factors that affect the Customer service management performance, descriptive type of research approach used in order to describe the condition that exists or existed

3.4 Source of data

The researcher would be used both qualitative and quantitative collect from primary and secondary data sources. The primary data of the proposed research was collected by using different data collection techniques. This includes household survey, face-to-face semi structured interviews, key inform attending -depth interviews. The data source of the proposed study was different categories of local communities including youths, women and elders. It was also including experts and leaders of different institutions at local and national levels.

Secondary Data Sources-Besides the above primary sources, secondary sources including published and unpublished information about the organization was gathered. These include reports and documents of the bank that work on the area and issue of the proposed study.

3.5 Methods of data collection

To collect the necessary data, the researcher would be used both primary & secondary sources. To collect data from primary sources the researcher would be used questionnaire and interview. The questionnaires that the researcher used close ended questionnaires. The researcher used questionnaires because of it is important to increase the obtaining of accurate information & the respondents to get freedom to express their feeling without fear and openly without enforcement of the researcher.

3.6 Target population and sampling techniques

The population amounts to 300 customers of the bank, depending on this we take to consider 75 simple size was take to conduct the research. The researcher would be used above 300 customers in Hibret bank in wolkite branch from this the researcher would be used 90 percent confidence interval and 10 percent significant error i.e. ($e=0.1$) and the managers select by using judgmental sampling to get relevant information. $n=N/1+N(e)^2$ where, n = sample, N = total population, e = error

Customer: $n=N/ (1+N(e)^2)$

$$300/1+ 300(0.1)^2$$

$$= 75$$

3.7 sampling design technique

The technique of selecting the sample from the population was simple random sampling techniques. Because simple random sampling states a certain of equal probability of selecting each n from N and if the population element are highly homogeneous.

3.7. Data analysis and Interpretation

To analyze the data gathered through the different data gathering tools research used different techniques to data analysis. The raw data was collected and processed in the primary edited, coded and classified so as to make further analysis. In order to analysis the collected data through questionnaires the study analyzed and interpreted descriptively. The descriptive analysis was mainly including percentages and frequency distributions. The summarized data was present using different data presentation techniques including tables and charts.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This chapter is focused on the presentation and analysis on data collected from questioners and interview the respondents are customers and manager of Hibret Bank. The total number of questioner distributed was 75 for customers. From 75 questioners distributed to customers 93.3% were returned.

4.1 presentation of the data that are collected through questionnaires

4.1.1 Sex of the respondent

	no of respondent	Percentage
Male	54	71.4%
Female	21	28.6%
Total	75	100

Source, Questionnaire 2025

Table 4.1.1 As can be seen from the table above most of the respondent was males 54 (71.4%) and the rest are females 21 (28.6%) of the respondent were females. As show in this table the number of male customer greater than female customer in the organization.

4.1.2 Distributed and returned Questionnaire from customers

	number of respondent	Percentage
Selected customer	75	100%
Questionnaire distributed	75	100%
Questionnaire returned	70	93.3%
Questionnaire not returned	5	6.7%

Source, Questionnaire 2025

Table 4.1.2

As the above table shows that 75 questioners distributed to customers of the bank 70 (93.3%) of the questioners were returned and 5(6.7%) of them were not returned.

4.1.3 Age of customer respondents

	number of respondent	Percentage
Below 25	18	26.9%
26-35	39	53.6%
35-50	13	19.5%
Above 51	-	-
Total	70	100%

Source, Questionnaire 2025

Table 4.1.3 As indicated in the above table, 18(26.8%) of respondent show that below 25 years, 39(53.6%) of customer respondent were in the age group between 26-35 years and 13(19.6%)of customer respondent was 35-50 years. This implies that the majority of customer's respondents were in the age group between 26-35 years.

4.1.4 Education level of customer respondents

	No of respondent	Percentage
Below 12	31	44.6%
12 completed	23	32.2%
Certificate	11	16.1%
Diploma	5	7.1%
Degree and above	-	-
Total	70	100

Source, Questionnaire 2025

Table 4.1.4 indicate that 31(44.6%)majority of the respondent were hold below 12, 23(32.2 %) of the respondent were holding 12 completed, 11(16.1%) of the respondent were hold certificate and 5 (7.1%) of the respondent were hold degree and above.

4.1.5 Purpose of using banking service

	No of respondent	Percentage
Money transfer	10	14.3%
Saving purpose	-	-
Business purpose	-	-
All	60	85.7%
Total	70	100

Source, Questionnaire 2025

Table 4.1.5 As it shows in the above table, majority of the respondent 60(85.7%) use banking service for all and 10(14.3%) of them used for money transfer.

4.1.6 For how long have you been using the bank?

	no of respondent	Percentage
Less than 1 year	11	16.1%
2-3 years	-	-
4-5 years	28	39.3%
Above 5 years	31	44.6%
Total	70	100

Source, Questionnaire 2025

Table 4.1.6 As indicated in the above table, 28(39.3%) of the respondent said that customer, 4-5 years. 11(16.1%) of customer respondent show that less than 1 years and 31(44.6%) majority of the respondents were above 5 years.

4.1.7 Satisfaction of customers by the bank service

	No of respondent	Percentage
Very satisfied	12	17.85%
Satisfied	28	39.29%
Moderate	30	42.86%
Not satisfied	-	-
Total	70	100

Source, Questionnaire 2025

Table 4.1.7

As the above table shows 12(17.85%)of the respondent were very satisfied by the service of the bank,28(39.29%) of the respondent were satisfied by the service of the bank and 30(42.86%) of the respondent were moderate by the service of the bank.

4.1.8 Suggestions of customer service improvement

How do you suggest about customer service improvement?

	No of respondent	Percentage
Very good	43	60.7%
Good	27	39.3%
Average	-	-
Poor	-	-
Very poor	-	-
Total	70	100

Source,Questionnaire 2025

Table 4.1.8

As indicated in the above table,43(60.57%) of the customer service improvement were very good,27(39.3%) of respondents customer service improvement were good.

4.1.9 Why you prefer the bank

	No of respondent	Percentage
It provide quality service	20	28.6%
It located near to me	50	71.4%
Other reason	-	-
Total	70	100

Source,Questionnaire 2025

Table 4.1.9

As indicated in the above table,20(28.6%) of prefer the bank shows that it provide equality service and 50(71.4%) of the respondent were prefer the bank shows it located near to me.

4.1.10 Evaluation of employees in rendering service

	No of respondent	Percentage
Not busy very much willing guide customer	25	35.71%
Not cooperative	-	-
Buys of work and still willing to customer	33	46.4%
Buy work and not willing to customer	12	17.89%
Total	70	100

Source,Questionnaire 2025

Table 4.1.10

The above table shows that10 (17.89%) of them replied employees were busy of work and not willing, 26(46.43%) of them are busy of work and willing to customers. In addition 20(35.71%) of the respondents replied that employees are not busy of work and willing to help customers.

4.1.11 Evaluation of technology, speed and accuracy of service

	Degree of IT average		Service providing speed		Accuracy of service	
	Number	Percentage	Number	Percentage	Number	Percentage
Very Good	7	10.7%	18	26.79%	20	28.57%
Good	13	18.8%	32	44.64%	19	26.79%
Average	25	35.7%	20	28.57%	31	44.64%
Poor	25	35.5%	-	-	-	-
Very poor	-	-	-	-	-	-
Total	70	100	70	100	70	100

Source, Questionnaire 2025

Table 4.1.11

The above table implies that, there is good accuracy service in the bank and comparatively service providing speed is also good but in IT leverage the bank needs additional improvements.

4.1.12 customer service and problem solving techniques

	Problem solving Approach		Rate responses customer complain		extent customer service contribute to the bank's reputation?	
	Number	Percentage	Number	Percentage	Number	Percentage
Very Good	8	12.7%	10	14.79%	31	44.5%
Good	13	18.8%	28	39.64%	19	26.7%
Average	24	33.7%	23	32.57%	20	28.8%
Poor	25	35.5%	9	13.%	-	-
Very poor	-	-	-	-	-	-
Total	70	100	70	100	70	100

Source, Questionnaire 2025

Table4.1.12

Indicates a significant challenge in problem-solving approaches, with 35.5% of respondents rating it as poor. However, customer complaint responses are rated positively, with 39.64% considering them good. Additionally, customer service management (CSM) is seen as having a very good impact (44.5%) on the bank's reputation.

4.1.13 Rate the impact of customer service on customer retention

	No of respondent	Percentage
Very high	10	14.3%
High	26	36.6%
Average	23	31.6%
Poor	12	16.5%
Very poor		
Total	70	100

Source, Questionnaire 2025

Table 4.1.13 Customer service has high impact on customer retention, with 36.6% of respondents rating it as high and 31.6% rating it as average

4.1.14 Positive Advertises Hibret bank to others

	No of respondent	Percentage
Yes	70	100%
No	-	-
Total	70	100

Source, Questionnaire 2025

Table 4.1.14

The all of respondents positively advertise the bank to others this implies that the bank save costs which it incur for advertising purpose.

4.2 interview analysis

1. What exactly should expecting from CSM to do for customers ,employees and company?

The manager said that “CSM should facilitate all the conditions to give quality service to the customers. CSM also should empower the employee by giving different training to be qualified for the speed service delivery and it expected to increase the success of the company.”

2. What kinds of mechanisms are taken to maintain the existing customers and what measures going to take to flourish the customer satisfaction?

The manager said that by using different service delivery mechanism like SAICA (saving Account Linked with Current Account)

Which means considering the saving account as a current account for the customers to encourage and make them loyal and the other one is using special saving account which means if the customers don't withdraw from the deposit in the month they have been rewarded by the interest by considering they will be potential customers

3. What benefit and challenge does customer service management provides for the Hibret bank?

The manager said that “there are many benefit of expanding customer service. They include mobile banking, income and expense reporting, lone services and bank to bank transfer. And customer service has many challenge. The smaller ones are network cutoff, competition, location, electricity cutoff, and political issue.

CHAPTER FIVE

5. SUMMARY OF FINDINNG, CONCLUSION AND RECOMMENDATION

5.1 summary of finding

- As researcher indicates most of the respondent was males 40(71. 4%).the number of male customers are greater than female customer in the organization.
- among 75 questioners distributed to customers of the bank 70 (93.3%) of the questioners were returned
- 53.6% of customer respondent were in the age group between 26-35. This implies that the majority of customer's respondents were in the age group between 26-35 years.
- 44.6% majority of the respondent were hold below grade 12 students.
- majority of the respondent 85.7% use banking service for all.
- 44.6% majority of the respondents were above 5 years.
- 42.86% majority of the respondent were moderately satisfied by the service of the bank.
- 60.57% majority of the customer service improvement were very good.
- 71.4% majority of the respondent were preferring the bank shows it located near to me.
- 46.43% majority of respondents are busy of work and willing to customers.
- there is average in accuracy service in service the bank, good service providing speed but average and poor degree IT average the bank.
- significant challenge in problem-solving approaches, with 35.5% of respondents rating it as poor. However, customer complaint responses are rated positively, with 39.64% considering them good. Additionally, customer service management (CSM) is seen as having a very good impact (44.5%) on the bank's reputation
- Customer service has high impact on customer retention, with 36.6% of respondents rating it as high and 31.6% rating it as average
- The all of respondents positively advertise the bank to others.

5.2 conclusions

The main purpose of the study is to assess and analyse customer service management in Hibret bank. To make practical this task the researcher's collected secondary data from the bank annual report and distributed questionnaires' customer's and interview manager. The following conclusions are drawn as follows:

- ❖ According to the researcher findings majority of customers use bank service for saving purpose, for personal transaction and business purpose.
- ❖ According data gathered from respondents, the bank doesn't have modern feedback gathering mechanisms.
- ❖ According to researcher finding, there is poor information technology (IT) of the bank industry.
- ❖ The researcher concluded that most of the customers' satisfaction is average.
- ❖ According to the researcher findings, the accuracy of the service is good in the Hibret bank. The researcher concluded that the service providing speed of the bank has good.
- ❖ According to the researcher finding, the majority of the employees are more busy to work and still willing to customer.
- ❖ The researcher concluded that most of the customers selected the bank for its location (nearest to them)
- ❖ According to the collected data on the assessment of effectiveness of the bank on handling its customer is not that much effective.
- ❖ Based on the collected data of Hibret Bank manager understood the purpose and benefits of customer service management for banking system.
- ❖ According to the collected data significant challenge in problem-solving approaches
- ❖ customer service management (CSM) is seen as having significant impact on the bank's reputation and Customer service has high impact on customer retention

5.3 Recommendations

Based on the data analysis made and conclusion drawn by the researchers the following recommendations have been forwarded for problems identified during the study.

Since Hibret bank is service providing Company, there are many competitors. The bank must improve the quality of service more than it practice now.

- The bank should gather information about the banks services from customers and others who have direct contact with the banks service in a regular manner.
- The bank should increase its usage of technology based system.
- The bank must strive to improve service providing speed by accompanying different automated machines and by avoiding unevenly distributed work load since the bank has many competitors it should effective by its handling its customers by implementing different CSM strategies which make the bank uses its resource effectively.
- Also as it indicated in the above analysis part the bank should hire additional employees.
- The bank should prioritize enhancing its problem-solving approach by improving staff training, creating more efficient processes for addressing customer issues, and providing employees with more autonomy to resolve issues quickly and effectively
- the bank should regularly collect customer feedback through surveys or follow-up calls to understand their needs and identify areas for improvement. This will enable Hibret Bank to continuously improve its customer service and maintain a positive reputation.
- Hibret Bank needs to invest in improving its problem-solving approaches, training its staff for better customer interaction, and addressing customer complaints more effectively. By enhancing customer service, the bank can improve its reputation, reduce churn, and boost customer retention.

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Appendix
WOLKITE UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

Dear Respondents

First of all I would like to extend my sincere gratitude for helping me filling this questionnaire. The questions listed below are aimed at gathering data for the research entitled *Customer Service Management in case of Hibret bank wolkite branch*. On top of this the researcher like to assure that all the data collected will be kept confidential and used for the research purpose only

So, you are kindly requested to give accurate and relevant information which is the most valuable input for the success of my study. Therefore, the researcher hopes that you will be answer all questions confidently and frankly

Thank you in advance for your cooperation

Please give a check mark “ (√) ” in the box provided and choice the correct answer

Personal information of respondents

1. Gender: Female: male.....

2. Education level:

Below 12 12 completed diploma Degree MA and above

3. Age: Below 25 26-35 36-50 above 51

4 Employment

Employed Self employed

Unemployed

others , please specify.....

Study variables

part I Questions related to advantage of CSM in Hibret bank

1. For what purpose do you mainly use banking service?

For saving purpose for money transfer

For current account (business purpose) for all

2 . For how long have you been using Hibret bank?

Customer less than one year customer for 2-3years

Customer 4-5years customer above 5years

3. How much are you satisfied in the service rendered by Hibret Bank?

Very satisfied satisfied moderate. not satisfied

.4 How effective is the bank in providing clear and helpful information about its services?

Very Good Good, Average Poor Very Poor

5 How do you rate the responsiveness of the bank in addressing your concerns?

Very Good Good, Average Poor Very Poor

6 If you have been customer of Hibret bank how do you evaluate the improvements in the service provided?

Very good good average poor very poor

7 Why do you prefer Hibret Bank?

It provide quality service its location is near to me

For other reasons

8 How do you evaluate service delivering speed of Hibret Bank relative to other Banks?

Very good good average poor very poor

9 How much do you evaluate the accuracy of Hibret Bank in service providing?

Very good. good average poor very poor

10 To what degree do you rank the bank leverage of information technology?

Very good good average poor very poor

Part II customer service problem that exists in the bank

1 How well does Hibret Bank's customer service handle technical or account-related issues?

Very Good Good, Average Poor Very Poor

2. How well does Hibret Bank's customer service handle language or communication barriers?

Very Good Good, Average Poor Very Poor

3. How satisfied are you with the bank's responsiveness to customer feedback?

Very Good Good, Average Poor Very Poor

4. How well does the bank handle customer complaints?

Very Good Good, Average Poor Very Poor

5 How satisfied are you with the overall problem-solving approach of Hibret Bank's customer service?

Very Good Good, Average Poor Very Poor

Part III does customer service management is directly related to profitability of the organization?

1 How would you rate the role of customer service in enhancing your overall satisfaction with Hibret Bank?

Very Good Good, Average Poor Very Poor

2 How well does excellent customer service contribute to the bank's reputation?

Very Good Good, Average Poor Very Poor

3 How do you rate the role of customer service in improving the bank's financial performance?

Very Good Good, Average Poor Very Poor

4 How would you rate the impact of customer service on customer retention

Very Good Good, Average Poor Very Poor

5 Do you positively advertise the bank to others?

Yes No