

WOLKITE UNIVERSITY COLLEGE OF BUSSINESS AND ECONOMICS

DEPARTEMENT OF MANAGEMENT

THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICE ON THE CUSTOMER SATISFACTION IN THE CASE OF COMMERCIAL BANK OF ETHIOPIA OPERATING IN GURAGHE ZONE

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DECLARATION

I, the undersigned, declare that this MBA thesis (The Effect of Customer Relationship Management Practice on the Customer Satisfaction in the case of Commercial Bank of Ethiopia Operating in Guraghe Zone) is my original work. It has not been submitted for a degree in any other university and all the materials used in this study have been duly acknowledged.

Teshale Digafe Date_____2024 signature _____

CERTIFICATE

WOLKITE UNIVERSITY

SCHOOL OF GRADUATE STUDIES

I hereby certify that I have read and evaluate this thesis titled "Effect Of Customer Relationship Management Practice On The Customer Satisfaction In Case Of Commercial Bank Of Ethiopia Operating In Guraghe Zone'' prepared under my guidance by Teshale Digafe. I recommend that the thesis shall be submitted as fulfilling the requirements for the Award of Master of Business Administration.

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As the member of the board of examiners of Master of Business Administration thesis open defense examination, we have read and evaluated this Thesis prepared by Teshale Digafe and examined the candidate. We here by certify that the Thesis is accepted for fulfilling the requirements for the award of Master's Degree in Business Administration.

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ACRONYMS

CBE - Commercial Bank of Ethiopia

ATM- Automatic Teller Machine

CRM – Customer Relationship Management

MIS- Management information system

ABSTRACT

This study want to address the highlighted gaps established in the literature by examining the influence of customer relationship management practices on the customer satisfaction in the case of commercia Bank of Ethiopia in Guraghe zone with reference to assessing the CRM practices. The thesis was used the five key constructs of Customer Relationship Management these are organizational commitment, customer experience, process driven approach, reliability and technology orientation.The research design in this study was both descriptive and explanatory type research. The function of research design is to provide for the collection of relevant data with minimum expenditure of effort time and money taking in to account the research purpose. During sampling techniques were used stratified random sampling is also a form of probability sampling. For this purpose, the researcher distributed questionnaires to 267 respondents from which 250 of the questionnaires were filled and returned to the researcher for analysis. In this research the SPSS and Stata software is used to enhance data analysis process. The problem has shown in this thesis from the result of cronbach's alpha is the reliability statistics which is a little bit small.To increase the number of questions the respondent may be bored. The findings of the study shows that the technology orientation has the highest influence on customer satisfaction. Hence Commercial Bank of Ethiopia in Guraghe zone should be very conscious in improving more use of latest technology to offer quality services. This will yield more customer satisfaction which may contribute to customer loyalty and retention as argued by some researchers. Additionally future research is recommended to identify other variables of customer relationship management that effect customer satisfaction and the mediating factors as this study evaluated the relationship only from five dimensions.

Keywords: Descriptive and Explanatory, Organizational Commitment, Customer Experience, Process Driven Approach, Reliability, Technology Orientation and Customer Satisfaction

CHAPTER ONE

INTRODUCTION

This chapter will introduce the reader to the study of the effect of CRM for contact office practice on loyalty in Commercial Bank of Ethiopia in Guraghe zone. In addition the statement of the problem, basic research questions, objective of the study, and significance of the study, scope of the study, limitation of the study and organization of the study will be discussed.

1.1Background of the study

Customer relationship management (CRM) is highly important to firms as they seek to improve their profits through long-term relationships with customers. Customer Relationship Management is a vital and an essential business strategy for the banking sector. Therefore banks, with the need to be more customer-centric have taken efforts to design and implement CRM as a step towards success and achievement in their business(Gartner Inc.,2004).

In today's intensely competitive, rapidly changing and highly complex business environment characterized by diminishing customer loyalty, the need to be market focused and customer centric is more critical than any other time for any organization. With increased knowledge of customers, globalization, presence of large number of competitors providing almost comparable service and customers demanding more than just core service or product; firms specially the financial sectors are deploying Customer Relationship Management (CRM) to customize their service to capture new customers, retain the existing ones and win back lost customers by building relationship and maximize customers life time value (Onut, Erdem and Hosver, 2006).

Nevertheless marketers' responses to CRM implementation appear to have neglected customers' opinion in relation to understanding consumer attitudes, even as an indirect target audience. Kim, Park, Dubinsky and Chaiy (2012) argue that to date there remains a lack of attention regarding the customer's point of view vis-à-vis CRM activities of firms. Although

extant literature does provide helpful insight into the company's point of view, researchers have shown little concern regarding customers' attitude toward customer relationship management activities (Kim, et al., 2012). For those companies already participating in CRM initiatives, the information provide for the consumer about their involvement may be limited or non-existent, missing the opportunity to assist the consumer to think clearly or abstractly about the extent relationship theymake with their suppliers.

It is essential to know for firms how effective their CRM activity perceived by customers and its effect on customer satisfaction as the "C" in CRM stands for Customer towards whom the CRM activates is directed. Such information will help the organizations to better understand Customers and tailor their activities to meet customers' expectations and deliver high customer values and also to focus on the dimensions that will enhance customer satisfaction. Padmavathy, Balaji and Sivakumar (2012) in their study identified five key dimensions of Customer Relationship Management Effectiveness that should be implemented to enhance abank business performance.

These five key dimensions are organizational commitment, customer experience, process driven approach, reliability and technology orientation which measure the customer satisfaction of customer relationship management from customer perspective. These dimensions emphasize that CRM efforts should focus on crucial areas that require attention for successful CRM implementation which are strategy, process, technology, management and people (Crosby and Johnson, 2001; Yim, 2002; Sin et al., 2005). As it has been pronounced by Onut et al., (2006) in their study, today many businesses such as banks, insurance companies and other service providers realized the importance of customer relationship management and its potential to help them acquire new customer, retain existingones and maximize their lifetime value.

Most of the studies done on CRM are from supplier perspective. Some of these empirical works have focused on CRM strategy and its outcomes such as the causal relationships between CRM strategy and customer satisfaction, customer loyalty, and company performance (example: Kamakura et. al., 2002; Verhoef, 2003; Reinartz et al., 2004; Stein and Smith, 2009; Arkoush et al., 2011). Despite the importance of input from these studies,

surprisingly overlooked area in CRM research has been the customer (Kim, et al., 2012). In fact according to Padmavathy, Balaji and Sivakumar (2012) only few studies have investigated and measured CRM from customer perspective.

In realization of this fact the banks in Ethiopia have deployed customer relationship management besides serving their customers with range of services, to create lifetime value for customers, enhance customer relationship quality, and retain their existing customers and becoming more customer-focused. Despite the fact that CRM has emerged as a major business strategy (Kim et al., 2003) and effect on the customer satisfaction.

1.2 Statement of the Problem

A review of previous empirical studies cited above shows that there are conflicting findings and inconsistencies concerning the effect of CRM practices particularly service quality,complaint handling and technology adoption on customer retention or customer satisfaction.Whereas studies on CRM practices have been conducted in Ethiopia context, most studies have focused on supply or marketer perspective not customer perspective which may constrain the applicability of the findings hence, creating **a knowledge gap** that motivated this study.Therefore,this study sought to address the highlighted **gaps** established in the literature by examining the influence of customer relationship management practices on the customer satisfaction with reference to assessing the CRM practices i.e.,service quality,technology adoption, and customer complaint handling and determine their relationship with customer satisfaction.

CRM has emerged recently and has become competitive advantage for firms in financial sector. Even though customer relationship management activities are in the infant stage in Ethiopian banking industry, knowing the customers' view and perception towards the effort is an essential for the development and growth of CRM in Ethiopia. However, most of the studies done onCRM are from supplier perspective. Only few researches have been done in evaluation customer relationship management effectiveness from customer perspective (example: Kim et al., 2012; Padmavathy et al., 2012).

Customers are the engine of any organization moving towards winning and becoming a profitable business. What customers feel and think about a company and/or its offering is key aspects of its success. Banks have realized that managing customer relationship is an essential factor for their success as CRM is one of the best strategies that can help them build long lasting relationships with their customers and increase their profits through efficient management system and application of customer focused strategies (Nyarku et al., 2013).However for the success of these efforts besides the organization commitment on implementing CRM, customers' attitude should be considered. Knowing the customers attitude towards the effectiveness of the implemented CRM activities and its behavioral outcome on the customer satisfaction is crucial for the success of CRM activity. Thus this study will provide an insight to customers' perception towards the effectiveness of CRM activities and its relationship with customer satisfaction.

1.3 Research Objective

1.3.1 General Objective

The main aim of this study focuses on examining effect of Customer Relation Management on the customer satisfaction.

1.3.2 Specific Objectives

1. To determine effect of organizational commitment dimension on customersatisfaction
2. To assess how customer experience dimension affect customer satisfaction
3. To examine effect of process-driven approach on customer satisfaction
4. To examine how reliability affect customer satisfaction
5. To evaluate how technology orientation dimension effect on customer satisfaction

1.4 Research Hypothesis

1. Organizational commitment dimension has a significant and positive effect on customer satisfaction
2. Customer experience dimension has a significant and positive effect on customer satisfaction

3. Process-driven approach has a significant and positive effect on customer satisfaction
4. Reliability has a significant and positive effect on customer satisfaction
5. Technology orientation dimension has a significant and positive effect on customer satisfaction.

1.5. Significance of the Study

Customer relationship management was developing to manage customer relationship effectively. Thus to build and manage customer relationships effectively, organizations should establish a customer-centric culture.While most of the researches done in evaluating CRM implementations so far are from marketers' perspective. This research was provide an insight in to customers' perception towards CRM activities and its effect on customer satisfaction. Through converting customer information in to usable data, CRM can increase the overall performance of a company(Stein and Smith, 2009; Yim et al., 2004). The research also provides managers insights into development and implementation of CRM activities based on customers' evaluation and enables the bank to identify the dimension that have impact on customer satisfaction and those which needs further enhancement. By doing so, this research will have implication on bank managers and will contribute to the CRM literatures.

It is essential to comprehend which dimension of CRM effectiveness impacts customer satisfaction. The information gained on how customers perceive the effort of the organization to create long term relationship with them and it effect on customer satisfaction enables firms to implement their CRM activities to meet customers' expectations and thereby enabling them to benefit more from CRM implementation activities and direction. Moreover such information gives the ground to identify and improve the dimensions that have relationship with customer satisfaction and positively affect customer satisfaction.

Customers are the primary beneficiary from CRM activities of organization. More over to achieve CRM effectiveness in an organization, a firm should develop customer-focused learning and an interaction orientation culture (Kumar and Ramani, 2003; 2006). Customer relationship management is now growing in Ethiopia especially in the banking industry.

Therefore customers, whom are the primary beneficiary of CRM activities, view should be assessed in order to know their perception and the effect it has on their satisfaction. Otherwise winning the new, retaining the existing and winning back lost customers will be difficult in the banking industry where the competition is stiff and customers switching cost is low.

As the number of service providers in the banking sector is increasing in Ethiopia the competition is getting stiffer. Among other factors the decrease in customer loyalty and shifting of customers to competitors easily with lesser or no switching costs, have impact on the declination of the market share of the players in the industry. Banks have realized this and are implementing CRM to win, retain and gain back customers. However the view and perception of customers, towards whom CRM is applied, should be considered. Evaluation of customers will help the bank to design the application in accordance to customers need to create long lasting relationship by creating value to customers.

Thus this study gives an insight how customers perceive the CRM implementation and its impact on the customer satisfaction which in return helps the bank to identify gaps between customers' needs and the current customer relationship activity of the bank and dimensions which contributes to the customer satisfaction. Moreover based on this kind of studies managers can get insights into the development and implementation of CRM activities based on customers' evaluations. Such information enables the bank to review the current CRM activity and to know the needs of the customers. Furthermore, this study will contribute to the CRM literature. It will also contribute in providing a ground for future research area to assess customers' view of CRM implementation activities in large scale and in different industry as well.

1.6 Scope of the Study

The conceptual scope of this study was intended to assess CRM practice and its effect on the customer satisfaction from customer perspective upon which customers was evaluated the CRM activities of the Bank from five dimensions. Technology orientation, Customer expectation, Organizational commitment, Reliability and Process driven approach.This variables influencing the customer relationship management of banks.There are other

variables such as knowledgeability and attitude of bank employees.

However due to time and budget constraint the geographical scope of this study is limited to the information that will be gathered from selected into only four different area in Guraghe Zone. During geographical scope selection the branches not only wolkite area but also included other werda of guraghe zone.This is because to investigate how commercial bank of ethiopia address fully with full potential to guraghe zone. Hence it was not address all customers of selected branches. Therefore in this study the view of the customers other than the selected branches was not addressed.

And explanatory research design in methodological scope was used. Metholdological can help provide researchers with a specific plan to follow throughout their research.The methodology design process helps researchers select the correct methods for the objectives.It allows researchers to document what they intend to achieve with the research from the outset.

1.7 Limitation of the study

The findings of this study was not be generalizable to the entire population as only the views of selected branch customers was taken. The other limitation is inaccessibility of the current customer data from the selected branches for privacy and other reasons. Additionally related literatures to this study area are very limited. Therefore, getting appropriate related literatures was very time taking. Despite these limitations, the study can help in arousing more future research in the area.

1.8 Definition of Terms

Customer Relationship Management (CRM) is a set of customer-oriented activities supported by organizational strategy and technology, and is designed to improve customer interaction in order to build customer loyalty and increased profit over time. **Organizational commitment** dimension refers to the efforts by a bank and its employees to serve customers with the desired levels of performance. It also reflects the bank's values,

attitudes and beliefs in terms of the customer orientation and CRM efforts. **Customer experience** dimension describes how well the banks conform to CRM efforts by promptly attending to complaints and efficiently solving problems through proactive customer support.

Process-driven approach dimension refers the ability of the bank to fulfill customer requests with speed and astuteness.

Reliability dimension signifies the extent to which an organization is consistently and accurately delivers services to its customers as promised.

Technology orientation addresses operational performance of the banks with the use of thelatest technology such as automatic teller machines, internet banking and mobile banking. Customer Satisfaction is the degree to which business's product or service performance matches up to the expectation of the customer.

1.9. Organization of the paper

The study was comprise five chapters. In chapter one, background of the study, statement of the problem, basic research questions, objective, definition of terms, significance, delimitation/scope and limitations of the study were discussed. While the second chapter covered related literatures reviewed on the study area. The research design and methodology is covered in the third chapter. Whereas in the fourth chapter the analysis, interpretation and discussion of primary data gathered by questionnaire is presented. In the last chapter, chapter five, the summary of the research findings, conclusion and practical recommendations are discussed.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Framework on Customer Relationship Management

CRM is born from relationship marketing and is simply the practical application of long standing relationship marketing principles which have existed since the dawn of business itself (Gummesson, 2004). Most marketers view the concept of customer relationship management in a broader sense. Although CRM has become widely recognized as an important business approach,there is no universally accepted definition of CRM (Rigby et al., 2002; Yim et al., 2004; Zabhal et al., 2004; Sin et al., 2005). As such, there is still much debate over exactly what constitutes CRM. Broader perspectives began to emerge in a number of definitions that started to focus on considering CRM as an organization-wide effort that centered on building and maintaining profitable customer relationships (Akroush et al., 2011).

Broader Customer relationship management is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. It deals with all aspects of acquiring, keeping, and growing customers (Koteler and Armstrong, 2012, p.12). Hence, CRM tools are activities by business organizations to manage customer interactions across channels and department, including marketing, sales, customer service and technical support (Chaney, 2013).

As stated by Kotler and Armstrong (2012), customers buy from the firm that offers the highest customer perceived value, the customer evaluation of the difference between all the benefits and all the costs of market offering relative to those of competing offers. Importantly, customers often do not judge values and costs “accurately” or “objectively.” They act on *perceived* value (Kotler and Armstrong, 2012, p.12-13). Though the competitive advantage for any enterprise can be gained only by leveraging knowledge of customers’ expectations, preferences and behavior which involve creating an ongoing dialog with customers and exploiting the information and insight obtained at every customers touch

points as argued by Payne (2005). Kotler and Armstrong (2012) indicated that mostly companies try to increase customer satisfaction by lowering price or increasing the service which results in lower profit. However, firms through CRM tools can generate customer value profitably without giving away their profit. The philosophical rationale behind the importance of and the need for CRM lies in the importance of cooperative and collaborative relationship between buyers and sellers (Akroush et al., 2011). Another view of CRM is that it is technologically orientated. Sandoe, Corbitt and Boykin (2001) argue that advances in database technologies such as data warehousing and data mining, are crucial to the functionality and CRM systems.

2.1.1CRM Effectiveness and Evaluation Dimensions

Only few studies have investigated and measured CRM effectiveness despite the practical relevance of operationalizing and measuring CRM effectiveness for business performance variables (Padmavathy et al., 2012). Mithas, Krishnana & Fornell (2005) argued that marketing has moved from a brand-centered focus to a customer-centered approach. Hence, managing customer relationships is important and valuable to businesses. The effective implementation of CRM requires a cross-functional integration of marketing, sales, customer service and supply- chain to enhance value delivered to customers (Parvatiyar and Sheth, 2001, p.5). As noted by Das (2012) the effective relationship between customers and banks depends on the understanding of different needs of customers at different stages.

Even though measuring the effectiveness of customer relationship will measure the relational efforts or activities that impact customer and business performance variables as stated by Padmavathy et al., (2012), metrics for assessing CRM effectiveness are to date inadequate. Most of the proposed metric system for measuring CRM effectiveness are developed to assess the effectiveness from the supplier perspective not the customers perspective (example: Yim et al.,2004; Sin et al., 2005; Bohling et al., 2006; Onut et al., 2006; Shafia et al., 2006; Chen et al., 2009; Oztaysi et al., 2011; Nguyen et al., 2012).

Many definitions of CRM have been emerging, with each successive definition supplementing the previous ones and adding more focus to the concept and delineation of its underlying principles and dimensions (Akroush et al., 2011). Accordingly Padmavathy et

al., (2012) cameup with five dimensions from which customers can evaluate and reveal how effective the CRM activities and efforts of their banks are. . These dimensions which are: Organizational Commitment, Customer Experience, Process Driven Approach, Reliability and Technology Orientation, let customers evaluate and measure the effectiveness of CRM activities of theirbanks from the five perspectives. Furthermore it enable the banks to take due consideration of their CRM activities. Each of these dimensions discussed later in this section as described by Padmavathy, Balaji and Sivakumar (2012).

2.1.2Organizational Commitment

Multiple definitions of organizational commitment are found in the literature. As operationally defined by Beteman and Strasser (1984) organizational commitment is multidimensional innature, involving an employee's loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership. The organizational commitment dimension in this study indicates to the efforts by a bank and its employees to serve the customers with the desired levels of performance(Padmavathy et al., 2012). It also reflects the bank's values, attitudes and beliefs in terms of the customer orientation and CRM efforts (Padmavathy et al., 2012). For CRM success, there also must be an organization-wide commitment of resources (Yim et al., 2004).Khan and Bajaj (2012) emphasized that commitment implies that partners forgo short-term alternatives in favor of long term benefits associated with their current partners. The variables of this dimension consist of assessing; the use of personal information, interaction with customers, customer satisfaction and evaluation of customer evolving needs.

According to Mithas, Krishnan & Fornell (2005) CRM applications enable firms to customize their offerings for each customer by accumulating information across customer interactions and processing this information to discover hidden patterns. CRM applications help firms customize their offerings to suit the individual tastes of their customers. Customized offerings enhance the perceived quality of products and services from a customer's viewpoint (Mithas et al., 2005). Thus collecting customers demographic and behavior data makes precision targeting possible. This kind of targeting also helps when

devising an effective promotion plan to meet tough competition or identifying prospective customers when new products appear. Interacting with customers consistently means businesses must store transaction records and responses in an on- line system that is available to knowledgeable staff members who know how to interact with it (Rygielski et al., 2002). With this dimension the bank's employees' activities to interact with customers to assess their service performance, the bank's initiation to assess customers satisfaction regularly and the commitment of the bank to carefully evaluate customer evolving needs will be evaluated and revealed.

2.1.3. Customer Experience

In an effort to provide customers with the "perfect customer experience" CRM has become the sine qua non(indispensable) for many organizations as a means of enhancing performance (Payne and Frow, 2005, 2006; Javalgi et al., 2006). According to Padmavathy et al., (2012) customer experience is described by how well the banks conform to CRM efforts by promptly attending to complaints and efficiently solving problems through proactive customer support which increase the customer comfort levels and ensures their needs and requests are satisfied on a continual basis. Concerns on how the bank promptly attend customer complaints, whether it takes genuine interest in customer problems, whether the bank effectively communicate to its customers and if the bank is cooperative in solving the problems customers face while getting the service will be assessed with this dimension.

A complaint can be defined as a conflict between the customer and the organization in which the fairness of the resolution procedures, the interpersonal communications and behaviors and the outcome are the principal evaluative criteria of the customer (Tax et al., 1998). Complaints are also considered as a response to a service failure. As indicated by Blodgett, Hill and Tax (1997) complaints present an opportunity to remedy product or service related problems and to positively influence subsequent customer behavior. How businesses deal effectively with complaints could have a dramatic impact on customers' evaluations of their retail experiences (Blodgett et al., 1977). The philosophical rationale behind the importance of and the need for CRM lies in the importance of cooperative and collaborative relationship between buyers and sellers (Akroush et al. 2011).

2.1.4 Process-Driven Approach

Process driven approach to customer service enables the banks to fulfill customer requests with speed and astuteness(the quality of being able to quickly understand a situation). Under this dimension the customers evaluate the effectiveness of the bank with respect to promptness in delivering services, design of the service process in satisfying its customers, whether accuracy and rapidness in conducting transactions is very common with the bank and whether the bank provides value adding information along with its services will be revealed. Korner and Zimmeramann (2000) argue that offering value-added information for the customer is a way of increasing customer loyalty. In addition, potential customers can be informed about a new product, since the new product may now cover the needs of the prospective customer. In return a prospective might become customer. Likewise if a customer is satisfied with the information provided that might be a source of competitive advantage (Kroner et al., 2000).

2.1.5 Reliability

This is the fourth dimension that enables customers to assess the banks effectiveness in providingservice with regard to; maintaining consistent service standard and reliable service. Reliability refers to the extent to which banks consistently and accurately deliver services to their customers as promised. As mentioned by Padmavathy et al., (2012) and consistent with the findings of Zinedlin (2005) reliability is one of the necessary conditions for banks to deliver superior customer value than competitors and thereby fulfill customer expectations and requirements. Customers expect organizations to anticipate their needs and provide consistent service at levels above their expectations. In return, customers are loyal to the organization for longer periods of time (Chen and Popovich, 2003). Chen and Popovich (2003) also stated that companies with efficient facilities and greater resources were able to satisfy customer needs with standardized products, reaping advantages through productivity gains and lower costs. Mithas et al., (2005) argue that CRM applications enable firms to improve the reliability of consumption experiences by facilitating the timely, accurate processing of customer orders and requests and the ongoing management of customer accounts.

2.1.6 Technology Orientation

The technology orientation dimension addresses the operational performance of banks with the use of the latest technology such as Automatic Teller Machines (ATM), internet banking and mobile banking. Information technology and Information system play an important role in the development of CRM (Ling and Yen, 2001; Kincaid, 2003). Bank's CRM technology allows collection of customer information across various points of contact and thereby delivers personalized services to maximize customer value. Hence, the technology has an important role in CRM in adding to firm intelligence (Boyle, 2004). Accurate customer data is necessary to successful CRM performance (Abbott et al., 2001).CRM technology augment the customer information processes and enables effectiveness of relational efforts. It is important for banks to be technology oriented to cope up with evolving customer needs.

The bank's effective usage of latest technology like ATM, mobile and internet baking addressed with this dimension. Bounding et al. (2005) suggest that CRM is a consequence of the continuing technology evolution and integration of organization marketing approach. CRM technology is adopted by companies for the specific purpose of building and maintaining better customer relationships (Kim et al., 2012). The rapid advancement in communication technology has greatly transformed the way relationship between companies and their customers are managed (Bauer et al., 2002). As denoted by Kim et al., (2012) even though CRM technology increase the overall performance of a company, only adopting CRM technology does not mean that such benefits will easily accrue to the firm.

2.1.7 Customer Satisfaction

Customer satisfaction defined by Roberts-Lombard (2009) as the degree to which business's product or service performance matches up to the expectation of the customer. It is a substantial issue in relationship marketing, particularly those in service industries (Taleghani et al., 2011). It has significant implications for the economic performance of firms (Bolton, Lemon, and Verhoef2004).

Banking is one of the service industries characterized by high customer contact with individually customized service solutions where customer satisfaction has been an increasing

focus of research (Molina et al., 2007). Despite substantial investments in CRM applications, there is a lack of research demonstrating the benefits of such investments (Mithas et al., 2005). According to Mithas et al., (2005) CRM applications are likely to have an effect on customer satisfaction for at least three reasons. First, CRM applications enable firms to customize their offerings for each customer. By accumulating information across customer interactions and processing this information to discover hidden patterns, CRM applications help firms customize their offeringsto suit the individual tastes of their customers.

Customized offerings enhance the perceived quality of products and services from a customer's viewpoint. Because first, quality is a determinant of customer satisfaction, it follows that CRM applications indirectly affect customer satisfaction through their effect on perceived quality. Second, in addition to enhancing the perceived quality of the offering, CRM applications also enable firms to improve the reliability of consumption experiences by facilitating the timely, accurate processing of customer orders and requests and the ongoing management of customer accounts. An improved ability to customize and a reduced variability of the consumption experience enhance perceived quality, which in turn positively affects customer satisfaction.

CRM applications also help firms manage customer relationships more effectively across the stages of relationship initiation, maintenance, and termination (Reinartz et al., 2004). In turn, effective management of the customer relationship is the key to managing customer satisfaction. Armstrong and Kotler (2009) considered relationship marketing as a kind of index for customer satisfaction, and they believed that the maintenance of excellent relationship marketing between the firm and customers would be beneficial in increasing customer satisfaction. According to Jamal and Naser (2002) customer satisfaction is based not only on the judgment of customers towards the reliability of the delivered service, but also on customer' experience with the service delivery process. High level of customer satisfaction leads to increased customer loyalty, intention to purchase, word-of-mouth recommendation, profit, market share, and return on investment (Heskett et al., (1994) as cited by Nguyen, et al. 2007).

2.1.8. CRM Research in Financial Service Industry

The implementation of CRM is widespread (Peppard, 2000) and more advanced (Ryals and Payne, 2001) in the financial services industry than in other industries. However, to date few studies have examined the effectiveness of CRM in financial services industry from customer perspective (Padmavathy et al., 2012, p. 250). According to Crosby (2002) in financial services, the idea of relationship banking was receiving considerable attention as a means of acquiring, retaining and improving the profitability of customers. However little is known about customers' perceptions of CRM implementation activities and efforts (Kim et al., 2012). This is due to the fact that focus of researches on the company side of CRM implementation (example: Bohling et al., 2006; Onut et al., 2006; Jallat and Anacarani, 2008; Malik and Wood-Harper, 2009; Akroushet al., 2011).

Malik and Wood-Harper (2009) tried to identify the problems and challenges in the banking sector of Pakistan using CRM. Bohling et al., (2006) concluded that linking CRM strategy and implementation more tightly with the overall marketing strategy of a business will lead to greaterCRM implementation effectiveness. Chen et al. (2009) proposed a metric system for measuring CRM effectiveness from the supplier perspective. Akroush, Dahiyat, Gharaibeh and Abu-Lail (2011) examined the generalizability of the CRM scale originally developed by Sin et al. (2005) to investigate the strength of linkages between CRM implementation components and business performance in Jordan financial service organizations.

Hence, they conducted survey in financialservice organizations located in Jordan. From the customer perspective, Jain et al. (2007) proposed a two-dimensional measure of CRM effectiveness. Reinartz et al. (2004, p. 294) conceptualized CRM from the customer perspective as: systematic process to manage the customer relationship initiation, maintenance, and termination across all customer contact points in order to maximize the value of the relationship portfolio. Though the researches, conducted onCRM from customer perspective, are few valuable researches are available on the subject matter.Kim et al., (2012) assessed customer's viewpoints to explore the gap between actual bank CRM implementation and customers' expectoration. Kwamena (2013) in his study assessed the CRM practices at National Investment Bank in Ghana and also recommended win-back and retention strategies

to meet the needs of customers in a highly customized and responsive manner. Whereas Padmavathy, Balaji and Sivakumar (2012), developed five dimensions, namely organizational commitment, customer experience, process-driven approach, reliability and technology orientation, to measure the effectiveness of CRM from customer perspective.

2.2 Empirical Evidence

The customer has always been a part of a firm's activities (Nguyen et al., 2012). However, littleis known about customers' perceptions especially of CRM implementation. As noted by Kim et al., (2012), research has focused on the company side of CRM implementation. Customers' perceptions (positive or negative) of the CRM tools, activities of firms, the relationship between those perceptions and customers' intention to remain in the relationship with the marketer are very crucial for firm to achieve its objective of CRM strategy. Without customers willingness to remain in the relationship with the marketer the several CRM activities and efforts will be just expenses for the firm. While CRM activities are regarded as an investment. Vefhoef (2003) argues that CRM implementation activities are directed at generating current customers' interest in new offerings and fostering personalization. As noted by Kwamena (2013) consumers can perceive no advantage, beyond location convenience, for selecting one bank over another. For marketers to alter perceptions and create consumer preference, banks need to evaluate their customer management strategy so as to be capable of delivering consistent and cost-effective customer service, customer-aligned products and services, and enhance customer loyalty and long-term value (Kwamena, 2013).

Trust is considered a central construct in relationship marketing (Verhoef, 2003; Tsarenko and Tojip, 2009) and has been explored in such areas as customer behavior, expectations and attitudes (Mayer et al., 1995; Liu et al., 2005). Milne and Boza (1999) ascertained that trust and customer concern are highly interrelated for banking customers (the target industry in the present study). Companies should adopt a customer orientation when implementing CRM efforts (Teo et al. 2006). Moreover customers should also be considered as an important factor before investing on CRM activities. Although logical as well as obvious, firm nonetheless often fail to include thecustomer in CRM initiatives (Kale, 2004).

Kim, Park, Dubinsky and Chaiy (2012) stated that CRM has been developed to manage customer relationship effectively. Hence, to build and manage customer relationship effectively, organizations should establish a customer-centric culture. This will enable organizations to implement CRM service efforts that are compatible with customers' expectations. The foregoing as argued by Kim et al. (2012) support firms to identify customers who have favorable attitudes toward the firm's CRM implementation activities and those who do not have. An enhanced relationship with one's customers can ultimately lead to greater customer loyalty and retention and also profitability (Ngai, 2005). If a company wants to achieve the benefits of CRM implementation, one of the factors that require due consideration is the customer. Customers must be considered as an important factor before and after investing on CRM activities.CRM in Financial Services and in the Commercial Bank the banking industry is one of the first sectors which deployed CRM solutions as described by Khan & Bajaj (2012).

Today, many financial services organizations are rushing to become more customer focused (Peppard, 2002). Eriksson & Mattsson (1998) argue that banks are known to have stable and long lasting relations with their customers, which is why development ofcustomer relations is a crucial strategic issue in banking. However, a basic problem in banking is that the customer base is heterogeneous, ranging from homogenous segments of customers with the same preferences to customers with individual demands for customized services.

CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, re-pricing, discretionary decision making, and customized service-all delivered through the various sales channels that the bank uses (Onut et al., 2006). As indicated by Kwamena (2013) with so many different financial institutions to choose from, customers are now more knowledgeable, sophisticated, assertive, continuously demand higher levels of customer service, less loyal, and more inclined to switch to a competitor. In this consumer economy, attracting and crucially keeping customers for the long term is a key challenge for all businesses and more especially the banks. Hence banks have realized that managing customer relationships is a very important factor for their success as CRM is a strategy that can help them build long lasting relationships with their

customers and increase their profits through efficient management systems and the application of customer-focused strategies.

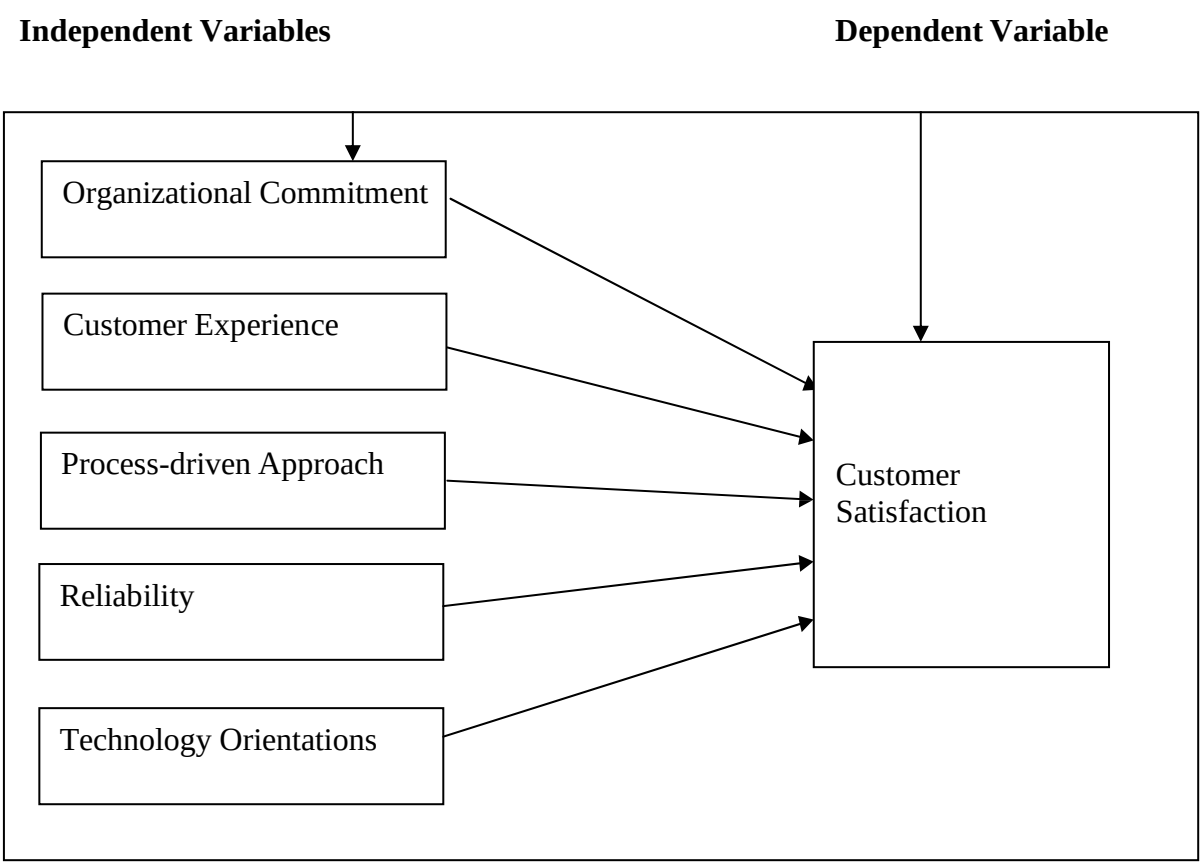
CRM in the banking sector is of strategic importance since exceptional customer service is a major indicator for customer retention leading to high profitability. According to Das et al., (2009) CRM in the banking industry is entirely different from other sectors, because banking industry is purely related to financial service, which needs to create trust among the people.

To be successful by implementation of CRM financial and banking organizations must defineand develop a business strategy as well as a supporting infrastructure for that strategy (Kwamena, 2013). From this stance the bank is facilitating its CRM activities by deploying recent banking technologies which include ATM, mobile banking and internet banking. Deploying these technologies enable the bank customers to withdraw, transfer and check their account 24 hours a day easily. The quality of business activities is very high and price competition is easily imitated, whereas non-price competition inevitably increases service qualityand introduces new financial goods. Hence the bank also honors its customers particularly those who displayed in earning considerable foreign currency on yearly basis and awards certificate and trophies and arranges contest for those who deposit more than certain amount which enables customers to win electronics materials and vehicles.

2.3 Conceptual Framework

In this section the emerged conceptual framework of the reviewed literature is presented. This framework is used as a guide for the rest of the thesis.

Figure 1: Conceptual Model



Source: Padmavthy, Balaji and Sivakumar (2012)

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter deals with the methodology of the study where the research design, population, sample and sampling techniques,sample size determination, source of data, method of data collection, method of data analysis and ethical consideration will be discussed.

3.1 Research Design

Research design is a framework that serves as a blueprint to study the research problem. Therefore, the research design in this study was both descriptive and explanatory type research this means descriptive research aims to define or summarize an event or population without explaining why it exists. It focuses on acquiring and conveying facts.On the other hand,explanatory research aims to explain why a phenomenon occurs by working to understand the causes and correlations between variables. The function of research design is to provide for the collection of relevant data with minimum expenditure of effort time and money taking in to account the research purpose (kothari, 2004). The researcher was used descriptive analytical approach. The research is categorized under applied research that depends mainly on data collection from primary source through distributing designed questionnaire for the research purpose. Adopted questionnaire used as research instrument to satisfaction of customers' of Commercial Bank. Quantitative survey methods is undertaken to collect data from the targeted group and analyzed to determine effectiveness of customer relationship management of the bank and its influence on customer satisfaction from customer perspective. Mainly survey data on five dimensions of CRM as well as on customer satisfaction will be collected from customers of selected Commercial Bank to evaluate the current CRM activity of the bank from customer perspective and its effect on customer satisfaction.

3.2 Research Population

Population can be defined as a group of individual, items or objects from which samples are taken from measurement (Kombo, 2005). This definition related directly to the purpose of the study. The study focused to the people who participate on the customer of Commercial Bank at population level. Various research techniques are hereby presented in the following subsections. The number of population were 800 from Commercial Bank of Ethiopia in

Guraghe zone .

3.3 Sample and Sampling Techniques

The population of this study encompasses all customers of Commercial Bank of Ethiopia Operating in Guraghe Zone. Though the intention of this research is to assess CRM of Commercial Bank from customer perspective and its effect on the customer satisfaction it is impractical to assess all Commercial Bank customers. Time limit and budget constraint compel the student researcher to focus on selected branches of Commercial Bank to undertake the survey. Therefore it is necessary to survey a sample of the population as an alternative in order to formulate predictions about the entire population.

During sampling techniques were used stratified random sampling is also a form of probability sampling. To stratify means to classify or to separate people into groups according to some characteristics, such as position, rank, income, education, sex, or ethnic background. These separate groupings are referred to as *subsets* or *subgroups.* For a stratified random sample, the population is divided into groups or strata. A random sample is selected from each stratum based upon the percentage that each subgroup represents in the population. Stratified random samples are generally more accurate in representing the population than are simple random samples. They also require more effort, and there is a practical limit to the number of strata used. Because participants are to be chosen randomly from each stratum, a complete list of the population within each stratum must be constructed. Stratified sampling is generally used in two different ways. In one, primary interest is in the representativeness of the sample for purposes of commenting on the population. In the other, the focus of interest is comparison between and among the strata.(Pooja Bhardwaj December 21,2019)

3.4 Sample Size Determination

The total population of the study all customer in Guraghe Zone (Endegagn branch, Wolkite branch, Butajira branch, Gunchra branch) of Commercial Bank of Ethiopia is 800, a sample of 267 respondents were selected from the total population by Israel, Glenn D. 1992 .

The formula for the sample was given in equation (i) at the confidence interval of 95% with significance level of 5% .

Yamane's formula calculating for sample size

The formula for sample size $n = \frac{N}{1+N(e^2)}$ ---------- (i)

Where : n = sample size to be studied N= population size e= margin of error

From the above formula,the sample size for this study was:

$n = \frac{800}{1+800(0.05)^2}$ $n = \frac{800}{3}$ n= 266.66 The sample in this study is 267

Source: Israel, Glenn D. 1992. Sampling the Evidence of Extension Program Impact. Therefore from the sample size of n = 267 to be drawn from a population of size N = 800 which was divided into four strata (Endegagn branch, Wolkite branch, Butajira branch, Gunchra branch)

Sample sizes under the different strata

Total target pop. (N) = 800

Number of strata 1- Wolkite branch = 225, 2- Endegagn branch = 150,
3- Gunchra branch = 200,4- Butajira branch = 225, Total sample size = 800

Each stratum Ni=n(Ni)/N Sample size of the strata 1- 225*267/800=75 ,

2-250*267/800=50,3- 200*267/800=67 ,4- 225*267/800=75

Formula from each strata or sub group of a total population obtained using this formula: (sample size/population size) ×stratum size.

Ni=n (Ni)/N where : Ni=Number of strata, n=sample size, N=total population

Total sample size - **800*267/800 =267**

Taken from stratified random sampling by Dan Fleetwood. Therefore, employing multiple stage sampling technique is found appropriate for this study.

3.5 Source of Data

As the aim of this study is to assess the effectiveness of CRM and its effect on customer satisfaction from customer perspective the primary data was collected from Commercial Bank customers. Specifically, customers of the selected Commercial Bank of Ethiopia in Guraghe zone branches were approached to fill the questionnaires to be administrated by the researcher. The researcher use primarily and secondary data was source for this study.

Both primary data and secondary data were used in this study.

Primary Data

Primary data refers to information obtained first hand by the researcher on the variables of the interest for the specific purpose of the study. Some of the examples are individuals, focus groups and panels of respondents whose opinions may be sought on specific issues (Sekaran, 2003).

Primary data can be qualitative data or quantitative data, and the quantitative data may be descriptive data or casual data but for this study the research it was mainly quantitative data. The researcher collected these data through questionnaires (Zikmund *et al.*,2010). The primary data was used in order to collect afresh information, which was considered as original in character.In this research the primary data collected from Commercial Bank Operating in guraghe zone.

Secondary Data

Secondary data refers to information gathered from existing sources (Sekaran, 2003). Secondary data are data collected before by another researcher (Kothari, 2004). In other words, these are data which are already collected, analyzed and stored for public use including reports, journals, research papers and other relevant data relating to the subject at hand. In this research secondary data collected from Commercial Bank Operating in guraghe zone.

3.6 Method of Data Collection

Self-administered questionnaire was used to collect data from customers. The questionnaire was adopted from the developers Padmvathy et al., (2012) for this study. Accordingly, in this study, bank customers examined customer relationship management effectiveness from five dimensions: organization commitment, customer experience, process driven approach,

reliability and technology orientation which were constructed and completely adopted from the developers of the scale, Padmavathy et al., (2012). They proposed an instrument for measuring the effectiveness of CRM from customer perspective. These dimensions are evaluated using measure of CRM effectiveness dimension and four items to assess customer satisfaction with five likert scale points.

The questionnaire consists of two sections. Section one contains questions regarding demographic characteristics of customers. While section two comprised positively constructed twenty items on five Liker scale points from 1 “strongly disagree” to 5 “strongly agree” to evaluate the effectiveness of each dimensions and its impact on customer satisfaction.

3.7 Methods of Data Analysis

Data collected from the study participants were initially managed in the way that enables data entry. In this research the SPSS and Stata software is to enhance data analysis process. Data was analyzed by using descriptive statistics and inferential methods. In the first part demographic variables of the respondent was presented using descriptive statics. Then response about the variables, i.e. organizational commitment, customer experience, process-driven approach, reliability, technology orientation, analyzed and described using descriptive statistic through percentage. According to (Kombo and Tromp, 2011) and (Timothy Z. Keith,second edition 2015), the data analysis procedure includes the process of packaging the collected information putting in order and structuring its main components in a way that the findings can be communicated easily and effectively and qualitative data is analyzed by interview and inferential deep insight about the question. The data analysis was done using SPSS and Stata.

Descriptive analysis techniques including measures of central tendency (e.g. mean) ,measure of distributional shape of real – valued random variable about its mean (i.e., skewness”value can be positive,negative,zero or undefined”)

Inferential Analysis (e.g. correlation, regression) and the results was discussed in detail

Correlation:-it represent the strength of connection between pair of connection that analyze positive (the two variable move to same direction) and negative (move the variables move the opposite direction) correlation

Regression:-is describing how an independent variable is numerically related to the dependent variable and it reflect the impact of the unit change in the independent variable on the dependent variable. In this study multiple regression is used because independent variable is more than one.

Model specification:

Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+ B_5X_5+e …is used to show the extent to which the organizational commitment, customer experience, process-driven approach, reliability, technology orientation, Work Processes used to explain the dependent variable (customer satisfaction).

Assumption tests for multiple linear regressions was required. So the researcher used assumption of linearity (scatterplot), assumption of independence, assumption of normality and assumption of heteroscedasticity and multicollinearity. The data was presented by using statistical tools like tables, figures, histograms, bar charts, line charts, and others

3.8 Ethical Consideration

Customers were approached and informed about the intent of the research. Furthermore the customers were informed that their response was kept confidential and will be used for academic purpose only, in verbal communication and in writing. After getting the consent of the respondents, they were provided with a self-administered questionnaire designed for the purpose of this study, so that they complete and return it back.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

The main objective of this study was to the effect of customer relationship management practice on the customer satisfaction in the case of Commercial Bank of Ethiopia in Gurage zone . In this regard, this chapter presents the results and findings of the study as collected from the sample population. The data was gathered exclusively from questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study. To enhance quality of data obtained, likert type questions were included where by respondents indicated the level of agreement to which the variables were practiced in a five point likert scale.SPSS(Statistical Package for the Social Sciences) and Stata software used for data analysis. The data have been presented by tabulation, and some figures. The chapter covers respondents' general information based on demographic information and findings based on how the research questions/objectives the effect of customer relationship management practice on the customer satisfaction in case of Commercial Bank of Ethiopia and the results are presented and discussed .

4.2 Data Analysis

In this part of the paper, the researcher attempts to present the practically observed facts about the effect of customer relationship management practice on the customer satisfaction in the case of Commercial Bank of Ethiopia in Guragne Zone area data was collected from customers and by using tools mentioned in the methodology part of chapter three. For this purpose, the researcher distributed questionnaires to 267 respondents from which 250 of the questionnaires were filled and returned to the researcher for analysis. In this chapter the data collected through questionnaire and are submitted for presentation and analysis. Then data was presented following the relevant data collecting, coding processing, analysis and interpretation. The analysis and the interpretation were carried out based on the data collected through questionnaire and from the customer. Instruments that used to present data are tools like tables, percent, charts and figure as discussed below.

4.3. Descriptive Analysis of General Information of Respondents

Table 4.1 Demographic Characteristics

Sex	Frequency	Percent
Male	152	60.8
Female	98	39.2
Total	250	100
Age group		
20-30	141	56.4
31-40	74	29.6
41-50	19	7.6
More than 50	16	6.4
Total	250	100
Education		
Primary and secondary school	50	20
Certificate	80	32
Diploma	60	24
Bachelor Degree	48	19.2
Master's Degree and above	12	4.8
Total	250	100
Purpose of usage		
Personal	150	60
Business	60	24
Both	40	16
Total	250	100
Relationship with this bank		
Less than 1 year	50	20
1-4 years	80	32
5-7 years	70	28
8 – 10 years	30	12
More than 10 years	20	8
Total	250	100
The service/s you use from the bank		
Saving	50	20
Current account	100	40
Loan	10	4
Money transfer	30	12
ATM	60	24
Total	250	100

Source own survey 2024.

According to the above table the sex composition shows that both male and female customers of the bank were participated in the study. Even if majority of the respondents 152 (60.8%) were male and female respondents also participated which accounted for 98(39.2%).According to, the age composition of respondents encompasses 141 (56.4%) between the age group of 20-30 years followed by 74(29.6%) that fall in between the age group of 31-40. The least age group in the sample encompasses respondents aged 41-50 and above 50 years, 19 (7.6%) and 16 (6.4%) respectively. The educational status in shows that among 250 respondent who properly filled the questionnaire first degree (48 which is 19.2 %) and other 60 (24%) and 12 (4.8%) of respondents with educational level of diploma, and master's degree and above respectively. Out of the total respondents 50 (20 %) incorporates those with primary and secondary school level and 80 (32%) after school certificates. This indicates that the respondents were capable of reading and understanding the self-administered questionnaire properly. Purpose the bank service used respondents profile is prevalent to explore the practice of CRM activities of the bank from both business and personal user customers. who are included in the sample use the bank service for their personal consumption and business purpose, 40 (16%). Only for business purposed used by the customer is 60 (24%).The rest are personal user which is 150(60%).Years of relationship with the bank is less than 1 year is 50(20%). Those who are 1-4 years is 80(32%). And with a year of 5-7 years and 8 – 10 years is 70(28%) and 30(12%) respectively. More than 10 year relationship with the bank is 20(8%) This indicates that most of the respondents have acceptable duration of relationship with the bank which will help them understand the purpose of the study, give reasonable answers and realize the importance of the study. The service/s you use from the bank the first one is Saving 50(20%) and the next Current account 100(40%) the least one is Loan which is 10 (4%) the rest are Money transfer and ATM is 30(12%) and 60(24%) respectively.

4.4 Descriptive Analysis on the Customer satisfaction Measures

In statistics, linear regression is a linear approach for modelling the relationship between a scalar respose and one or more explanatory variables. The case of one explanatory variable is called simple linear regression; for more than one , the process is called multiple linear regression. In the following threre has been analysed by using SPSS(Statistical Package for the Social Sciences) and Stata software the multiple linear regression model. This include the numerical estimation of the model and interpretation, eteroscedasticity,Multicollinearity and Correlation. In order to see the general perception of the respondents regarding relationship marketing in the subject organization, the researcher has summarized the measures with the respective means and standard deviations. Thus, the mean indicates to what extent the sample group averagely agrees or does not agree with the different statements. The lower the mean, the more the respondents disagree with the statements. The higher the mean, the more the respondents agree with the statement. On the other hand, standard deviation shows the variability of an observed response from a single sample (Marczyk, Dematteo and Festinger2005).The mean values are presented below, together with standard deviation values for each variable. 1 represents (strongly disagree), 2 represents (do not agree), 3 represents (true to some extent). 4 represents (agree), 5 represents (strongly agree).

4.4.1 Organizational Commitment Dimension

Table 4.2 Organizational commitment

Statistics					
Organizational Commitment		This bank regularly uses personal information to provide customized service.	Employees of this bank often interact with customers to assess service performance.	This bank assesses customer satisfaction regularly.	This bank carefully evaluates customer evolving needs.
N	Valid	250	250	250	250
	Missing	0	0	0	0
Mean		4.72	4.64	4.62	4.76
Std. Deviation		.476	.536	.557	.425

Source, own survey, 2024

Organizational commitment dimension refers to the efforts by a bank and its employees to serve customers with desired levels of performance. Moreover it reflects the bank's value, attitudes and beliefs in terms of customer orientation and CRM efforts. The mean score and standard deviation of each item of this bank regularly uses personal information to provide customized service, that the highest number of customers tend to agree the item. "This bank carefully evaluates customer evolving needs" with the highest mean score of 4.76 ranked first among the organizational dimension item. Whereas the item "employees of this bank often interact with customers to assess service performance" mean score of 4.64. This indicates that employees' interaction with their customers is good.

4.4.2 Customer Experience Dimension

Table 4.3 Customer Experience

Statistics					
Customer Experience		This bank attends customer complaints promptly.	This bank takes genuine interest in solving customer Problems.	This bank effectively communicates to customers.	This bank is co-operative with its customers in handling their request.
N	Valid	250	250	250	250
	Missing	0	0	0	0
Mean		4.68	4.33	4.34	4.76
Std. Deviation		.467	.732	.765	.428

Source, own survey, 2024

Customer experience- is described by how well the bank conforms to CRM efforts by promptly attending to complaints and efficiently solving problems through proactive customer support which increase the customer comfort levels and ensures their needs and requests are satisfied on a continual Customers indicated their level of agreement. “This bank is co-operative with its customer in handling their request” with the highest mean score of 4.76. Whereas the responses to the item “This bank effectively communicates to customers” indicated that respondents are view the statement agree. From this the researcher can infer that the bank’s effort to solve customers’ problem is up to the expectation of customers.

4.4.3 Process-driven Approach Dimension

Table 4.4 Process-driven Approach

Statistics					
Process-driven Approach		This bank delivers services at the earliest.	This bank designed its service processes to satisfy the customer.	Conducting transactions correctly and rapidly is very common With this bank.	This bank provides value-added information along with its service.
N	Valid	250	250	250	250
	Missing	0	0	0	0
Mean		4.45	4.71	4.58	4.66
Std. Deviation		.552	.593	.495	.827

Source, own survey, 2024

The process-driven approach- This bank provides value-added information along with its service high man value and 4.66 and standard deviation .827. Customers evaluated this dimension with respect to four items using a five-point scale that reveals their level of agreement or disagreement with each statement. The mean score of each item of process-driven approach. “This bank designed its service processes to satisfy the customer” is ranked first with the highest mean score of 4.71. However the least mean score of 4.45 for the item“This bank delivers services at the earliest” indicates that most of the respondents tend to be agree regarding the statement.

4.4.4 Reliability Dimension

Table 4.5 Reliability Dimension

Tab

Statistics			
Reliability		This bank maintains consistent service standards.	This bank provides reliable(accurate) services.
N	Valid	250	250
	Missing	0	0
Mean		4.82	4.83
Std. Deviation		.385	.375

Source, own survey, 2024

Reliability - the reliability dimension denotes the consistency and accuracy of service delivery by a bank. This bank maintains consistent service standards 4.82 mean value and 0.385 standard deviation. This bank provides reliable services the mean value is 4.83 and standard deviation of 0.375 . This indicates most respondents tend to agree with the effectiveness practice of this dimension.

4.4.5 Technology orientation Dimension

Table 4.6 Technology orientation

Statistics			
Technology orientation		This bank uses latest technology (ATMs, mobile banking, and Internet banking) to offer quality services.	This bank makes effective use of ATMs, mobile and internet Banking to enhance customer service.
N	Valid	250	250
	Missing	0	0
Mean		4.12	4.16
Std. Deviation		.872	.901

Source, own survey, 2024

Technology orientation -This dimension appraises the effectiveness of operational performance of the bank with the use of the latest technology such as ATM, internet and mobile banking. Most of the respondents perceive that the bank is not highly effective with this dimension. Thus the dimension is ranked least among the other dimensions with the least mean score of 4.12.This bank makes effective use of ATMs, mobile and internet Banking to enhance customer service Likewise the overall mean shows the same fact with the highest mean score of 4.16 where CBE's CRM practice with this dimension is perceived to be not highly effective.

4.5. Correlation Analysis

As per Bartz (2009), a correlation coefficient enables to quantify the strength of the linear relationship between variables. This coefficient is usually represented by 'r' and can take only the value from -1 to +1. If r = +1 there is perfect positive relationship between variable this means when one variable increases as the other increases the correlation is positive; when one decreases as the other increases it is negative. The Pearson correlation coefficient measuresthe linear association between two scale variables. According to Pallant (2010) it is a good idea to generate a scatter plot before performing a correlation analysis to look at the general trend of the data, since only linear relationships are suitable for correlation analysis. The scatter plot enables to check for violation of the assumption of linearity and homoscedasticity. In view of that scatter plot generated for this study indicate that there is a positive relationship between customer satisfaction and customer relationship management dimensions. The fitting line is upward slopping and most of the cases are close to the fitting line. The scatter plot indicates that most of the cases approach the linear fitting line and are symmetrical, which convey the existence of relationship between the dependent and independent variables. Hence, the next step is to behold the correlation coefficient test.In order to determine the significance level of the correlation and to evaluate and measure the strength of this Relationship, a Pearson Product Movement Correlation Coefficient was conducted with the result shown in the matrix below.

Table 4.7 Interpretation of R

Interpretation of R	Description
0.80 or higher	Very High
0.6 to 0.8	Strong
0.4 to 0.6	Moderate
0.2 to 0.4	Low
0.2 or lower	Very Low

Table 4.8 Correlation Analysis Matrix

Correlations							
		Orgacomm	Cusexp	prosdriapp	reliab	tecori	cusat
orgacomm	Pearson Correlation	1	.378**	.694**	.704**	.453**	.392**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	250	250	250	250	250	250
Cusexp	Pearson Correlation	.378**	1	.507**	.379**	.734**	.743**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	250	250	250	250	250	250
prosdriapp	Pearson Correlation	.694**	.507**	1	.620**	.605**	.339**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	250	250	250	250	250	250
Reliab	Pearson Correlation	.704**	.379**	.620**	1	.506**	.513**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	250	250	250	250	250	250
Tecori	Pearson Correlation	.453**	.734**	.605**	.506**	1	.762**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	250	250	250	250	250	250
Cusat	Pearson Correlation	.392**	.743**	.339**	.513**	.762**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	250	250	250	250	250	250
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Own Survey, 2024

The result of Pearson's correlation coefficient indicated that the independent variables, organizational commitment, customer experience, process-driven approach, reliability and technology orientation, have strong and positive correlation with the dependent variable customer satisfaction. Where the result indicated that technology orientation dimension have strong and positive significant relationship with the dependent variable customer satisfaction.

The Pearson correlation analysis; customer satisfaction was found to have a strong positive correlation with the technology orientation ($r=0.762$; $p < 0.01$), Moreover, there is positive relationship between technology orientation and customer satisfaction .which is statistically significant at 99% confidence level.(A 99% confidence interval will allow you to be more confident that the true value in the population is represented in the interval.However, it gives

a wider interval than 95% confidence interval.) This implies that commitment plays a significant role in customer satisfaction in Commercial Bank of Ethiopia at customer expectation ($r=0.743$; $p < 0.01$),and reliability ($r=0.513$; $p < 0.01$) This also implies that technology orientation and customer expectation and plays significant role in determining the customer satisfaction followed by strong positive correlation with the customer satisfaction.

There is also positive and intermediate correlation coefficient between Process- driven Approach and, customer satisfaction with ($r=0.339$; $p < 0.01$), indicates that there is a statistically significant ($p < .01$) linear relationship between these two variables such that the more, determines customer satisfaction . From this correlation, it can be concluded that due to positive relationship, of all variables with customer satisfaction. Generally, the correlation analysis indicates that the correlation coefficient for all the relationship dimensions indicates that all CRM dimensions have positive relationship with customer satisfaction. Among all the dimensions the technology orientation has the highest correlation coefficient which is 0.762 followed by customer experience with correlation coefficient of 0.743. The remaining dimensions process-driven approach, reliability and technology orientation have correlation coefficient minimum when we compare to the above. All correlation coefficients are significant on all dimensions since $p<0.01$. Thus, it can be concluded that there is a positive and significant relationship between customer relationship management dimensions and customer satisfaction.

Autocorrelation

Autocorrelation is a mathematical representation of the degree of similarity between a given time series and a lagged version of itself over successive time intervals.It is conceptually similar to the correlation between two different time series, but autocorrelation uses the same time series(the same variables) twice: once in its original form and once lagged one or more time periods.

Autocorrelation of +1 represents a perfect positive correlation ,while an autocorrelation of -1 represents a perfect negative correlation.

Table 4.9

Autocorrelations					
Series: orgacomm					
			Box-Ljung Statistic		
Lag	Autocorrelation	Std. Error[a]	Value	Df	Sig.[b]
1	.799	.063	161.471	1	.000
2	.629	.063	262.108	2	.000
3	.472	.063	318.949	3	.000
4	.322	.062	345.470	4	.000
5	.185	.062	354.268	5	.000
6	.048	.062	354.861	6	.000
7	-.066	.062	356.007	7	.000
8	-.121	.062	359.836	8	.000
9	-.133	.062	364.475	9	.000
10	-.151	.062	370.455	10	.000
11	-.145	.062	375.998	11	.000
12	-.148	.061	381.821	12	.000
13	-.134	.061	386.594	13	.000
14	-.115	.061	390.102	14	.000
15	-.101	.061	392.845	15	.000
16	-.078	.061	394.501	16	.000
a. The underlying process assumed is independence (white noise).					
b. Based on the asymptotic chi-square approximation.					

4.6 Cronbach Analysis

Rule of Thumb for results

A rule of thumb for interpreting alpha for dichotomous questions (i.e questions with two possible answers). This is take from Thesis – statistical analysis and interpretation (2018/10) .

Table 4.10

Cronbach's alpha	**Internal consistency**
$\alpha \geq 0.9$	Excellent
$0.7 \leq \alpha < 0.9$	Good
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	unacceptable

Table 4.11

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.613	.592	20

From the result we can see that Cronbach's alpha is 0.613 which indicates that acceptable level of internal consistency for the scale.

Table 4.12

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
This bank regularly uses personal information to provide customized service.	87.67	15.741	.025	.621
Employees of this bank often interact with customers to Assess service performance.	87.75	14.816	.232	.599
This bank assesses customer satisfaction regularly.	87.77	16.201	-.100	.639
This bank carefully evaluates customer evolving needs.	87.62	14.669	.372	.586
This bank attends customer complaints promptly.	87.71	14.754	.303	.592
This bank takes genuine interest in solving customer Problems.	88.06	12.623	.558	.540
This bank effectively communicates to customers.	88.05	12.339	.584	.532
This bank is co-operative with its customers in handling their request.	87.63	14.604	.390	.584
This bank delivers services at the earliest.	87.94	16.635	-.195	.650
This bank designed its service processes to satisfy the customer.	87.68	15.817	-.023	.632
Conducting transactions correctly and rapidly is very common With this bank.	87.81	15.320	.128	.611
This bank provides value-added information along with its service.	87.73	12.568	.480	.550

This bank maintains consistent service standards.	87.57	14.536	.469	.580
This bank provides reliable services.	87.56	14.874	.362	.590
This bank uses latest technology (ATMs, mobile banking, and Internet banking) to offer quality services.	88.26	12.629	.432	.559
This bank makes effective use of ATMs, mobile and internet Banking to enhance customer service.	88.22	12.488	.434	.558
I am satisfied with the services provided by the bank	87.67	16.832	-.248	.651
I am satisfied with the bank's customer handling procedure	87.50	15.978	-.006	.619
I am satisfied with the quality of services provided by this bank	87.66	16.211	-.100	.636
I am satisfied with the speed of the service delivery	87.52	16.178	-.085	.626

4.7 Regression Analysis

Regression analysis is a systematic method that can be used to investigate the effect/impact of one or more predictor variables on dependent variable. Regression and correlation are closely related. Both techniques involve the relationship between two variables, and they both utilize the same set of paired scores taken from the same subjects. However, whereas correlation is concerned with the magnitude and direction of the relationship, regression focused on using the relationship for prediction. According to Marczyk et al, (2005) and , linear regression is a method of estimating or predicting a value on some dependent variable given the values of one or more independent variables(appendix -1). Unlike correlations, however, the primary purpose of regression is prediction. There are two basic types of regression analysis: simple regression and multiple regressions That is, it allows us to make statements about how well one or more independent variables predict the value of a dependent variable. Specifically this multiple regression was conducted in order to investigate the impact of relationship marketing on customer satisfaction. The following linear regression interpretation way taken from Interpreting stata output -Academicianhelp (2021).

4.7.1 The numerical estimation of the model

Table 4.13a

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.872a	0.76	0.755	0.33262	0.76	154.212	5	244	0
a Predictors: (Constant), tecori, orgacomm, reliab, cusexp, prosdriapp									

Table 4.13b

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	85.308	5	17.062	154.212	0
	Residual	26.996	244	0.111		
	Total	112.304	249			
a Dependent Variable: cusat						
b Predictors: (Constant), tecori, orgacomm, reliab, cusexp, prosdriapp						

Table 4.14

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant	0.137	0.205		0.666	0.506	-0.267	0.541
	orgacomm	0.116	0.061	0.094	1.886	0.06	-0.005	0.237
	cusexp	0.512	0.054	0.445	9.556	0	0.407	0.618
	prosdriapp	-0.523	0.058	-0.446	-8.981	0	-0.638	-0.408
	reliab	0.4	0.064	0.294	6.278	0	0.274	0.525
	tecori	0.525	0.053	0.514	9.993	0	0.422	0.629
a Dependent Variable: cusat								

4.7.2 Interpreted by using the above result

1. ANOVA table and 2. Model fit

1. ANOVA table (analysis of variance)

This is the table at the top-left of the output in Stata and it is as shown below :
Table 4.13 a&b

Source	SS	df	MS	Number of obs	250
Model	85.30836	5	17.06167	F(5, 244)	154.21
				Prob > F	0
Residual	26.99564	244	0.110638	R-squared	0.7596
				Adj R-squared	0.7547
Total	112.304	249	0.45102	Root MSE	0.33262

SS is short for "sum of squares" and it is used to represent variation. The variance of the target variable comprises of that of the model (explainable variance). The total **SS** is the total variation of the target variable around its mean.
It is given by:

$$SS_{total} = \sum_{i=1}^{n}(y_i - \bar{y})^2$$

Where SS_{total} represents the total variation that the target variable has.
y_i is the value of the target variable for a given observation .
$\bar{y}$ is the mean of the target variable.
On the other hand , SS residual is represents the unexplainable variation of the target variable y (the variation of y around its mean that our model cannot explain or capture). This is the variation of the residual and is given by :

$$SS_{residual} = \sum_{i=1}^{n}(y_i - \hat{y})^2$$

Where $SS_{residual}$ represents the total variation that the target variable has.
y_i is the value of the target variable for a given observation .
$\hat{y}$ is the predicted value of the target variable for a given observation.
The model's sum of squares (explainable variance) would thus be :

$$SS_{model} = SS_{total} - SS_{residual}$$

Which is mathematically equivalent to :

$$SS_{model} = \sum_{i=1}^{n}(\hat{y} - \bar{y})^2$$

From the output , we can see that out of a variation of 112.3 in the dependent variable, 85.31 is explainable by the model , while the remaining 26.99 is unexplainable.

df is the degree of freedom associated with a variance. Degree of freedom is the number of independent values that can vary . It is often given by n-1.
The total degree of freedom is n-1 where n is number of observation in the data.
Since the model estimates m+1 number of variables (including the intercept), the degree of freedom in the ANOVA table is given by : (m+1) -1 where m is the number of predictors (independent variables), the +1 represents the intercept.
The residual degree of freedom is the difference between the total degree of freedom and the model degree of freedom. It is given by : n-m-1
From the output we see that the degree of freedom of the model ,and residuals are 5 and 244 respectively, while that of whole data (total) is 249.
ms is the mean of sum of squares. It is the sum of squares per unit degree of freedom(sum of squares divived by the degree of freedom).
From the output, the mean sum of squares of the model, residual, and total are respectively 17.06 , 0.1106 and 0.45102

2. Model fit

a) The value of **Prob(F)** is the probability that the null hypothesis for the full model is true (i.e., that all of the regression coefficients are zero this means β=0). Prob(F) has a value of 0.000 then there is 0 chance in 100 that all of the regression parameters are zero. For a typical alpha level of 0.05, a P-value lesser than 0.05 like we have evidence to reject the null hypothesis and accept the alternate hypothesis β – statistically significant (SE (β)$< 1/2\beta$)that the **ms** of the model is significantly greater than that of the residual.

b) Interpreting the correlation coefficient. **R – squared** is a goodness- of- fit measure for linear regression models. This statistics indicates the percentage of the variance in the dependent variable that the independent variables explain collectively. It ranges from -1.0 to +1.0 -- indicating perfect negative and positive relationships. Thus, the SIGN of r reveals the direction of the relationship. It ranges from 0 to +1.0 -- indicating, respectively, the ABSENCE of a systematic relationship to a PERFECT relationship. r is always a number between -1 and 1. r > 0 indicates a positive association. r < 0 indicates a negative association. Values of r near 0 indicate a very weak linear relationship. From the result r is 0.7596 this indicate that there is good linear relationship.

What is the Adjusted R-squared? The adjusted R-squared is a modified version of R-squared that accounts for predictors that are not significant in a regression model. In other words, the adjusted R-squared shows whether adding additional predictors improve a regression model or not.The result r is 0.7547 show that the adding of additional predictors not improved regression model .

The Root Mean Squared Error (RMSE) is one of the two main performance indicators for a regression model . It measures the average difference between values predicted by a model and the actual values. It provides an estimation of how well the model is able to predict the target value(accuracy). The Standard error of the regression. The standard error of the estimate, S_e , measures the average deviation of the errors of the regression model. The smaller the value of the standard error of the estimate, the better the fit of the regression model to the data.

3. Parameter Estimation

Table 4.14

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant	0.137	0.205		0.666	0.506	-0.267	0.541
	orgacomm	0.116	0.061	0.094	1.886	0.06	-0.005	0.237
	cusexp	0.512	0.054	0.445	9.556	0	0.407	0.618
	prosdriapp	-0.523	0.058	-0.446	-8.981	0	-0.638	-0.408
	reliab	0.4	0.064	0.294	6.278	0	0.274	0.525
	tecori	0.525	0.053	0.514	9.993	0	0.422	0.629
a Dependent Variable: cusat								

a)The partial slope coefficient for orgacomm, cusexp and prosdriapp

The way to interpret a partial regression coeffi cient is: The average change in the response variable associated with a one unit increase in a given predictor variable, assuming all other predictor variables are held constant. A positive correlation indicates two variables that tend to move in the same direction. A negative correlation indicates two variables that tend to move in opposite directions.The value of orgacomm is -0.115704, cusexp is 0.512364 and prosdriapp is -0.5229401.

The null hypothesis is that the linear regression model does not exist . This essencially means that the value of all the coefficients is equal to zero. So, if the linear regression model is $\mathbf{Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+\ B_5X_5+e}$, then the null hypothesis states that $\boldsymbol{B_1}$=0, $\boldsymbol{B_2}$=**0**, $\boldsymbol{B_4}$=0,$\boldsymbol{B_3}$ =0,$\boldsymbol{B_4}$**=0,** $\boldsymbol{B_5}$ **= 0** (Apr18, 2022)

b) The P>/t/ for each variable

1-The p-value for the predictor variable orgacomm is 0.06 Since this value is not less than .05, it does not have a statistically significant relationship with the response variable in the model.

2-The p-value for the predictor variable cusexp is 0.000 Since this value is less than .05, it has a statistically significant relationship with the response variable in the model.

3- The p-value for the predictor variable prosdriapp is 0.000 Since this value is less than .05, it has a statistically significant relationship with the response variable in the model.

4- The p-value for the predictor variable reliab is 0.000 Since this value is less than .05, it has a statistically significant relationship with the response variable in the model.

5- The p-value for the predictor variable tecori is 0.000 Since this value is less than .05, it has a statistically significant relationship with the response variable in the model.

c) Confidence interval

The correct interpretation of a 95% confidence interval for the coefficient is this is very useful as it helps you understand how high and how low the actual population value of the parameter might be. The confidence intervals are related to the p – values such that the coefficient will not be statistically significant if the confidence interval includes 0. If you look at the confidence interval for organizational commitment, you will see that it just includes 0(-0.005 to 0.2365).Because -0.005 is close to 0 , the p-value is close to 0.05. If the lower confidence level had been a little smaller, such that it did not include 0,the coefficient for organizational commitment would have been statistically significant. The rest dimensions are statistically significant because not include zero.

4.7.3 Test the model for the violations

a. Heteroscedasticity

Table 4.15

. estat hettest	
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity	
Ho: Constant variance	
Variables: fitted values of cusat	
chi2(1)	11.5
Prob > chi2	0.0007

H_0 - constant variance

Probability value accept H_1 PV <5% it is 0.07%.

There is heteroscedasticity problem we accept H_1 and reject the null hypothesis .Rejecting the null hypothesis means that a relationship does exist between a set of variables and the effect is statistically significant. Heteroskedasticity refers to a situation where the Variance of the residuals is unequal over a range of measured values. If heteroskedasticity exists, the population used in the regression contains unequal variance, the analysis results may be invalid. More specifically,variance measures how far each number in the set is from the mean (average) and thus from every other number in the set. Or a large chi-square would indicate

that heteroskedasticity was present. In this result the chi –square value was large ,indicating heteroskedasticity was a problem(Richard Williams, January 10,2020).

b. Multicollinearity

Variance inflation factors for the independent variables (vif)

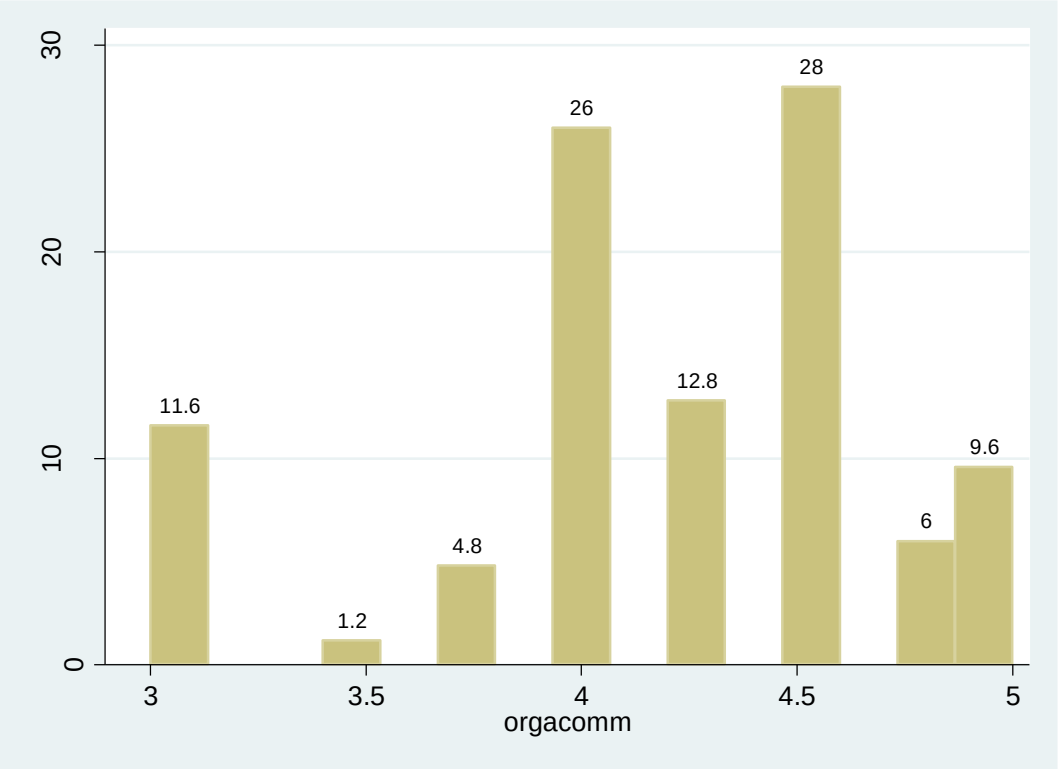
Table 4.16

estat vif		
Variable	VIF	1/VIF
Tecori	2.69	0.37231
Orgacomm	2.53	0.395155
Prosdriapp	2.51	0.399166
Reliab	2.23	0.449221
Cusexp	2.21	0.453353
Mean VIF	2.43	

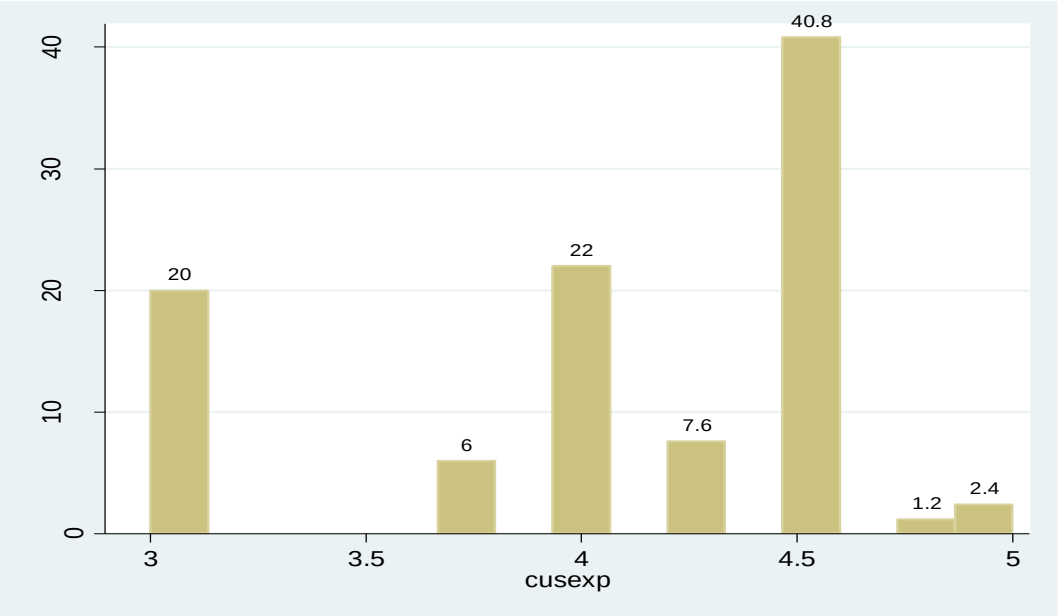
Variance is of the estimated regression coefficient not large . Confidence interval not very wide. VIF is <10 therefore there is no multicollinearity problem in the model reject the null hypothesis and accept H_1 . Multicollinearity occurs when independent variables in a regresssion model are correlated. This correlation is problem because independent variables should be independent.If the degree of correlation between variables is high enough, it can cause problems when you fit the model and interpret the results.(Adam Hayes, February 25,2023).

4.8 Normality

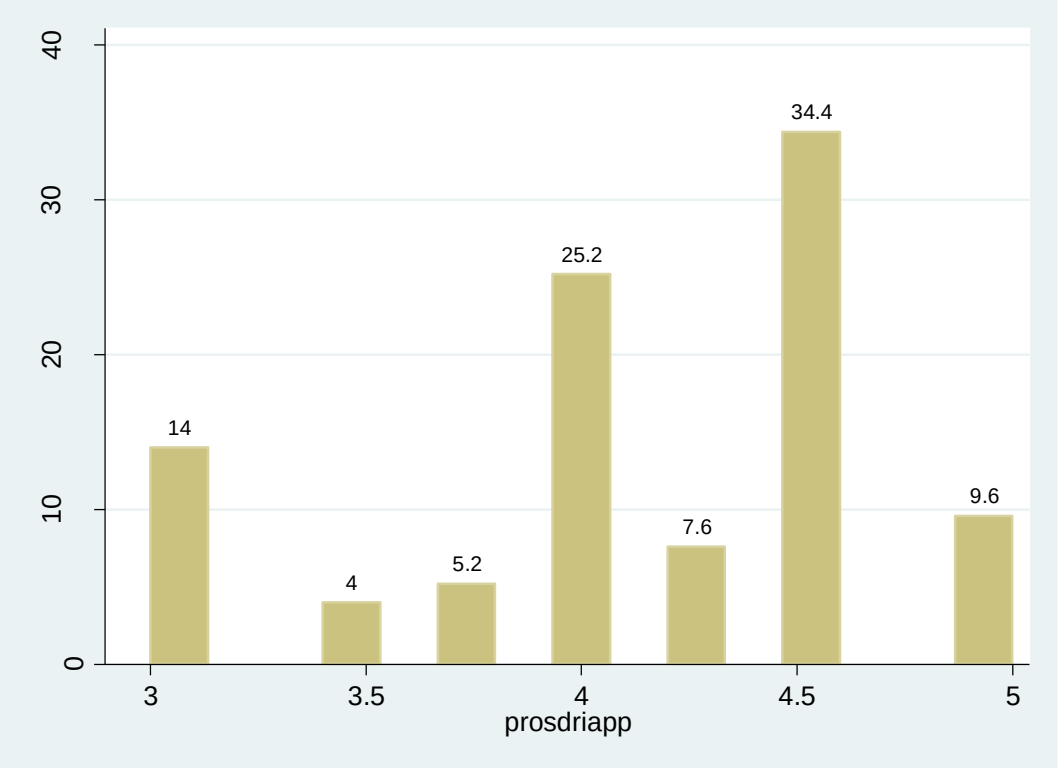
This assumption can be tested through histograms of the standardized residuals (Stevens, 2009). Histograms are bar graphs of the residuals with a superimposed normal curve that showed distribution. Organizational Commitment , Customer Experience and Process-driven Approach variable curves are random distribution. Customer satisfaction is left –skewed distribution this implies that the respondents response fall under strongly agree category. Reliability is left – skewed distribution. Finally Technology orientation is Edge Peak Distribution. The idea taken from Data Visualization and Interpretation (Unit-4).



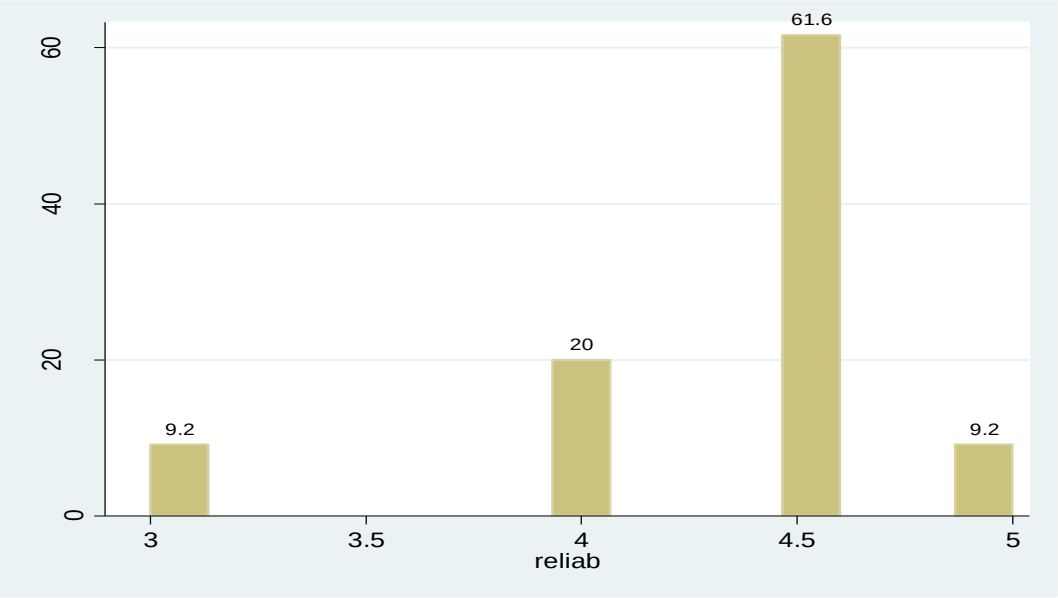
A random distribution organizational commitment



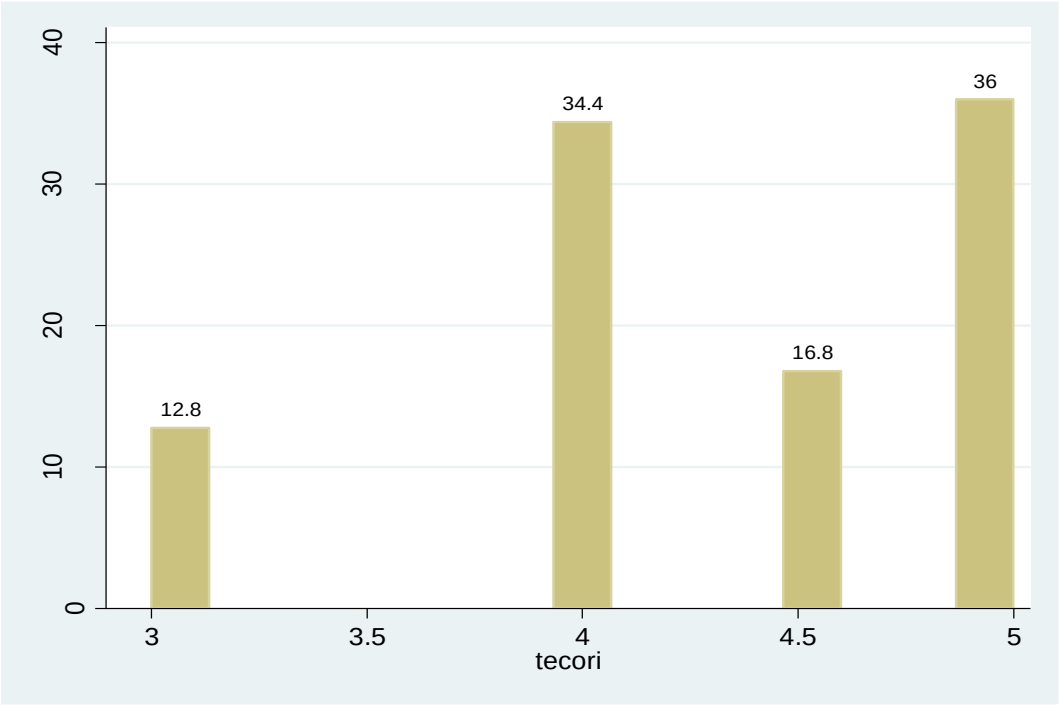
A random distribution Customer Experience



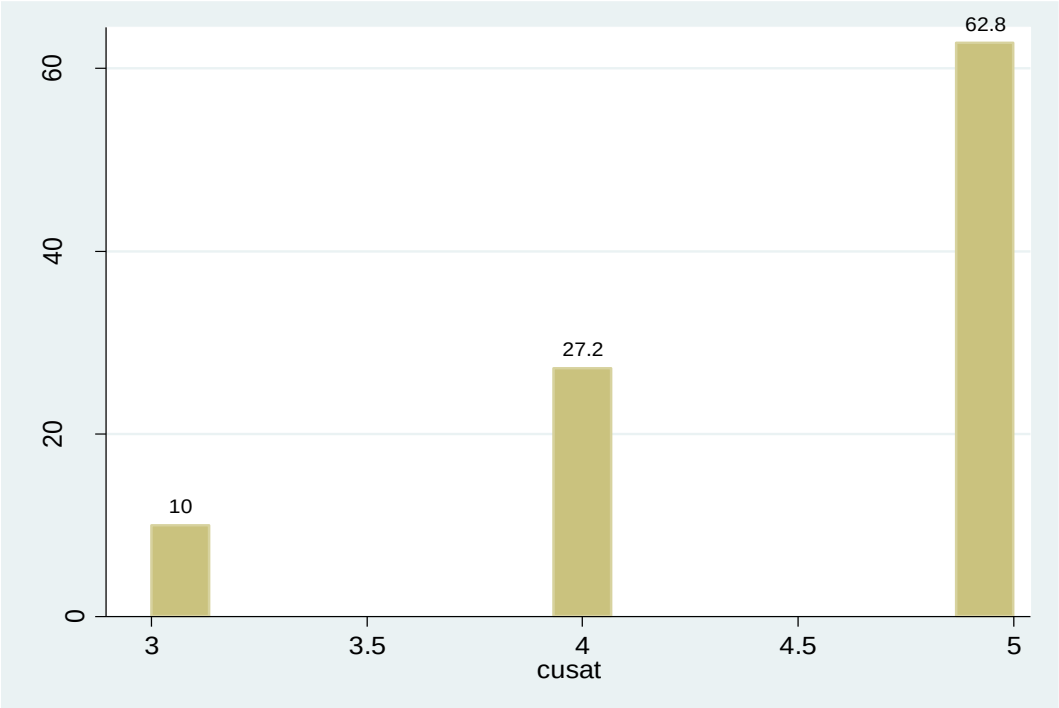
A random distribution Process-driven Approach



Left –skewed distribution reliability



Edge Peak Distribution Technology orientation



Left –skewed distribution Customer satisfaction

4.9 Multiple regression analysis

Multiple linear regressions is the most common form of the regression analysis. As a predictive analysis, multiple linear regression is used to describe data and to when observing the sum effects of the predictors (Technology orientation, Customer experience, Organizational commitment, Reliability and Process driven approach) on customer satisfaction . The relative contribution of each of the different variables can easily be compared by taking the beta value under the standardized coefficients. The higher the beta value, the strongest its contribution becomes. From the table below, a two-tail test at 95% confidence level (α=0.05) showed that the positive beta values suggesting a positive influence of the independent variables on the dependent variable. Multiple regression analysis was used to clarify the relationship between the independent variables organizational commitment, customer experience, process-driven approach, reliability and technology orientation and the dependent variable (customer satisfaction). The result indicated that organizational commitment, customer experience, technology orientation and reliability had a significant positive influence on the dependent variable (customer satisfaction). Whereas process-driven approach dimension exhibited no significant impact on customer satisfaction. The findings of Padmavathy et al., (2012) revealed that only four dimensions, customer experience, process-driven approach, technology orientation and reliability showed significant impact on customer satisfaction. Whereas, in this study process-driven approach dimensions find to have no significant impact on customer satisfaction**.**

Table 4.17 multiple regression analysis

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.137	.205		.666	.506	-.267	.541
	orgacomm	.116	.061	.094	1.886	.060	-.005	.237
	cusexp	.512	.054	.445	9.556	.000	.407	.618
	prosdriapp	-.523	.058	-.446	-8.981	.000	-.638	-.408
	reliab	.400	.064	.294	6.278	.000	.274	.525
	tecori	.525	.053	.514	9.993	.000	.422	.629
a. Dependent Variable: cusat								

Source: own survey, 2024

Unstandardized coefficients are model parameter estimates based on the analysis of raw data.In contrast ,standardized coefficients are model parameter estimates based on the analysis of standardized data, in the sense that all variables are supposed to have unit variance.

As can be seen from the above table, reliability, organizational commitment, customer experience and technology orientation have significant effect on customer satisfaction; whereas process-driven approach dimension has no significant impact on customer satisfaction. the regression constant value showed that when the independent variables (Technology orientation, Customer experience, Organizational commitment Reliability , Process driven approach) ,are constant at zero, customer satisfaction would be at beta value of 0.137 .While considering the degree to which the independent variables affect the dependent variable, the standardized coefficient results of technology orientation showed that (Beta=0.514; P<0.05) makes the strongest unique contribution to explain the dependent variable in which the results revealed that, a one unit increase or positive change in Customer expectation would lead to a unit increase in the level of customer satisfaction , followed by customer experience (Beta=0.445, Sig0.000 and P<0.05), which indicates that a one unit change in the dependent variable will bring a unit increase in customer. The standardized beta value for technology orientation is 0.514 this indicates that, this dimension has relatively strong degree of importance on customer satisfaction than the others. organizational commitment with standardized beta value of(Beta=0.094, Sig 0.06 and P>0.05) this indicate that p value greater than 0.05 has no significant in the dependent variable or customer satisfaction therefore organizational commitment like process-driven approach has no significant impact on customer satisfaction . Hence, it is implies that result Technology orientation, customer experience and reliability have a significant effect on customer satisfaction and able to explain the changes in increase of customer satisfaction.

4.10 Hypothesis Test

Proposed hypothesis tested based on the results of the multiple regression analysis. By looking at the Sig.-value in table 4.11 it is possible to interpret whether the particular independent variable has a significant relationship with the dependent variables.

Hypothesis is supported when the Sig. value is smaller than 0.05; and a null hypothesis is rejected when the p value is equal or larger than 0.05 (Pallant, 2010).

Hypothesis 1

H1: **Customer expectation** -has significant relationship and effect on customer satisfaction the regression coefficient result of Customer expectation was indicated as (β=0.512, P<0.05 as (Sig.0.000), is less than 0.05, therefore, the Hypothesis 1 is accepted.

Hypothesis 2

H1: **Process driven approach** -has significant relationship and effect on customer satisfaction regression coefficient result was defined with (β= - 0.523, P<0.05, sig.0.000), is less than 0.05, therefore, the Hypothesis 2 is accepted**.**

Hypothesis 3

H1: **Organizational commitment** has significant relationship and effect on customer satisfaction : The regression coefficient result of Organizational commitment was denoted as (β = - 0.1157, P>0.05, as Sig 0.06) is greater than 0.05 and in this relation, Thus, we can conclude from the results, the hypothesis 3 has been rejected the null hypothesis $\boldsymbol{B_1}$ =0 .

Hypothesis 4

H1: **Reliability** has significant relationship and effect on customer satisfaction: regression coefficient result was defined with (β=0.399, P<0.05, sig.0.000), is less than 0.05, therefore, the Hypothesis 4 is accepted.

Hypothesis 5

H1: **Technology orientation** has significant relationship and effect on customer satisfaction: : regression coefficient result was defined with (β=0.525, P<0.05, sig.0.000), is less than 0.05, therefore, the Hypothesis 5 is accepted.

4.11 Regression Mathematical Model

The equation of multiple regressions on this study is generally built on around two sets of variables, namely dependent variable (customer satisfaction) and independent variables (Technology orientation, Customer expectation, Organizational commitment, Reliability and Process driven approach) The basic objective of using regression equation on this study is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables. Therefore, the model for the study was formulated as customer satisfaction which is the dependent variable is the function of the independent variables. It was therefore, the Regression Model used in the study was mathematically expressed as follows.Based on the multiple regression analysis, the following model summary was extracted to conclude the variation between the variables.

$$\mathbf{Y}=\boldsymbol{B_0}+\boldsymbol{B_1X_1}+\boldsymbol{B_2X_2}+\boldsymbol{B_3X_3}+\boldsymbol{B_4X_4}+\ \boldsymbol{B_5X_5}+\mathbf{e}$$

Cl = 0.1366 + 0.512 (Customer expectation) - 0.523 (Process driven approach) + 0.1157 (Organizational commitment) +0.399 (Reliability) + 0.525 (Technology orientation) +0.205

Where

Cl = customer satisfaction,

$\boldsymbol{B_0}$ = Regression constant,

$\boldsymbol{B_1}, \boldsymbol{B_2}, \boldsymbol{B_3}, \boldsymbol{B_4}, \boldsymbol{B_5}$ = coefficients of elasticity displaying degrees of explanation power about customer satisfaction and

ε= model's error term.

CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS

In the previous chapter the analysis of the data collected in this study was presented while in this chapter the summary of the findings and conclusion was drawn from the analysis. The recommendation was illustrated in the final section of this chapter based on the findings.

5.1 Summary of Major Findings

The main objective of the study was to study the effect of CRM practices dimensions on the customer satisfaction in the case of Commercial Bank of Ethiopia in Guraghe zone. Specifically, the study attempted to examine CRM dimensions on customer satisfaction. Technology orientation, Customer expectation, Organizational commitment, Reliability, Process driven approach the findings derived from the data analyzed by using descriptive statistics, correlation and regression are presented below: The numbers of male respondents in the sample population are a bit higher (male 60.8%, and female 39.2% and response rate 93.6%).In this study, both practical managerial and theoretical implications were drawn. For this study, data were collected from respondents and were analyzed. The first part of the analysis was regarding the demographic and general information pertaining to customer respondents. The result indicated that majority of the respondents were male and with regard to age of the majority of the respondents are between the age of 20-30 years(56.4%) which indicates that the bank comprises customers of young age which creates an opportunity for the future for deep relationship with the customers. Most of the respondents were found to use the bank serviced both for their personal consumption and business purpose. Regarding the educational background most of the respondents have Certificate, Diploma, Primary and secondary school, Bachelor Degree and Master's Degree and above respectively which indicates their capability to read and understand the self-administered questionnaire properly.The other is purpose of usage for personal is 60%, for business is 24% and for both 16%. When we see relationship with this bank 80% of the customer is more than four year and less than 1 year is 20%. In terms of the varieties of services used by the customers, 20% respondents are used for saving, 40% respondents are current account and ATM 24% while the rest are loan and money transfer.However most of the respondents use more than one

service provided by the bank. This research regards the customer as a major factor for successful CRM implementation. Although extant literature does provide helpful insight into the bank point-of-view of CRM implementation activates, researchers have shown little concern about the potential gap between CRM activities and customer attitudes toward those activities and its impact on the behavioral intention of customers' attitude. Hence, the present study provided insight to customers' attitudes towards the CRM implementation activities of the bank and its effect on customer satisfaction. Accordingly data was collected from bank customer. Most of the respondents tend towards agreeing that the bank has an effect of CRM from the five dimension evaluated with grand mean. Among the five dimensions of CRM higher number of respondents perceived that the bank has great effect in reliability dimension which is this bank provides reliable(accurate) services the value is 4.83. The least mean score was for the technology orientation dimension which is this bank uses latest technology (ATMs, mobile banking, and Internet banking) to offer quality services the value is 4.12. which has strong effect on customer satisfaction according to the study findings.

The result of Pearson's correlation coefficient indicated that the independent variables, reliability, customer experience and technology orientation, have strong and positive correlation with the dependent variable customer satisfaction. Where the result indicated that technology orientation dimension have strong and positive significant relationship with the dependent variable customer satisfaction from the Pearson correlation analysis;which is ($r=0.762$; $p < 0.01$).

Inaddition technology orientation have strong and positive significant relationship with customer experience which is ($r= 0.734$; $p<0.01$) This implies that there is positive relationship between customer experience and customer satisfaction which is statistically significant at 99% confidence level it is($r=0.743$; $p<0.01$).

Reliability plays a significant role in customer satisfaction in Commercial Bank with ($r=0.513$; $p < 0.01$) This also implies that reliability have significant relationship with organizational commitment which is($r=0.704$; $p<0.01$) and plays significant role in determining the customer satisfaction.

The regression constant value showed that when the independent variables (Technology orientation, Customer expectation, Organizational commitment, Reliability , Process driven approach) are constant at zero, customer satisfaction would be at beta value of 0.137 .While considering the degree to which the independent variables affect the dependent variable, the

standardized coefficient results of Technology orientation showed that (Beta=0.514; P<0.05) makes the strongest unique contribution to explain the dependent variable in which the results revealed that, a one unit increase or positive change in Technology orientation would lead to a unit increase in the level of customer satisfaction, followed by Customer expectation (Beta=0.445, Sig.001 and P<0.05), which indicates that a one unit change in the dependent variable will bring a unit increase in customer satisfaction.

5.2 Conclusion

The data analyzed by using Stata and SPSS. The regressional out put can be categorized in to ANOVA table , model fit , parameter estimation, graph and correlation analysis in addition cronbach's alpha.

The present research seeks to investigate CRM practice dimensions effect on customer satisfaction. Based on the findings summarized in the previous section the following conclusions were drawn: Most of respondents agree that CRM is effective in Commercial Bank that is evaluated from five dimensions mentioned above.

- The researcher concluded that CRM dimensions namely: organizational commitment, customer experience, process-driven approach, reliability and technology orientation, have positive significant correlation with the dependent variable customer satisfaction. Hence as the effectiveness of the five independent variables increases as the customer satisfaction increases. Based on the evidence of the R square value obtained which indicates that 74.6 % of the variance on customer satisfaction can be predicted by the independent variables. Thus the hypothesis that CRM dimensions as a cumulative have a positive and significant effect on customer satisfaction is accepted.
- From the result we can see that Cronbach's alpha is 0.613 which indicates that acceptable level of internal consistency for the scale.
- Based on the value of β the four dimensions have positive relationship with the dependent variable but only process driven approach has negative relationship. The five dimensions the highest β value of the Technology orientation, Customer expectation and Reliability indicated, 0.512 (Customer expectation), -0.523 (Process

driven approach), 0.116 (Organizational commitment), 0.400 (Reliability) and 0.525 (Technology orientation).

- Among the five dimensions the technology orientation has strong degree of importance on customer satisfaction.

5.3 Recommendation

Based on the conclusions drawn in the previous section, the following measures are recommended for Commercial Bank of Ethiopia in Guraghe zone in order to reach the ultimate benefits from the implementation of CRM activities and enhance customer satisfaction.

- In order to enhance customer satisfaction the bank should make continuous effort to enhance the practice of CRM dimensions specially the dimensions, Process driven approach,Reliability,Customer expectation and Technology orientation, which have significant effect on customer satisfaction.

- The findings of the study shows that the technology orientation has the highest influence on customer satisfaction. Hence Commercial Bank of Ethiopia in Guraghe zone should be very conscious in improving more use of latest technology (ATMs, mobile banking, and Internet banking) to offer quality services. This will yield more customer satisfaction which may contribute to customer loyalty and retention as argued by some researchers.
- Reliability and Customer expectation dimensions also have strong effect next to technology orientation on customer satisfaction. Thus it's recommended that more investment on technological aspect and employees training will enhance more the customer satisfaction.
- Even though the two dimensions; Process driven approach have negative effect but Organizational commitment surprisingly have shown little effect on customer satisfaction. Therefore, well organized complaint handling system should be emphasized in order to ensure that the customer requests are being taking care of in an efficient manner and proper response timing.

- High level of customer satisfaction leads to increased customer loyalty, intention to purchase, word-of-mouth recommendation, profit, market share, and return on investment. Hence the management of the bank should enhance the awareness of frontline employees regarding CRM through frequent staff training.
- Managers should be aware of the different effects of each dimension of CRM and plan appropriate strategies to generate and reinforce satisfaction.

5.4 Future Research Direction.

The study is focused on examining CRM dimensions and effect on customer satisfaction. Further future research is recommended to assess the influence of the effectiveness of CRM dimensions on customers.. Additionally future research is recommended to identify other variables of customer relationship management that effect customer satisfaction and the mediating factors as this study evaluated the relationship only from five dimensions.

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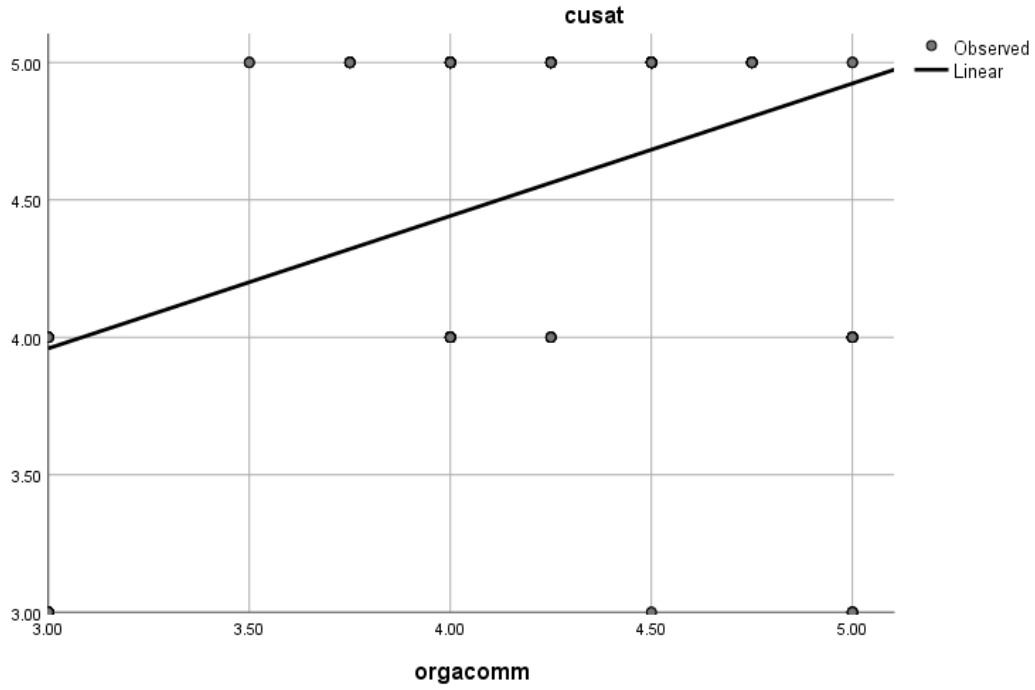
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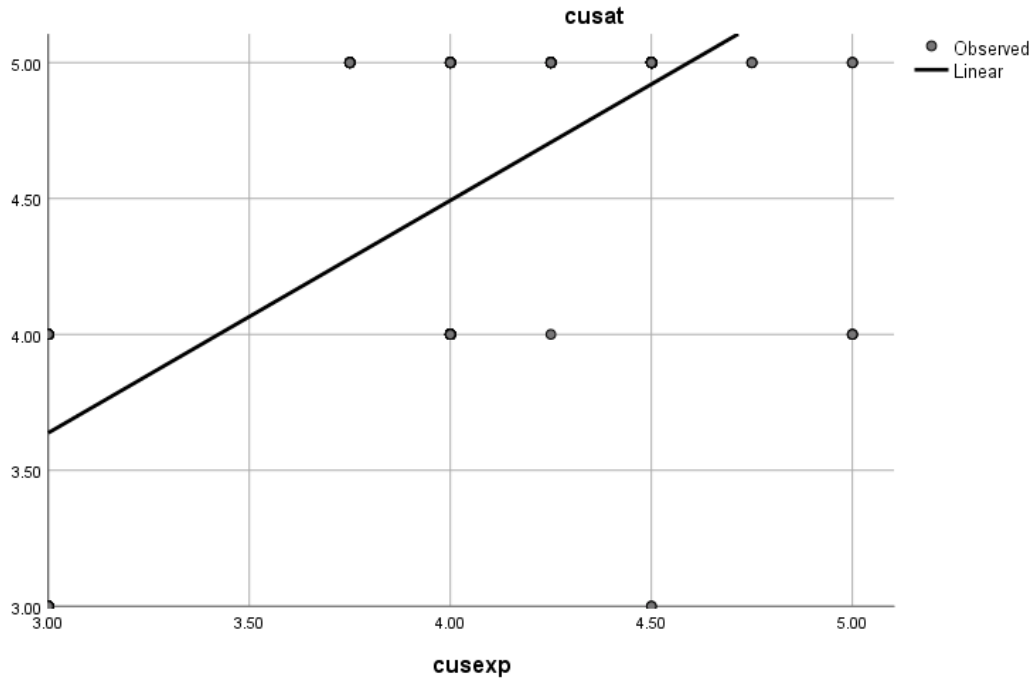
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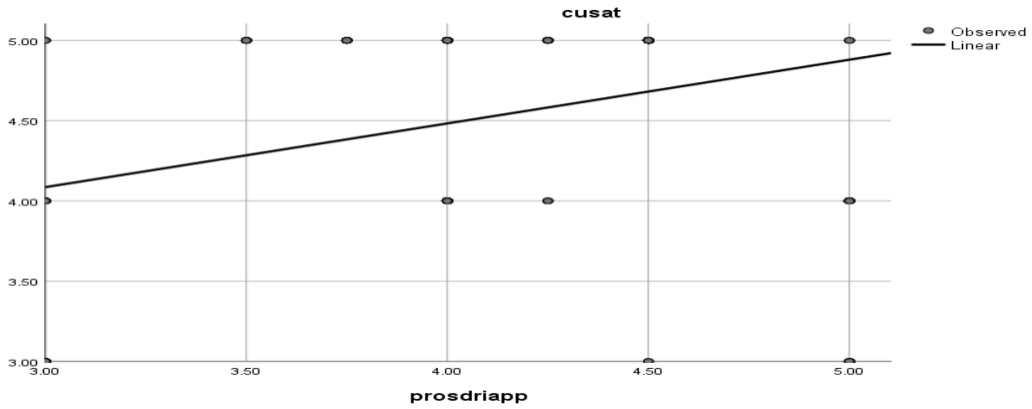
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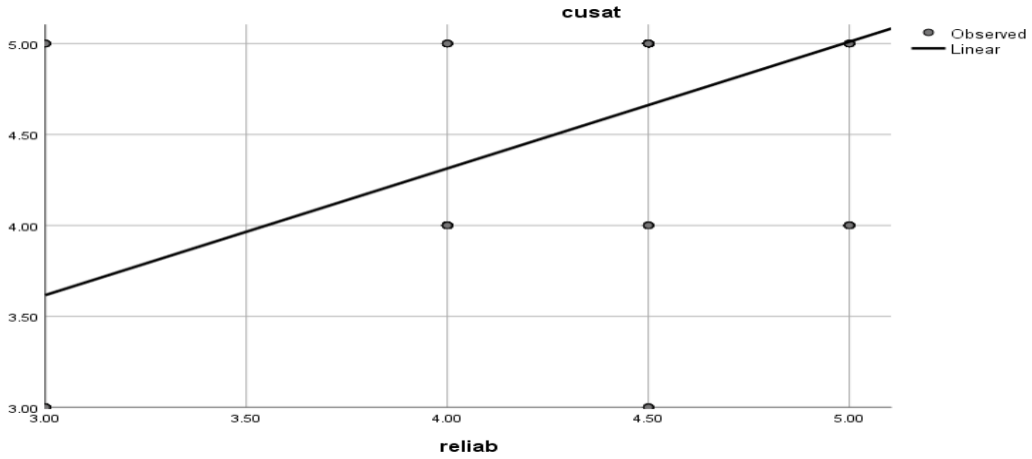
APPENDIX

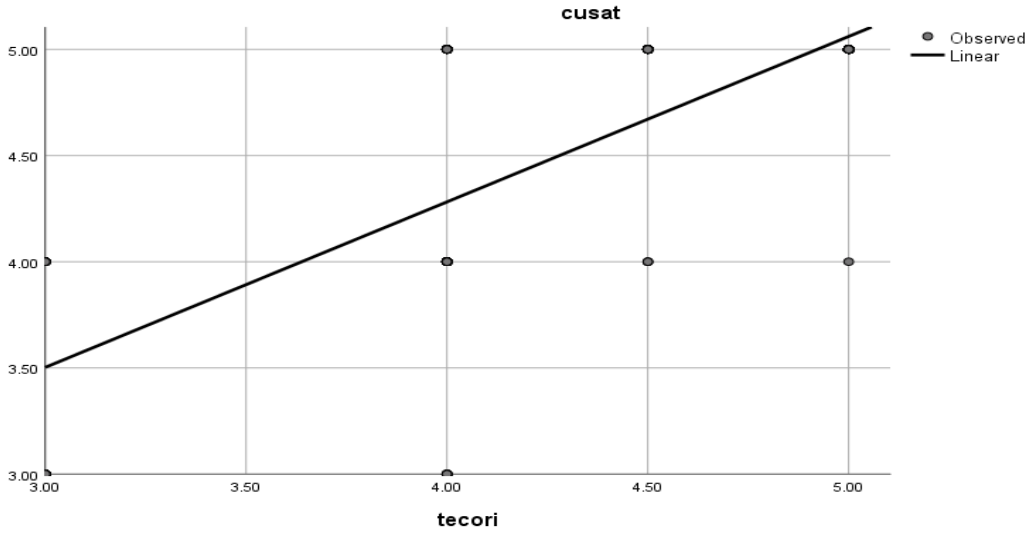
APPENDIX 1: Regression






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APPENDIX 2 : QUESTIONNAIRE(ENGLISH VERSION)

Questionnaire

Dear Customer first of all I would like to thank you for your willingness to complete this questionnaire. This questionnaire is a major material in the preparation of a thesis in topic *"*Effect Customer Relationship Management on the customer satisfaction" for the fulfillment of the requirement of Masters Of Business Administration in the Departement of Business and Economics of Wolkite University. The information that you will provide will be used only for educational purpose and will be kept confidential. Moreover, the personal information that you will provide will be utilized as an input for the aggregate result. The questionnaire has two parts, the student researcher kindly ask your cooperation to attempt all questions objectively and honestly.

Thank you for your cooperation!

Part I. Personal Information

Please indicate your reply by putting (□) Mark

1. Sex Male ☐ Female ☐

2. Age group

20-30 ☐ 31-40 ☐ 41-50 ☐ More than 50 ☐

3.Education

Primary and secondary school ☐

Certificate ☐

DiplomaBachelor Degree ☐

Master's Degree and above ☐

4. Purpose of usage

Personal ☐ Business ☐ Both ☐

Other please specify _____

5. Relationship with this bank

Less than 1 year ☐ 1-4 years ☐

5-7 years ☐ 8 – 10 years ☐

More than 10 years ☐

6.The Service/s you use from the bank (you can indicate more than on service)

Saving ☐ Current account ☐ Loan ☐

Money transfer ☐ ATM ☐

Part II. Customer Relationship Management

Please indicate the extent to which you agree/disagree with the following statement. 1 (strongly disagree), 2 (do not agree), 3 (true to some extent), 4 (agree), 5 (strongly agree).

Please put (□) mark according to your choice.

Description	**Strongly Disagree (1)**	**Disagree(2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
1. Organizational Commitment					
1.1 This bank regularly uses personal information to providecustomized service.					
.2 Employees of this bank often interact with customers to Assess service erformance.					
1.3 This bank assesses customer satisfaction regularly.					
1.4 This bank carefully evaluates customer evolving needs.					
2. Customer Experience					
2.1 This bank attends customer complaints promptly.					
2.1 This bank takes genuine interest in solving customer Problems.					
2.3 This bank effectively communicates to customers.					
2.4 This bank is co-operative with its customers in handling theirrequest.					
3. Process-driven Approach					
3.1 This bank delivers services at the earliest.					
3.2 This bank designed its service processes to satisfy thecustomer.					
3.3 Conducting transactions correctly and rapidly is very common With this bank.					
3.4 This bank provides value-added information along with itsservice.					
4. Reliability.					
4.1 This bank maintains consistent service standards.					
4.2 This bank provides reliable services.					
5.Technology Orientation					
5.1 This bank uses latest technology (ATMs, mobile banking, and Internet banking) to offer quality services.					
5.2 This bank makes effective use of ATMs, mobile and internet Banking to enhance customer service.					
6.Customer Satisfaction					
6.1 I am satisfied with the services provided by the bank					
6.2 I am satisfied with the bank's customer handling procedure					
6.3 I am satisfied with the quality of services provided by thisbank					
6.4 I am satisfied with the speed of the service delivery					

Thank You**!**

APPENDIX 3:QUESTIONNAIRE(AMHARIC VERSION)

በወልቂጤ ዩኒቨርስቲ የቢዝነስ እና ኢኮኖሚክስ ት/ቤት

የማስተርስ ቢዝነስ አስተዳደር ድህረ- ምረቃ ትምህርት ክፍል

ከቡር ደንበኛ በቅድምያ ግዜዎን ሰዉተዉ ይህን መጠይቅ ለመሙላት ፍቃደኛ ስለሆኑ አመሰግናለዉ፡፡ ይህ መጠይቅ የተዘጋጀዉ ወልቂጤ ዩኒቨርስቲ የቢዝነስ እና ኢኮኖሚክስ ት/ቤት የድህረ ምረቃ ትምህርት ክፍል ሲሆን ፤ አላማዉ "Effect of Customer Relationship Management on customer satisfaction" "የባንኩ ደንበኞች ግንኙነት ስኬታማነት በደንበኞች እርካታ ላይ ያለዉ ዉጤት" በተመለከተ ተማሪዉ በሚያዘጋጀዉ የመመረቂያ ጽሁፍ እንደ ዋና ግብዓት ለመጠቀም ነዉ፡፡ ስለሆነም የሚያሰፍሩትን ማንኛዉም መረጃ ለትምርታዊ አገልግሎት ብቻ እንደሚዉል እገልጻለዉ፡፡ ከዚህ በተጨማሪም መሰረታዊ መረጃዎች በጥቅል ለሚደረግ ምርምር ግብዓትነት ብቻ የሚዉል ሲሆን ፤ ማንኛዉም የሚሰጡት መረጃ ሚስጥራዊነት የተጠበቀ መሆኑን እናረጋግጥሎታለን፡፡ ይህ መጠይቅ ሁለት ንሁስ ክፍሎች ያሉት ሲሆን ሁሉንም ጥያቄዎች በአግባቡ ይመልሱ ዘንድ በአክብሮት ጠይቃለሁ።

ክፍል-1 - መሠረታዊ መረጃ

የ □ ምልክት በማድረግ የሚመርጡትን ያመልክቱ።

1. ፆታ፡ ወንድ ☐ ሴት ☐

2. የእድሜ ክልል

20-31 ☐ 31-40 ☐ 41-50 ☐ ከ50ዓመት በላይ ☐

3. የትምህርት ደረጃ

የመጀመሪያ እና ሁለተኛ ደረጃ ☐

ሰርተፊኬት ☐

ዲፕሎማ ☐

የመጀመሪያ ዲግሪ ☐

ማስተርስ እና ከዚያ በላይ ☐

4. የባንኩን አገልግሎት የሚጠቀሙት፤

ለግል ☐ ለሥራ ☐ ለሁለቱም ☐

☐ ሌላ ካሉ ይግለፁ _____

5. ከዚህ ባንክ ጋር በደንበኝነት ምን ያህል ዓመት ሠርተዋል?

ዓመት በታች ☐ 1-4 ዓመት ☐

5-7 ዓመት ☐ 8-10 ዓመት ☐

. ከ10 ዓመት በላይ ☐

6. በባንኩ የሚጠቀሙት አገልግሎት፤ (ከአንድ በላይ ማመልከት ይችላሉ)።

የቁጠባ ሂሳብ ☐

ተንቀሳቃሽ ሂሳብ ☐

የብድር አገልግሎት ☐

ገንዘብ የማስተላለፍ አገልግሎት ☐

ኤ. ቲ. ኤም ☐

ክፍል -2 የደንበኞች ግንኙነት በተመለከተ

ከዚህ በታች ለተዘረዘሩት መግለጫዎች ምልክት በማድረግ ያመልክቱ ፡፡ በጣም አልስማማም የሚለዉ የሚይዘዉ 1 ነጥብ ሲሆን በጣም እስማማለሁ የሚለዉ 5 ነጥብ ይይዛል ፡፡

መግለጫ	በጣም አልስማማም(1)	አልስማማም(2)	አስተያየት የለኝም(3)	እስማማለሁ (4)	በጣም አስማማለሁ (5)
1. የባንኩ ድርጅርጅታዊ ዝግጁነት					
1.1 ባንኩ ከደንበኞች የሚያገኘውን መረጃ በቋሚነት እንደግብአት ተጠቅሞ በደንበኞች ፍላጎት ላይ የተመሰረተ አገልግሎት ያቀርባል።					
1.2 የባንኩን ሰራተኞች የባንኩን አገልግሎት አፈፃፀም የሚገመግሙት ብዙ ግዜ ከደንበኞች ጋር በመወያየት ነው፡፡					
1.3 ባንኩ በቋሚነት ደንበኞቹ በአገልግሎቱ አሰጣጥ ምን ያህል ደስተኛ እንደሆኑ ይገመግማል፡፡					
1.4 ባንኩ ከጊዜ ወደ ግዜ እያደገ ያለውን የደንበኞቹን ፍላጎት በጥንቃቄ ይገመግማል፡፡					
2. ደንበኞች ከድርጅቱ ጋር ያላቸው የስራ ግንኙነት/ልምድ በተመለከተ					
2.1 ባንኩ ከደንበኞች ለሚቀርቡ ቅሬታዎች በአፋጣኝ ሁኔታ ምላሽ ይሰጣል፡፡					
2.2 ባንኩ ደንበኞች አገልግሎቱን ሲጠቀሙ የሚገጥማቸውን ችግር ለመፍታት ቅን ፍላጎት ይታይበታል፡፡					
2.3 ባንኩ ለደንበኞቹ አስፈላጊ መረጃዎችን በተሳካ ሁኔታ ያስተላልፋል፡፡					
2.4 ባንኩ ከደንበኞች የሚመጣ ጥያቄ ለመመለስ ከደንበኞቹ ጋር በትብብር ነው የሚሰራው፡፡					
3. የአሰራር ሂደት/ዘዴ በተመለከተ					
3.1 ባንኩ አገልግሎቱን በአፋጣኝ ይሰጣል፡፡					
3.2 የባንኩ አግልግሎት አሰጣጥ ሂደት የተዋቀረው ደንበኞችን በሚያረካ መልኩ ነው፡፡					
3.3 በትክክል እና ፍጥነት ባለው መልኩ አገልግሎት ደንበኞችን ማስተናገድ የዚህ ባንክ ልዩ መለያ ነው፡፡					
3.4 ባንኩ ከሚሰጠው አገልግሎት በተጨማሪ ጠቃሚ መረጃን ለደንበኞች ያቀርባል፡፡					
4. የባንኩ አገልግሎት አሰጣጥ አስተማማኝነቱን በተመለከተ					
4.1 ባንኩ ተከታታይነት ያለው ደረጃውን የጠበቀ አገልግሎት አሰጣጥ ይከተላል፡፡					
4.2 ባንኩ ሁሌም አስተማማኝ አገልግሎት ይሰጣል፡፡					
5. አዳዲስ ቴክኖሌጂዎች ስራ ላይ ማዋልን በተመለከተ					
5.1 ባንኩ ጥራት ያለው አገልግሎት ለመስጠት አዳዲስ ቴክኖሎጂዎን ይጠቀማል (እንደ ኤቲኤም፤ በሞባይል እና በኢንተርኔት የታገዘ የባንክ አገልግሎት የመሳሰሉትን) ፡፡					
5.2 ባንኩ በኤቲኤም፤ በሞባይል እና በኢንተርኔት የታገዘ የባንክ አገልግሎት በአግባቡ ስራ ላይ በማዋል የደንበኞችን አግልግት አሰጣጥ ጥራት ይጨምራል፡፡					
6. የደንደኞች ደስታ/እርካታ					
6.1 ባንኩ በሚሰጣቸዉ አገልግሎቶች ደስተኛነኝ					
6.2 በባንኩ የደንበኛ አያያዝ ደስተኛነኝ					
6.3 በባንኩ ጥራት ያለዉ አገልግሎት አሰጣጥ ዘዴ ደስተኛነኝ					
6.4 በባንኩ የአገልግሎት አሰጣጥ ፍጥነት ደስተኛነኝ					

አመሰግናለሁ!