



WOLKITEUNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

**CUSTOMER ATTITUDE TOWARDS COMMERCIAL BANK OF ETHIOPIA: THE CASE
OF WOLKITE TOWN**

A RESEARCH SUBMITTED TO THE COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

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**WOLKITEUNIVERSITYCOLLEGE OF BUSINESS AND
ECONOMICS UNDERGRADUATE STUDIES DEPARTMENT OF
MANAGEMENT**

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OF WOLKITE TOWN**

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ABSTRACT

This study investigated customer attitudes towards the Commercial Bank of Ethiopia (CBE) in Wolkite Town (yejoka branch). The general objective of the study was to assess customer attitude toward CBE. The significance of the study lies in providing valuable, localized insights for CBE to tailor services, improve customer satisfaction, and enhance market position in the town. This research can also inform future research works as it documented available data and information for further researchers.

ACRONYMS

- COMMERCIALBANKOFETHIOPIA(CBE)
- NationalBankofEthiopia(NBE)
- ETHIOPIANBIRR(ETB)

TABLE OF CONTENT

Acknowledgment	I
ABSTRACT	II
ACRONYMS	III
Listsofables	I
CHAPTERONE	1
1. INTRODUCTION	1
1.1. Backgroundofthestudy	1
1.2 Backgroundoftheorganization	1
1.3 STATEMENTOFTHEPROBLEM	7
1.4 ObjectivesoftheStudy	8
1.5 SignificanceoftheStudy	8
1.6 ResearchQuestions	9
1.7 ScopeoftheStudy	9
1.8 Limitationofthestudy	10
1.9 EthicalConsideration	10
1.10 Organizationofthepaper	10
CHAPTERTWO	12
2. REVIEWOFRELATEDLITERATURE	12
2.1 TheoreticalReview	12
2.2 EmpiricalReview	13
2.3 LevelofCommitmenttoAttitudes	14
2.4 CharacteristicsAffectingCustomerBehavior	15
2.5 CustomerService	17
CHAPTERTHREE	19
3. RESEARCHMETHODOLOGIESANDDESIGN	19

3.1 Introduction	19
CHAPTERFOUR	23
4. DATAPRESENTATION,ANALYSISANDINTERPRETATION	23
CHAPTERFIVE	31
5.1 KeyFindings	31
5.2 Conclusions	32
5.3 Suggestions	32
REFERENCE	34
APPENDIX	35

Listsoftables

Table4.1 Respondentsgeneralcharacteristics.....	22
Table4.2 Respondentsgeneralcharacteristics.....	24
Table4.3 Respondents,response tomainquestionsanswer.....	25

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the study

Customers have specific attitudes toward products or services, and businesses must understand these attitudes to meet customer expectations effectively. It plays a critical role in helping companies generate profit, capture a larger market share, and enhance their competitiveness.

“An attitude refers to a person’s consistent favorable or unfavorable evaluation, emotional response, and behavioral tendency toward an object, service, or idea. Individuals develop attitudes toward a wide range of subjects, including religion, politics, food, clothing, and more. These attitudes shape their preferences, influencing whether they move toward or away from a product or service “(Kotler, 1997, p. 118).

According to Kotler (2004, p. 196), attitudes are relatively stable evaluations and tendencies that guide how individuals perceive and interact with products or ideas. They create a framework of likes and dislikes, determining customers' behavior and influencing their decisions to engage with or avoid a particular offering. It is a very crucial concept in studying consumer behavior.

This understanding is vital for businesses such as the Commercial Bank of Ethiopia, as it enables them to align their services with customer preferences and foster a positive perception of their brand.

1.2 Background of the organization

The history of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942. CBE was legally established as a share company in 1963 with the slogan “COMMERCIAL BANK OF ETHIOPIA: THE BANK YOU CAN ALWAYS RELY ON!!”

Since then, it has been playing significant roles in the development of the country. Currently CBE has more than 40+ million account holders in its more than 1940+ branches and the number of Mobile and Internet Banking users also reached more than 6.6 million and 37k. Active ATM cardholders reached

more than 8.3 million and 17 million CBE Birr users.

1.2.1 Vision

To be a globally recognized commercial bank, driving Ethiopia's financial growth and shaping its future.

1.2.2 Mission

to deliver exceptional value to stakeholders through innovative financial services, supported by a team of highly skilled and motivated professionals.

1.2.3 Core Values

- **Integrity:** Upholding the highest ethical standards in all our operations.
- **Service Excellence:** Providing superior banking services to meet customer needs.
- **Professionalism:** Demonstrating expertise and accountability in every engagement.
- **Empowerment:** Encouraging growth and innovation among employees and customers.
- **Innovation:** Continuously improving and adapting to provide cutting-edge solutions.
- **Teamwork:** Collaborating effectively to achieve shared goals.
- **Respect for Diversity:** Valuing inclusivity and embracing different perspectives.
- **Corporate Citizenship:** Contributing responsibly to the community and the nation's development.

1.2.4 Major Products and Services of CBE

1.2.4.1 Deposit Products and Services

The Bank provides different deposit products and services that enable customers to save money and store valuable property.

► Savings Account

This is an interest-bearing deposit account. CBE offers different types of Savings Accounts designed to address needs of different sections of the society.

➤ **DemandDepositAccount**

It is a non-interest-bearing account which is operated by cheque.

➤ **FixedTimeDeposit**

This deposit account allows customers to deposit their money for agreed term without movement and receive a higher interest rate than the prevailing interest rate for savings. The minimum initial deposit is birr 10,000 or USD 5,000 or its equivalent in EUR or GBP.

➤ **ForeignCurrencyAccount**

This account is opened in USD, GBP or EUR by international organizations, foreigners, NGOs, embassies etc whose source of fund is overseas and in foreign currencies.

➤ **DiasporaAccount**

This account is designed for Ethiopians and foreigners of Ethiopian origin living abroad and companies owned by them to deposit money in USD, GBP or EUR.

➤ **SafeDepositBox**

CBE gives rental service of safe deposit boxes for customers to store their valuable property.

1.2.4.2 **CreditProducts andServices**

CBE provides credit for working capital and expansion and facilitation of local and international trading activities. It also provides short, medium and long term loans. The following are the major loan types provided by CBE.

- **OverdraftCreditFacility**
- **MerchandiseLoan Facility**
- **WarehouseReceiptFinancing**
- **Pre-shipmentExportCreditFacility**

- Agricultural Output Financing for Cooperatives/Unions Against a Forward
- Delivery Contract with World Food Program (WFP)
- Import Letter of Credit Financing
- Back to Back Letters of Credit Financing
- Letter of Guarantee Facility

- **Term Loans**

These types of loans granted for working capital and/or project finance to be repaid within a specific period of time. The Bank extends Short-Term, Medium-Term and Long-Term loans.

- Short-Term Loan is granted up to a maximum period of three years.
- Medium-Term Loan has a maturity period longer than three years, but not exceeding a maximum period of seven years.
- Long-Term Loan has a maturity period longer than seven years, but not exceeding a maximum period of fifteen years.

Types of Term Loans:

- Motor Vehicle Loan
- Motor Vehicle Loan for Exporters
- Construction Machinery Loan
- Special Construction Machinery and Dump Truck Loan
- Infrastructure Construction Term Loan
- Investment Financing for Enterprises Operating in Industrial Parks
- Partial Financing Term Loan
- Syndicate Loan
- Agricultural Term Loan
- Micro-finance institution loan
- Channel Financing
- Urban Utility Financing
- Consultancy Firm Financing

► Interbanklending

- IdeaFinancing
- Importletterofcreditsettlementloan
- Loanbuyout
- HousingDevelopmentLoan
 - **ConsumerLoans**

A consumer loan is given to consumer individuals for personal or household purposes. CBE offers the following consumer loans.

CondominiumLoan

- MortgageLoanforEthiopianDiaspora
- Consumer Loans for Employees of International Organizations and NGOs

➤ **PersonalLoan**

- - AutomobileLoan
 - MortgageLoan

1.2.4.3 InternationalTradeService

CBE offers different types of trade service products and services that facilitate import and export activities.

- DocumentaryCredit
- DocumentaryCollection
- AdvancePayment
- ConsignmentBasisPayment
- Guarantee

1.2.4.4. MoneyTransferandForex Services

- LocalMoney Transfer
- InternationalMoneyTransfer
- SWIFT
- FCYPurchase

CBE purchases the following foreign currencies:

- USD
- GBP
- EUR
- SwissFrank
- SwedishKroner
- NorwegianKroner
- DanishKroner
- JapaneseYen
- CanadianDollar
- SaudiRiyal
- UAEDirham
- CentralAfrica Frank

In addition to the above listed foreign currencies, CBE uses the following currencies in account to account transfer for import/export and remittance purposes.

- AustralianDollar
- ChineseYuan
- IndianRupee
- SouthAfricanRand

1.2.4.5. InterestFreeBanking

Sharia-compliant finance or Interest Free Banking Service is an alternative banking service that operates based on the principles of Sharia which prohibits at the core the receipt and payment of interest as well as working in areas forbidden by the religion of Islam. CBE offers the following Interest Free Banking Services:

- ❖ DepositandInvestment;
- ❖ Financing;
- ❖ Guarantee;
- ❖ TradeService;
- ❖ MoneyTransfer(Hawallah);and
- ❖ Foreigncurrency exchange.

1.2.4.6. ElectronicPaymentServices

CBE provides different banking services via electronic channels.

1. CBE Birr

- Transfer Money, Cash Out, Buy Airtime,, Buy Goods, Pay Bill, Check Balance

2. ATM

Forex ATM, Mobile Banking, Internet Banking, Point-of-Sale Terminal (POS)

1.3 STATEMENT OF THE PROBLEM

Customer attitudes play a crucial role in the success of financial institutions, influencing their ability to attract, retain, and satisfy customers. CBE as the largest and most influential bank in Ethiopia, has made significant progress in expanding its services to both urban and rural areas, including Wolkite Town. However, despite these efforts, understanding and addressing customer attitudes is a crucial topic to cover.

In Wolkite Town, customer perceptions of CBE's services, such as reliability, accessibility, and customer service quality, affected the bank's market performance. Negative attitudes or dissatisfaction with banking services led to reduced customer retention, diminished trust, and a preference for alternative financial institutions.

Several factors contributed to these attitudes, including the quality of services offered, customer care, technological advancements, and the bank's responsiveness to customer needs. Yet, there was limited research on how these factors shaped customer attitudes, especially in Wolkite Town, a rapidly growing urban area with evolving financial demands.

This researcher explored customer attitudes toward the Commercial Bank of Ethiopia in Wolkite Town and tried to identify key factors influencing these attitudes, and tried to propose actionable recommendations to enhance customer satisfaction and loyalty.

By addressing this gap, the research provided valuable insights for improving CBE's operations and strengthening its competitive edge in the region and compared to other branches.

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of this study was to assess customer attitudes toward the Commercial Bank of Ethiopia in Wolkite Town and provide recommendations for enhancing customer satisfaction and loyalty.

1.4.2 Specific Objectives

- ▶ **Identify Factors Influencing Customer Attitudes:** The study tried to identify the key factors that influence customer attitudes toward the Commercial Bank of Ethiopia in Wolkite Town.
- ▶ **Evaluate Customer Satisfaction Levels:** The research tried to evaluate the level of customer satisfaction with the services provided by the bank.
- ▶ **Analyze the Impact of Customer Attitudes:** The study will analyze how customer attitudes affect the bank's performance and competitiveness in the market.
- ▶ **Explore Customer Challenges:** The research will explore the challenges faced by customers in their interactions with the bank.

The study proposes actionable strategies for improving customer satisfaction and fostering positive attitudes toward the bank. It provides a comprehensive understanding of customer attitudes and their implications for the Commercial Bank of Ethiopia in Wolkite Town.

1.5 Significance of the Study

This study tries to provide the following benefits to the CBE and others:

- ✓ To help other researchers to make further investigations in such areas.
- ✓ To enable CBE to evaluate the attitudes of its customers.
- ✓ The study allowed the student researcher to relate the theoretical part with practice in the real world and to gain knowledge, skill and experience of conducting research.

✓ To help CBE to identify their weaknesses and to improve their current performance to become more competitive in the town.

✓ In the long run, by addressing the challenges and concerns identified in the study, customers benefit from improved banking services, greater satisfaction, and a stronger relationship with the bank.

1.6 Research Questions

1. What factors influence customer attitudes toward the Commercial Bank of Ethiopia in Wolkite Town especially on yejoka branch?
2. How satisfied are customers with the services provided by CBE (yejoka branch)?
3. In what ways do customer attitudes impact the bank's overall performance and competitiveness in Wolkite Town?
4. What challenges do customers face when interacting with the CBE?
5. What actionable strategies can be implemented to improve customer satisfaction and foster positive attitudes toward the bank?

1.7 Scope of the Study

The scope was defined by the following dimensions:

1.7.1 Geographical Scope:

The research was limited to Wolkite Town, a growing urban area in Ethiopia. It examined the perceptions and experiences of customers who interacted with CBE branches located in this specific region.

1.7.2 Content Scope:

This study would explore factors influencing customer attitudes, such as service quality, accessibility, customer care, and technological innovations. It also evaluates customer satisfaction levels, challenges faced by customers, and the impact of attitudes on CBE's performance.

1.7.3 TargetPopulation:

The primary focus would be on individual customers of CBE in Wolkite Town (yejoka branch). The data collected from a sample represent different demographic groups, such as age, gender, education level, and income.

1.7.4 TimeFrame:

The study examines customer attitudes during a specific period, providing a realistic image of current perceptions rather than a long-term historical analysis.

By narrowing the scope, this study provides a focused and in-depth understanding of customer attitudes toward CBE in Wolkite Town, offering insights that are both relevant and practical for the branches' improvement.

1.8 Limitationofthestudy

Due to time and resource constraints, the research did not include other towns, other branches or banks in Ethiopia. It was also limited to customers' views, excluding internal perspectives from bank employees or management.

1.9 EthicalConsideration

After knowing the title of the study the researcher took formal letter from WKU Management department and submitted the letter to the manager of CBE yejoka branch Ato. Jemaludin Kemal. After getting the consent from the manager to distribute the questionnaires Then, oral consent would be obtained from each respondent before any questionnaire, then the researcher distributed the appropriate questionnaires to the customers. The selection of respondents were random sampling and the response collected was only from customers available at the time of distribution of the questionnaire.

1.10 Organizationofthepaper

The study is organized into five successive chapters.

The first chapter contains introduction, background of the study, statement of the problem, research objectives such as general and specific objective, research questions,

scopeofthestudy,significanceofthestudyandlimitationofthestudy.Thesecond

chapter consists of literature review which is a customers altitude and how it affects bussines. The third chapter includes research methodology and design, data source, data collection and data analysis and presentation The fourth chapter consists of data presentation and analysis and interpretation.Finally the fifth chapter consists of summary of findings, conclusions and recommendations.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Theoretical Review

An attitude is defined as a person's enduring favorable or unfavorable evaluations, emotional feelings, and action tendencies toward a specific object or idea. Individuals develop attitudes toward various aspects of life, including religion, politics, clothing, music, and food. These attitudes create a framework that influences their preferences, guiding them to move toward or away from particular objects. Kotler (2004) describes attitudes as relatively consistent evaluations that shape an individual's feelings and tendencies toward products or ideas.

When shopping for a new phone, for instance, some consumers may opt for a basic model that simply meets their needs, while others may desire the latest premium version. This variance in purchasing motivation can be explained through Maslow's Hierarchy of Needs (1943). Just as individuals prioritize basic needs like food and shelter before pursuing self-improvement, consumers make purchasing decisions aligned with their current priorities—whether those are meeting fundamental needs or seeking personal fulfillment.

Motivation further complicates consumer behavior. Vallerand et al. (2003) argue that consumer motivations can be either intrinsic or extrinsic. Intrinsic motivation involves engaging in activities for their inherent satisfaction (e.g., passion for a hobby), while extrinsic motivation relates to external rewards (e.g., monetary incentives or social recognition). Understanding these motivational drivers is crucial for comprehending how consumers form attitudes and make purchasing decisions.

Learning theory has also been widely applied in consumer behavior research. Schiffman and Kanuk (2010) explain that learning influences how consumers acquire and modify attitudes toward products. Through repeated experiences and exposures, individuals may develop preferences for certain products, brands, or services, reinforcing the notion that attitudes are dynamic and can

evolve over time due to personal experiences, marketing efforts, and social influences.

Lutz (1991) emphasizes that attitudes are formed through repeated exposure to specific stimuli, eventually becoming ingrained in consumers' psychological

frameworks. Although consumers may be unaware of the underlying factors influencing their attitudes, these attitudes significantly shape their purchasing decisions and brand loyalty.

Morgan and Hunt (1994) proposed the Commitment-Trust Theory, which asserts that trust and commitment are essential for developing long-term relationships between consumers and brands. Hoyer and MacInnis (2008) discuss the role of social influences in shaping consumer behavior, arguing that social groups (such as family, friends, and colleagues) and cultural norms significantly guide attitudes toward products and services.

The Social Exchange Theory (Homans, 1958) examines consumer behavior as an ongoing exchange of value between buyers and sellers. Consumers engage in transactions when they perceive that the rewards outweigh the costs, where value encompasses not only monetary aspects but also emotional and social rewards.

Cognitive dissonance theory, introduced by Festinger (1957), is relevant for understanding consumer post-purchase behavior. This theory posits that consumers experience discomfort when their beliefs and behaviors are inconsistent. For example, after making a purchase, consumers may feel uncertain or anxious about whether they made the right choice.

2.2 Empirical Review

2.2.1. The Relationship Between Attitudes and Consumer Behavior

Consumer attitudes are widely regarded as strong predictors of behavior. Fishbein and Ajzen (1975) developed the Theory of Reasoned Action, positing that a person's attitude toward an object is a key determinant of their behavior. Supporting this idea, Rao and Monroe (1989) demonstrated that positive consumer attitudes toward a brand lead to more favorable purchasing decisions, particularly when brand equity and perceived value are high. Chaudhuri and Holbrook (2001) further confirmed that brand affect and trust contribute to both attitudinal and behavioral loyalty, suggesting that attitudes form the foundation of sustained customer loyalty.

2.2.2 Customer Loyalty and Commitment

Trust and commitment are vital for creating long-term customer loyalty, which is a complex and multi-dimensional construct. Dick and Basu (1994) developed a framework that distinguishes between cognitive, affective, and conative loyalty, highlighting the increasing levels of commitment consumers show to a brand or product. When consumers perceive a product to be well-designed and of high quality, their positive attitudes increase, leading to greater loyalty and higher purchase intentions (Kotler, 1999).

2.3 Level of Commitment to Attitudes

Consumers vary in their commitment to attitudes, which is related to their level of involvement with the attitude object:

Compliance: At the lowest level of investment, compliance occurs when an attitude is formed to gain rewards or avoid punishments from others. This attitude is superficial and likely to change when the behavior is no longer monitored or when alternative options become available.

Identification: This process occurs when attitudes are formed to conform with another person or group. Advertising can exploit social consequences to encourage consumers to adopt desirable behaviors.

Internalization: At a high level of involvement, deeply ingrained attitudes become part of an individual's value system. These attitudes are challenging to change due to their significance to the individual (Solomon, 2003).

Many companies strive for high customer satisfaction because merely satisfied customers are still likely to switch when a better offer arises. Those who experience high satisfaction or delight develop an emotional affinity for the brand, leading to increased loyalty (Kotler, 1997).

Consumer Orientation

As competition intensifies, design often serves as a powerful differentiator for a company's products and services. Design encompasses all features that affect a product's appearance and functionality concerning customer requirements (Kotler,

1999).Lifestyleanalysisdevelopsmarketprofilesbasedondemographicinformati
on

and ratings of customers' activities, interests, and opinions, providing a more comprehensive understanding of customer behavior. If customers perceive the price as exceeding the product's value, they are unlikely to make a purchase (Kotler, 2004).

2.4 Characteristics Affecting Customer Behavior

Customer purchases are influenced by cultural, social, personal, and psychological characteristics. While marketers cannot control these factors, they must consider them in their strategies.

2.4.1 Culture

Cultural factors exert a broad and deep influence on consumer behavior (Kotler, 2004). Culture is a fundamental cause of a person's wants and behaviors, largely learned through socialization. Individuals acquire values, perceptions, and behaviors from their families and other significant social influences. Cultural impacts on buying behavior can vary significantly from one country or neighborhood to another, necessitating that international marketers adapt their strategies accordingly (Kotler, 2004).

2.4.2 Social Class

Social class refers to society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors. It is not determined by a single factor, such as income, but is measured through a combination of education, occupation, income, wealth, and other variables. Members of different social classes often exhibit similar buying behaviors, which is of interest to marketers (Kotler, 2004).

2.4.3 Social Factors

A consumer's behavior is also influenced by social factors such as small groups, family, and social roles and status:

Group Influence: Small groups can significantly impact product and brand choices, particularly when products are visible to others whom the buyer respects. Products purchased privately are less influenced by group dynamics (Kotler, 2004).

Family Influence: Family members can strongly influence buying behavior, making the family the most important consumer buying organization in society. Marketers are

particularly interested in the roles and influences of husbands, wives, and children on purchasing decisions (Kotler, 2004).

Role and Status: Individuals belong to various groups, and their positions within these groups are defined by roles and status. A role consists of the activities expected from individuals, while status reflects the esteem given to those roles by society (Kotler, 2004).

2.4.4 Personal Factors

Personal characteristics, such as age, life cycle stage, occupation, economic situation, lifestyle, personality, and self-concept, also influence buying decisions (Kotler, 2004):

Occupation: A person's occupation affects the goods and services they purchase. Marketers often identify occupational groups with above-average interest in their products (Kotler, 2004).

Economic Situation: An individual's economic situation influences product choices. Marketers track trends in personal income and interest rates to adapt their products accordingly (Kotler, 2004).

Personality and Self-Concept: Each person's unique personality influences buying behavior. Personality refers to the psychological characteristics that lead to consistent responses to one's environment (Kotler, 2004).

2.4.5 Psychological Factors

Four psychological factors influence a person's buying choices: motivation, learning, beliefs, and attitudes (Kotler, 2004):

Motivation: Individuals experience various needs, some biological and others psychological. A need becomes a motive when it is sufficiently intense to prompt action.

Learning: Learning reflects changes in behavior resulting from experience. Individuals learn through their interactions with products and services (Kotler, 2004).

Beliefs and Attitudes: Beliefs are descriptive thoughts individuals hold about

something. Marketers are particularly interested in beliefs about specific products and

services, as these beliefs contribute to brand image and influence buying behavior (Kotler, 2000). Attitudes represent the intensity of positive or negative

feelings toward a psychological object and are learned dispositions that can change and predict behavior (Ethinger, 1994).

Companies recognize that they cannot appeal to all buyers uniformly; buyers are too numerous and varied in their needs and buying practices (Kotler, 2004). Attitudes project behavior, influencing whether individuals engage in positive or negative actions (Ethinger, 1994).

Marketing managers in quality-centered companies have two primary responsibilities: to formulate strategies that foster total quality excellence and to deliver marketing quality alongside production quality. All marketing activities—research, sales training, advertising, and customer service—must be performed to high standards, requiring collaboration with other departments (Kotler, 1997).

Retaining profitable customers is crucial, as acquiring new customers is significantly more costly. Therefore, one of the marketer's main tasks is customer retention, which is achieved through relationship marketing. To maintain customer satisfaction, marketers can add financial or social benefits to products and create structural ties between services and their customers, while avoiding the retention of unprofitable customers (Kotler, 1997).

2.5 Customer Service

The distribution system cannot exist without customers. Therefore, it is essential to establish the desired level of customer service before adjusting the other logistical elements. Customer service encompasses the utilities or benefits customers expect from suppliers and acts as a quality control standard against which the performance of the distribution system can be evaluated.

While increasing service levels can raise costs, customers may be willing to pay for enhanced services rather than incur the costs associated with fewer services (Grass and Andraw, 1998). Relationship marketing plays a crucial role

in managing the marketing channel, requiring producers to clarify the rights and responsibilities of all channel members, ensuring respect and profitability for everyone involved (Kotler, 1997).

Intermediaries must be continuously motivated to perform their best. While the initial incentives that lead them to join the channel provide some motivation, this must be supplemented by training, supervision, and encouragement. Producers must not only sell through intermediaries but also to them (Kotler, 1997).

Producers should periodically evaluate intermediaries based on standards such as sales performance, inventory levels, customer delivery times, and cooperation in promotional and training programs (Kotler, 1997). Companies increasingly prioritize providing high-quality customer service to ensure that customers receive exactly what they need efficiently and effectively.

CHAPTER THREE

3. RESEARCH METHODOLOGIES AND DESIGN

3.1 Introduction

In this chapter, the researcher outlines the methodology employed to investigate customer attitudes toward the Commercial Bank of Ethiopia (CBE) in Wolkite Town. It includes the research design, data collection strategies, sampling techniques, and analytical approaches used to achieve the study's objectives. This methodology ensures systematic data gathering and interpretation, aligning with the research goals of assessing customer perceptions and their implications for service improvement.

3.2 Description of the Study Area

The study was conducted in Wolkite Town, the administrative and economic center of the Gurage Zone in Ethiopia's Southern Nations, Nationalities, and Peoples' Region (SNNPR). Located 158 kilometers southwest of Addis Ababa, Wolkite is a rapidly urbanizing hub strategically positioned along the Addis Ababa–Jimma highway. Its elevation (1,800–2,000 meters above sea level) contributes to a moderate climate, supporting both agricultural and commercial activities. The town's diverse population and dynamic economic environment make it an ideal location for examining customer interactions with financial institutions.

The selected CBE branch in Wolkite has operated for eighty years, serving over 15,000 account holders, including 10,000 active users, 8,529 ATM users, and 9,800 mobile banking subscribers. This extensive customer base reflects the bank's critical role in the region's financial ecosystem and provides a robust sample for analyzing customer attitudes.

3.3 Research Design

The study adopted a descriptive survey design to systematically document customer attitudes toward CBE services. This design was chosen to capture existing perceptio

ns, experiences, and satisfaction levels without manipulating variables. Unlike experimental approaches, the descriptive method prioritizes observational data,

enabling the identification of patterns in service evaluation while preserving the natural context of customer-bank interactions. "The initial draft of this analysis was refined using ChatGPT (OpenAI, 2023) to improve clarity. The AI tool was prompted with: 'Paraphrase this paragraph for conciseness.' Final edits were made by the author."

3.4 Data Collection

3.4.1 Data Sources

- **Primary Data:** Collected directly from CBE customers through structured surveys and questionnaires.
- **Secondary Data:** Sourced from CBE's internal reports, academic publications, and regional economic profiles to provide context for the findings.

3.4.2 Data Collection Methods

Structured questionnaires were administered to customers to gather quantitative data on service quality, accessibility, and satisfactions. Ethical compliance was emphasized, ensuring informed consent, confidentiality, and voluntary participation throughout the process.

3.5 Sampling Design

3.5.1 Target Population

The target population comprised adult CBE customers in Wolkite Town who actively use the bank's services, with a minimum monthly transaction threshold of 3,000 ETB and at least a diploma level of education.

3.5.2 Sampling Technique

The researcher employed simple random sampling for its simplicity and unbiased representation of the target population. While stratified sampling could ensure representation across different customer categories, the primary focus of this research is the aggregate attitudes of CBE customers,

regardless of demographic variables.

3.5.3 SampleSizeDetermination

The sample size was determined using the Yamane (1967) formula for sample size calculation, considering the lack of precise information on the total number of CBE customers in Wolkite Town. The formula is:

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

Where:

- n=samplesize
- N= populationsize(10,000)
- e=marginof error (0.01)

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

$$e^2 = (0.10)^2 = 0.01$$

$$n = \frac{10000}{1 + 10000 \cdot 0.01}$$

$$n = \frac{10000}{1 + 100} = \frac{10000}{101} \approx 99.01$$

,thesamplesizerounded tothenearestwholenumberis 99.

3.6 DataProcessingandAnalysis

Quantitative data were analyzed using descriptive statistics (e.g., percentages, frequency distributions) to identify trends in customer satisfaction and service evaluation. Resultswere presented through tablesand narrativesummaries toenhance clarity and accessibility.

3.7 Limitations

This study focused solely on CBE customers at the Yejoka branch in Wolkite Town. Due to the large number of active users, a smaller sample size was deemed more manageable and feasible within the constraints of this research project. As a result, a margin of error of 10% was accepted.

Additionally, feedback from the branch manager limited the questionnaire to primarily dichotomous questions. To avoid biased responses, the researcher focused on selecting participants who held at least a diploma and had a minimum monthly transaction threshold of 3,000 ETB, considering the literacy levels of the local population.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

According to the research conducted the analysis is based on the responses ground from the customers CBE yejoka branch . The total number of responses through questionnaire for the specific research is presented and summarized below. The analysis of this research covers key information found from customers.

Out of 99 copies of questionnaire distributed 67 responses were taken to conduct the research because of they fulfilled the diploma and above 30000 birr. The 32 responses were seen as defects and are not used .

The questions were realistic dichotomous questions with Descriptive analysis that are tabulation , frequency and percentage methods are used to present the collected data from sample respondents.

Table 4.1 Respondents general characteristics

Category	Male	Female	Total
Gender	45	22	67
Age			
- <22	5	2	7
- 23-29	25	12	37
- 30-35	12	6	18
- Above 35	3	2	5
Education			

Category	Male	Female	Total
- Diploma	30	15	45
- Degree	12	6	18
- Master	3	1	4
Income			
- Above 3,000 Birr	45	22	67

Source: questionnaire

The above table 4.1 presents the demographic data of the 67 respondents categorized by gender, age, education, and income.

- there are 45 males and 22 females, totaling 67 respondents. The Age distribution shows that the largest group is aged 23-29, consisting of 25 males and 12 females, followed by 12 males and 6 females in the 30-35 age range. The youngest group, under 22, has 5 males and 2 females, while the oldest group, above 35, includes 3 males and 2 females.
- Under Education, the majority hold a diploma, with 30 males and 15 females. The degree holders account for 12 males and 6 females, and only 3 males and 1 female have a master's degree.
- all respondents earn above 3,000 Birr, with 45 males and 22 females. This data provides insights into the demographic characteristics and educational backgrounds of the 67 group of respondents in which the research will depend on.

Table 4.2 Respondents general characteristics

Category	Male	Female	Total
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Gender	22	10	32
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Category	Male	Female	Total
Age			
- <22	12	5	17
- 23-29	7	3	10
- 30-35	2	1	3
- Above 35	1	1	2
Education			
- Grade 10th Completed	10	4	14
- Grade 12th Completed	12	6	18
Income			
- <500 Birr	8	4	12
- 500–1,000 Birr	7	3	10
- 1,001–2,000 Birr	5	2	7
- 2,001–3,000 Birr	2	1	3

Source: questionnaire

The above table 4.2 shows The demographic data consists of 32 respondents, with 22 males and 10 females. The age distribution indicates

- ✓ that the largest group is under 22 years old, comprising 12 males and 5 females. The 23-29 age range has 7 males and 3 females, while the 30-35 age group has 2 males and 1 female. The oldest group, above 35 years,

includes 1 male and 1 female.

- ✓ In terms of education, 10 males and 4 females have completed Grade 10, while 12 males and 6 females have completed Grade 12. This group is characterized by lower levels of educational attainment compared to Group 1.
- ✓ the majority earn less than 3,000 Birr per month. The largest income group is those earning less than 500 Birr, with 8 males and 4 females. The 500-1,000 Birr income group has 7 males and 3 females, followed by the 1,001-2,000 Birr group with 5 males and 2 females. The smallest income group is 2,001-3,000 Birr, with 2 males and 1 female.

Main question response analysis

For the interpretation of data starting from table 4.3 The researcher will be using the 67 respondents response.

Table 4.3 Respondents, response to main questions answer

Question	Yes percentage	No percentage	Yes frequency	No frequency
1. Do you currently have an account with the Commercial Bank of Ethiopia?	100%	0%	100	0
Would you consider yourself a loyal customer of CBE?	60%	40%	40	27
2. Have you used the services of the CBE Yejoka branch in the past month?	70%	30%	47	20

Question	Yes percenta ge	No percenta ge	Yes frequen cy	No frequen cy
3. Are you satisfied with the customer service provided by the CBE Yejoka branch?	50%	50%	34	33
4. Do you find the banking hours of the CBE Yejoka branch convenient?	45%	55%	30	37
5. Have you experienced any issues with the accessibility of CBE services in Wolkite Town?	65%	35%	44	23
6. Do you believe that the technological services (like online banking) offered by CBE meet your needs?	40%	60%	27	40
7. Would you recommend	50%	50%	34	33

Question	Yes percenta ge	No percenta ge	Yes frequen cy	No frequen cy
CBE to friends or family based on your experience?				
Do you feel that CBE addresses customer complaints effectively?	35%	65%	23	44
8. Have you ever considered switching to another bank due to dissatisfaction with CBE?	55%	45%	37	30
9. Do you believe that CBE is competitive compared to other banks in Wolkite Town?	60%	40%	40	27

Source: questionnaire

The above table 4.3 results provide customers perceptions and experiences regarding the Commercial Bank of Ethiopia (CBE), particularly at the Yejoka branch.

- For the first question, all respondents confirmed having an account with CBE, indicating a strong customer base.

Regarding usage of the CBE Yejoka branch services in the past month:

- 70% reported having utilized the services, which reflects a significant engagement with the branch. This indicates to the researcher that the branch remains relevant and frequently used by customers.

Satisfaction with customer service at the CBE Yejoka branch:

- with 50% satisfied and 50% dissatisfied the response is evenly split. The researcher highlights a critical area for the bank to address, improving customer service could enhance overall satisfaction and loyalty.

When asked about the convenience of banking hours,

- 45% found them convenient while 55% did not. This suggests that adjusting banking hours could be beneficial to better meet customer needs and preferences.

The question on accessibility issues in Wolkite Town

- showed that 65% of respondents experienced no problems, while 35% did. This indicates that while many customers find the services accessible, there are still significant concerns that need addressing.

In terms of technological services,

- 40% of respondents feel that the offerings meet their needs, whereas 60% feel they do not. This points to a gap in expectations and satisfaction regarding digital banking services, which could be an area for development.

The recommendation question revealed a neutral stance,

- with 50% willing to recommend CBE and 50% not. This suggests to the researcher that while some customers are satisfied, others may have

reservations that could impact the bank's reputation and also the banks future growth in the area.

On the effectiveness of addressing customer complaints

- a notable 65% believe that CBE does not handle complaints effectively, which indicates a critical area for improvement. Addressing this could enhance customer trust and loyalty.

When asked about considering switching banks,

- 55% of respondents indicated they have thought about it due to dissatisfaction with CBE. This is a concerning finding that underscores the importance of improving customer experiences to retain clients.
- 60% of respondents believe CBE is competitive compared to other banks in Wolkite Town, while 40% do not. This suggests that while CBE has a positive perception in the market, efforts should be made to enhance its competitive edge.

CHAPTER FIVE:

5. KEY FINDINGS, CONCLUSIONS, AND SUGGESTIONS

5.1 Key Findings

The research conducted on customer perceptions of the Commercial Bank of Ethiopia (CBE) at the Yejoka branch has yielded several important insights:

Customer Base and Loyalty: Every respondent confirmed they hold an account with CBE, demonstrating a strong customer base. However, only 60% identify as loyal customers, indicating a need for strategies to foster greater loyalty.

Service Usage: A notable 70% of participants reported using services from the CBE Yejoka branch within the last month, highlighting significant customer engagement and the branch's active role in meeting customer needs.

Customer Satisfaction: Satisfaction with customer service is evenly divided, with 50% expressing satisfaction and 50% not. This split reveals an area that requires attention for improvement.

Banking Hours: Only 45% of respondents found the banking hours convenient, while 55% were dissatisfied. This discrepancy suggests that revising operating hours might better accommodate customer schedules.

Accessibility Challenges: While 65% of respondents indicated no accessibility issues, the 35% who did highlight existing barriers that must be addressed to ensure all customers can utilize the services effectively.

Technological Services: A significant 60% of respondents feel that the bank's technological offerings, such as online banking, do not adequately meet their needs, presenting an opportunity for CBE to enhance its digital services.

Willingness to Recommend: The willingness to recommend CBE is evenly split, suggesting that while some customers are advocates, others have reservations that could impact the bank's reputation.

Handling of Complaints: Alarmingly, 65% of respondents feel that CBE does not manage customer complaints effectively. This perception represents a serious threat to customer trust and loyalty.

Considering Switching Banks: 55% of respondents have thought about switching to another bank due to dissatisfaction, indicating a pressing need for CBE to improve the customer experience to retain its clientele.

Market Competitiveness: 60% of the respondents view CBE as competitive compared to other banks in Wolkite Town. However, there is room for improvement to strengthen this perception.

5.2 Conclusions

This researcher highlights both the strengths and weaknesses in the customer experience at the CBE Yejoka branch. While the bank benefits from a solid customer base and a competitive market position, significant issues regarding customer satisfaction, complaint handling, and the adequacy of technological services must be addressed these areas are essential for enhancing customer loyalty and overall satisfaction of customer.

5.3 Suggestions

Based on the findings and conclusions of the research, the following suggestions are made to improve CBE yejoka branch performance and dominance.

Improve Customer Service: Introduce training programs for staff centered on customer service excellence. This initiative could help raise satisfaction levels and address the split perceptions regarding service quality.

Adjust Banking Hours: Reevaluate banking hours based on customer feedback to provide greater convenience and accessibility for a diverse clientele.

Address Accessibility Issues: Conduct a thorough review of reported accessibility challenges and implement actionable measures to eliminate these barriers.

Enhance Technological Services: Invest in improving digital banking offerings to better align with customer needs, including more user-friendly online banking platforms and mobile applications.

Strengthen Complaint Resolution: Develop a more effective and transparent complaint handling process to foster trust and improve customer perceptions regarding how grievances are addressed.

Engage Customers: Create initiatives to engage customers, gather their feedback, and build loyalty. This could involve loyalty programs or regular customer satisfaction surveys.

Monitor Competitive Position: Regularly assess services and offerings against competitors to ensure that CBE remains a favored banking option in Wolkite Town.

By implementing these suggestions, CBE can enhance customer satisfaction, retain its client base, and improve its overall reputation in the market.

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APPENDIX

WOLKITEUNIVERSITY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

Dear respondents, this questionnaire is designed to collect information from the customer of Commercial Bank of Ethiopia about their attitudes towards its products. The information that you provide is kept confidentially and could not be applied for other purposes except for academic purposes. I would like to thank in advance for your cooperation in filling this questionnaire. In filling the questionnaire please put a check mark (X) to the items in the provided boxes and write your answer in the space provided.

THANK YOU!!!

1. Gender Male Female

2. Age

<22 23-29 30-35 Above 35

3. Educational background

Grade 10th completed Diploma

Degree Grade 12th completed Master

4. Income level

<500 1001-2000 Above 3000

500-1000 2001-3000

Main question

10. Do you currently have an account with the Commercial Bank of Ethiopia?
- Yes No
11. Would you consider yourself a loyal customer of CBE?
- Yes No
12. Have you used the services of the CBE Yejoka branch in the past month?
- Yes No
13. Are you satisfied with the customer service provided by the CBE Yejoka branch?
- Yes No
14. Do you find the banking hours of the CBE Yejoka branch convenient?
- Yes No
15. Have you experienced any issues with the accessibility of CBE services in Wolkit e Town?
- Yes No
16. Do you believe that the technological services (like online banking) offered by CBE meet your needs?
- Yes No
17. Would you recommend CBE to friends or family based on your experience?
- Yes No
18. Do you feel that CBE addresses customer complaints effectively?
- Yes No
19. Have you ever considered switching to another bank due to dissatisfaction with CBE?
- Yes No
20. Do you believe that CBE is competitive compared to other banks in Wolkit e Town?
- Yes No