

**AN ASSESSMENT ON SERVICE RECOVERY IN COMMERCIAL  
BANK OF ETHIOPIA AT EMDIBER BRANCH**



**Wolkite University**  
*We Strive for Wisdom!*

**WOLKITE UNIVERSITY, COLLEGE OF BUSINESS AND ECONOMICS**

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## **ABSTRACT**

*Objective of this study is to assess service recovery practice in Commercial Bank of Ethiopia (CBE) at Emdibir Branch. This research is a descriptive research aimed at assessing and describing customers' expectation and perception of service quality in the banking service of Emdibir branch of commercial bank of Ethiopia and subsequently identifying the gap of service quality dimensions. The target population of the study is customers of commercial bank at the Emdibir branch. In all 200 customers of the bank were selected as the sample size of the study. The expectations and perceptions of the respondent were evaluated under the five dimensions of tangibility, reliability, responsiveness, assurance and empathy. The overall analysis for the five dimensions indicates that the customers' perceptions fall short of their expectations. It was found that background characteristics such as age, income level, occupation and qualification of customers of the bank have significant influence on customers' expectation and perception of banking service quality. It is recommended that greater emphasis should be placed on responsiveness and followed by reliability since it was found to be a higher service quality gap among the five dimensions.*

*Generally the conclusion is the result of average perception score minus the average expectation score derived from the instruments. When we take a closer look at the individual items, it is found that the individual statements under each dimension have a negative service quality gap implying that the overall expectation of service quality of the bank falls short of expectations.*

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# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

Service recovery refers to the actions of service firms in response to service failure. The Objective is to maintain the business relationship with the customer. This argument will be based on the premise that customer satisfaction ensures customer loyalty, repeat sales and positive word-of-mouth communications. It involves a series of steps that must be taken in order to attract and retain customers. (Lovelock and Wirtz, 2005)

Service recovery is a process that can produce positive results and overcome most service failures. Successful service recovery will diminish the negative impact of the original poor or failed service through post-service communication with the firm, customer come to believe that the service provider is fair because they admitted making a mistake or they offered the customer some type of resolution. A good service recovery process takes away all of the negative consequences of a service failure such as loss of time or money. The service recovery process will normally cause consumers to alter their attribution as to the cause of the service failure (Kurtz and Clow, 2002).

Owing to the human nature of service delivery, the occurrence of some service failures is almost inevitable. Persistently poor service delivery will, however, have a harmful impact on the survival and growth prospects of service firms. 'Service recovery' refers to the actions by a service firm to restore a customer to a state of satisfaction after a service failure. In other words, service recovery offers the firm a second opportunity to meet a service customer's expectations. Service recovery is of particular importance to service firms. Poor or ineffective service recovery leads to undesirable outcomes such as customer complaints, defections to competing firms and negative word-of-mouth. Effective service recovery (satisfaction with service recovery), on the other hand, it avoids these negative outcomes and may even strengthen customer loyalty. Customer perceptions of service delivery have been shown to be influenced by the environment in which service delivery takes place and service recovery is no exception (Bitner, 1990).

The commercial Bank of Ethiopia (CBE) was legally established as a Share Company in 1963 to take over the commercial banking activities of the State Bank of Ethiopia, which was founded in 1942 with twin objectives of performing the duties of both commercial and central banking.

During the 1974 revolution, CBE got its strength by merging with the privately owned Addis Ababa Bank. The CBE, which is striving to become a world-class bank, is rendering state-of-the-art and reliable Services to its millions of customers, both at home and abroad. The business strategies of the Bank focus on the interest of the public it serves. Currently, it has more than 1456 branches stretched across the country and it combines a wide capital base with more than 37,894 talented and committed permanent employees and more than 22,000 outsourced jobs as of June 30, 2019, whom it regards as its key assets. As on June 30th 2019, total deposits stood at birr 86.5 billion while total asset and capital of the bank reached birr 711.96 billion and 37.42 billion respectively (Company profile).

Services under the redesigned Customers' Account & Transaction Services (CATS) process: Account Opening local currency (LCY) and Foreign Currency (FCY), Deposit (Cash/Negotiable Instruments), Payment, Cheque Clearance and Money Transfer (FCY/LCY) ([www.combanketh.com](http://www.combanketh.com)).

Although the bank offers such kinds of services, customers have complaints on service recovery practices of Commercial Bank of Ethiopia in general, and Emdibir Branch in particular. The major concern of this paper was, therefore, to assess the service recovery practice of Commercial Bank of Ethiopia- Emdibir Branch.

## **1.2. Background of the organization**

Commercial Bank of Ethiopia, branch of Emdibir is located in Guraghe Zone, SNNP Ethiopia in cheha Woreda, which is 182kms far from Addis Ababa, the capital city of Ethiopia. Commercial Bank of Ethiopia, branch of Emdibir is one of the government banks. The history of Commercial Bank of Ethiopia (CBE), branch of Emdibir was legally established in Jan 24, 2012 G.C. Currently, which has 16 banker staff and 12 non banker staff.

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

Service recovery refers to the actions taken by an organization or service supplier in response to a service failure. Failures occur for some kinds of reasons like the service may be unavailable when promised, it may be delivered late or too slowly, the outcome may be incorrect or poorly executed, or employees may be rude or uncaring. All of these types of failures bring about negative feelings and responses from customers (Grönroos, 1988).

Let unfixed they can result in customers leaving, telling other customers about their negative experiences, and even challenging the organization through consumer right organizations or legal channels (Zeithmaland Bitner,2003:187).

This study was learnt from preliminary investigation that was later conducted by the research showed that the major Service failure of the bank emanates from redundant network off, incapability of customer service, long service delivery time, and in effective customer complain handling system (Bitner, 1990).

Service organizations often need to handle the complaints that customers file when a service failure happens. Service recovery, which generally refers to the actions a service provider takes in response to customer complaints (Grönroos, 1988), is thus an integral part of the organization's service activities. Although researchers have studied service recovery issues for over four decades (e.g. Kendall & Russ, 1975), organizations are still struggling with various aspects of service recovery management. The 2013 U.S. customer rage survey, for example, indicates that customer satisfaction with service recovery in 2013 is no higher than that reported by the 1976 White House Study (CMCC, 2013). Moreover, many organizations do not seem to make use of customer complaints to improve the processes that caused the service failure, and fail to support adequately their employees in dealing with complaining customers (Michel, Bowen, & Johnston, 2009). Managers also tend to perceive service recovery as a cost rather than an investment (Rosenbaum, 2015), and have no clear information on its impact on firm performance. As a result, the yearly revenue at risk to U.S. business because of a poor service recovery is estimated around \$76 billion (CCMC, 2013). This situation is paradoxical. On the one hand, service recovery is often considered as one of the most mature research areas in service management literature (Kunz &Hogreve, 2011), with researchers offering insights on

how to manage service recovery effectively. On the other hand, the large number of organizations still is struggling with service recovery management (Michel, et al., 2009).

Two factors suggest the need for conceptual integration and for a unifying framework of service recovery. First, the inspection of prior research reveals that studies are often conceptualized within a specific discipline, focusing on a set of very specific questions. Operations management researchers focus on understanding how organizations can develop service recovery systems (e.g. Smith, Karwan, & Markland, 2009), human resource management researchers focus on understanding how organizations can support their employees in the task of dealing with complaining customers (e.g. Bowen & Johnston, 1999), and marketing management researchers focus on understanding how customers react to the organization's service recovery efforts (e.g. Smith, Bolton, & Wagner, 1999). Such disciplinary thinking is mainly useful for organization science, but runs the risk of not being able to consider service recovery as a set of integrated concepts and theories. We think the time has come to increase researchers' awareness that "real-world problems do not come in disciplinary-shaped boxes" (Jeffrey, 2003, p. 539), and to offer an integrated view of how conceptual and empirical propositions on service recovery affect the organization as a whole. Second, an examination of the research tradition of service recovery management scholars reveals that researchers in operations management have approached the subject from a macro perspective, providing suggestions about the actions that need to be done at the macro (i.e. firm) level. Human resource management and marketing researchers have approached service recovery mainly from a micro perspective, in an effort to understand individual employee and customer perceptions and behavior. Tackling real-world organizational problems, however, requires an integrated approach that not only transcends the different disciplines, but also that cuts across the different levels of the organization. As Kozlowski & Klein (2000) stated, researchers can have an impact on organizational policies when conceptualizing and assessing significant phenomena at multiple levels simultaneously, taking into account both top-down and bottom-up processes.

This paper provides three fundamental contributions. First, this paper approaches service recovery from a truly interdisciplinary background. The researcher reviewed insights from prior and current research on this subject in the different disciplines, drawn connections between streams of research that are not typically cited together and that appear in journals that belong to

different areas, and take a more problem-oriented rather than discipline-oriented view on service recovery. With this effort, the researcher breaks free from the ‘disciplinary boxes’ (Alvesson & Sandberg, 2014) that typically exist within the domain. The researcher proposed a view of service recovery management that allows making broader connections and framing of this phenomenon, and thereby open up new ways of seeing, researching, and acting on service recovery. As such, this paper answered the recent calls for more interdisciplinary service research (Ostrom, Parasuraman, Bowen, Patricio, & Voss, 2015; Subramony& Pugh, 2015). Second, by reorganizing in a multilevel framework the relevant literature, we offer a view of the key themes in service recovery within and across macro and micro levels, and show how these themes are related rather than disassociated (Michel, et al., 2009). The researcher believes that such effort can reduce the discrepancy between research that resides at the micro level (e.g., customers’ justice perception of the recovery actions) and the one that resides on a macro level (e.g., service recovery systems). Such effort might help reducing the difference between academic focus on either the micro or the macro level and the managerial need about the strategic implications of findings that traverse multiple echelons of the organization (Wong, 2016).

Finally, the researcher proposed an agenda for future research in this important domain of service management.

Therefore, in this study, the researcher assessed service recovery practice of Commercial Bank of Ethiopia at Emdibir Branch for service failures discussed above.

#### **1.4. Research Questions**

The researcher has set the following research questions as guideline for the overall research process:

1. What are the problems exist in the service recovery practice of Commercial Bank of Ethiopia (CBE) at Emdibir Branch?
2. What are the methods of service recovery programs in Commercial Bank of Ethiopia (CBE) at Emdibir?
3. What kinds of measurements are most important to perform service recovery practice?

## **1.5. Objectives of the Study**

### **1.5.1. General Objective**

The general objective of this study is to assess service recovery practice in Commercial Bank of Ethiopia (CBE) at Emdibir Branch.

### **1.5.2. Specific Objectives**

In addition to the above general objective, the study has following specific objectives:

- To identify problems which exist in the service recovery practice of Commercial Bank of Ethiopia (CBE) at Emdibir Branch
- To investigate methods of service recovery programs in Commercial Bank of Ethiopia (CBE) at Emdibir Branch
- To determine different kinds of measurements which are most important to perform service recovery practice

## **1.6. Significance of the Study**

The study could be important to CBE by showing the assessment of service recovery practice and it could also be important to other private bank generally. The study may be useful to further study since few studies have undertaken on service recovery in CBE and other public and private service organization.

The research work has significance to:

- ✓ The bank to improve the service recovery practice (CBK annual report 2014). It contributes to the researcher as the partial fulfillment of BA degree in marketing management
- ✓ Other researchers may use it as references in conducting further research.

## **1.7. Scope of the study**

Because of the time and budget constraints, the study was limited on service recovery practices in commercial bank of Ethiopia at Emdibir branch. It also focused on assessing service recovery practice in commercial bank of Ethiopia. Descriptive research method was employed to conduct this study.

## **1.8. Limitation of the Study**

As a student researcher my intention was to cover all the possibilities of to assess the service recovery practice of Commercial Bank of Ethiopia at Emdibir branch. However, the study needs skilled and organized manpower get detail and enough information, adequate time and shortage of reference books. Moreover, some respondents do not provide relevant data and information on time. All the above reasons reduce the strength of the outcome of the research.

## **1.9. Organization of the Paper**

This research paper was organized in five chapters: the first chapter contains background of the study, statement of the problem, research questions, objective of the study, Significance of the study, Scope of the study and organization of the paper. The second chapter deals with related review literature, and the third chapter includes, research methodology. The fourth chapter contains data analysis and interpretation, chapter five contains summary, conclusion and recommendations.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

#### **2.1. Overview of Service Recovery**

##### **A. Meaning of Service**

A service is an act performance offered by one party to another. Although the process may Betties to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production. Services are economic activities that create value and provide benefits for customers' specific times and places, as a result of bringing about a desired change in-or on behalf of – the recipient of the service- service are those separately identifiable, essentially intangible activities which provide want-satisfaction, and that are not necessarily tied to the sale of a product or another service. To produce a service may or may not require the use of tangible goods. However when such use is required, there is no transfer of title (permanent ownership) to these tangible goods.

One common method of defining a service is to distinuish between the 'core' and peripheral 'elements of that service. The 'core' service offering is the 'necessary outputs of an organization which are intended to provide the intangible benefits customers are looking for'. Peripheral services are those which are either 'indispensable for the execution of the core service or available only to improve the overall quality of the service bundle. Services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timelines, comfort or health) that are essentially intangible concerns of its purchaser (Balaji,2002:1).

##### **B. Meaning of Service Recovery**

Service recovery is how you pull a customer from hell to heaven in 60 seconds or less. You need to apologize, solve the problem, compensate with something of value, create a service recovery process and train employees. This article defines service recovery, detail the importance to the bottom line, identify role models and describe the elements of service recovery.

Although 'complainers' may represent a small percentage of dissatisfied customers, the service provider is usually able to identify them and, more importantly, take some action to maintain

their loyalty. Breakdowns usually occur as a result of inbuilt in the delivery system. Organizations need to focus on service design to reduce complaints.

Different customers have different views about how they want their problems to be dealt with, that is, different recovery expectations. The way to respond, in this case, is to design a recovery strategy that meets the needs and expectations of each customer. Empowered employees are the best vehicle to carry out these recovery processes as they can respond flexibly as, and when, a problem arises. Service delivery system failures can be remembered as highly satisfactory if handled properly (Zeithmal and Bitner, 2003:187).

### **C. The Importance of service Recovery**

Service recovery is a critical yet all too often missing element in providing customer service that attract and retain customers and have a positive impact on the bottom line of any business no matter where it is located or what product or service it provides. In his latest book- loyal for life: How to take unhappy customers from hell to heaven in 60 seconds or Less john Tschohl, defines service recovery, details its importance to the bottom line, identifies role models, and describes the elements of service recovery(Mudie and Pirrie,2006:254).

### **D. Service Recovery tools**

A guarantee is a particular type of recovery tool. It is according to the dictionary definition” an assurance of the quality of or length of use to be expected from product offered for sale, often with a promise of reimbursement.” although guarantee is relatively common for manufactured products, they have only recently been used for services. Traditionally, many people believed that services simply could not be guarantee given their intangible and variable nature. What would be guaranteed? With a product, the customer is guaranteed that it will perform as promised and if not, that it can be returned. With services, it is generally not possible to take return or to “undo” what has been performed. Again, this raise the question for many of what could be guarantee, and how. The skepticism about service guarantee is being dispelled, however, as more and more companies find they can guarantee their services and that there are tremendous benefits for doing so (Zeithmal and Bitner, 2003:205).

### **E. Service Failure and Recovery**

Service failures are instances where a service is either not performance poorly. In terms of satisfaction states, service failures are the instances when customers leave a service angry or

dissatisfied. In both situations, the service performance is below the adequate expectation level of the customers, because of the dissatisfaction; customers will be less inclined to purchase from the firm again. In many cases, they will tell others about their bad experience, which compounds the negative impact on the service firm. An unhappy customer will tell 10 to 11 others about his or her experience.

The impact of dissatisfaction is quite staggering (Kurtz 2002:399).

Service failures do not automatically result in firm-switching behavior and negative word-of-mouth communications. Customers can be recovered. The manner in which post service failures are handled will have a greater impact on future purchase behavior than the level of dissatisfaction of the original service experience. Firms have a second chance for making things right with the customer. However, if a firm fails the second time around, the backlash is even stronger since the firm, in essence, has failed twice, it failed during the regular service, then it failed again in the service recovery process.

A strong service recovery process can produce positive results and overcome most service failures. Successful recovery will diminish the negative impact of the original poor or failed service for three reasons. First, through post service communications with the firm, customers come to believe that the service provider is fair because they admitted making a mistake or they offered the customer some type of restitution. Second, a good service recovery process takes away all of the negative consequences of a service failure such as loss of time or money.

Third, the service recovery process will normally cause consumers to alter their attributions as to the cause of the service failure (Kurtz 2002:400).

#### **F. Quality Service and Customer Handling**

Quality is an important element that differentiates banks relative to that of its competitors.

Many books written by different authors define quality service. Adrain Pamler (1995: 144) opened; quality can be defended only by customers and occurs when an organization supplies goods or services. To specification that satisfies their needs. He also said that, quality is the extent to which a service customer's requirements; banks have to identify just what these requirements are.

Marketing researchers have long believed that, to avoid or solve customer handling problems banks must find ways keeping customer satisfied. Poor quality service is a major factor which causes dissatisfaction among customers, therefore to deeply satisfy customers. Banks have to solve service

quality, problems. Because dissatisfied customer head banks to face customers do not complain but tell to other what dissatisfied them and shift to competitive banks for sake of quality service. This put the bank in serious in customer handling problem (Robert Phelps, 2001: 38).

## **2.2. Methods of Service Recovery**

### **2.2.1. Reducing Service Failure**

Reducing service failures require that firm's keep an accurate record of customer complaints and that they encourage customers to complain. By keeping a record of customer complaints, weak areas in the service process can be spotted. If a number of customers complain about the same thing, then the firm knows it is a problem.

It is important to encourage customers to complain. Those who are angry will normally complain, but those at the dissatisfied or irritated stage will usually not say anything.

Encourage these customers to complain will allow a firm to see any weaknesses in process or materials used in their service. Strength these weak links will allow the service to improve quality. Encouraging customers to complain will also convey a message that firm cares about its customers. It promotes a long-term relationship (Kurtz 2002:402).

### **2.2.2. Customer Response Options to Service Failures**

The courses of action a customer may take in response to a service failure. This model suggests at least three major courses of action.

1. Take no action.
2. Take some form of private action (including abandoning the supplier).
3. Take some form of public action (including complaining to the firm or to a third party, such as a customer advocacy group, customer affaires or regulatory agency, or even civil or criminal courts)(Lovelock and Wirtz,2005:404).

It is important to remember that the customer may pursue any one or a combination of the alternatives. Managers need to aware that the impact of a defection can go far beyond the loss of that person's future revenue stream. Angry customers often tell many other people about their problems. The internet allows unhappy customers to reach thousands of people by posting complaints on bulletin boards or setting up web sites to publicize their bad experiences with specific organizations.

### **2.2.3. Principles of Effective Service Recovery System**

Recognizing that current customers are a valuable asset base, a manager need to develop effective procedures for service recovery following unsatisfactory experiences we discuss their guiding principles for how to do this well: make it easy for customers to give feedback, enable effective service recovery and establish appropriate compensation levels(Lovelock andWirtz,2005:409).

## **2.3. Problems which Exist in the Service Recovery Practice**

### **2.3.1. The Impact of Service Failures and Recovery**

Service recovery refers to the actions taken by an organization in response to a service failure.

Failure occur for all kinds of reasons-the service may be unavailable when promised, it may be delivered late or too slowly, the outcome may be incorrect or poorly executed, or employee may be rude or uncaring. Left unfixed, they can result in customers leaving, telling other customers about their negative experiences, and even challenging the organizations or legal channels (Lovelock and Wirtz, 2005:404).

The impact of good service recovery can be illustrative by the experience of a tourist group going from New York to club med in Cancun. The flight from New York to Cancun was delayed ten hours, arriving in Cancun at 2:00 A.M. Both food and beverages ran out long before the end of the flight. Landing in Cancun was so hard that the oxygen masks were discussing was beyond the irritated stage. It had reached the angry stage. A lawyer on board was already discussing with the passengers a possible class-action lawsuit.

Hearing about the bad experience of the passengers, club med chef Sylvio Debartoli went to work. He took half of the staff to the airport to greet the guests when they got off the plane.

They helped them with the luggage and listened to their accounts of horror. At club med the other half in the service recovery process, the staff of club med was able to convince most of the staff prepared a lavish banquet that included champagne and a live band. Realizing the importance of compatibility management and the role other guests to stay up and wait for those arriving late. Instead of being angry, the late-arriving guests were commenting it was the most fun they had experienced since college. Instead of dissatisfaction and a lawsuit, the guests returned to New Work with stories about what a great experience they had and what a great place club med was to visit 25.

### **2.3.2. How Customers Respond To Service Failure**

When there is a service failure, customers can respond in a variety of ways. It is assumed that following a failure, dissatisfaction at some level will occur for the customer. In fact, research suggests that a variety of negative emotions can occur following a service failure, including such feelings as anger, discontent, disappointment, self-pity, and anxiety. These initial negative responses will affect how customers evaluate the provider or not.

Many customers are very passive about their dissatisfaction, simply saying or doing nothing. Whether they take action or not, at some point the customers will decide whether to stay with that provider or switch to a competitor. As we already have seen, those who do not complain are least likely to return. For companies, customer passivity in the face of dissatisfaction is a threat to future success (Lovelock and Wirtz, 2005:190).

Customers initiate action can be of various types. Dissatisfied customer can choose to complain on the spot to the service provider, giving the company the opportunity to respond immediately. This is often the best-case scenario for the company because it has a second chance right at that moment to satisfy customer, keep his or her business in the future, and potentially avoid any negative word of mouth. If they don't complain immediately, customers may choose to complain later to the provider by phone or in writing, or even to call the corporate offices of the company. Again, the company has a chance to recover. Researchers refer to these proactive types of complaining behavior as voice response or seeking redress (Lovelock and Wirtz, 2005:191).

### **2.3.3. Customer Expectation during Complaining**

Zeithaml and Bitner (2003) pinpointed that, when customers take time and effort complain, they expect to be helped quickly, they expect to be compensated for their grief and for the hassle of being inconvenienced and they expect to be treated nicely in the process. Service recovery experts have documented three specific types of that customers are looking for following their complaints:

#### **✚ Outcome fairness**

Customers expect outcomes, or compensation, that matches the level of their dissatisfaction. This compensation can take the form of actual monetary compensation, and apology, future free service, reduced charges, repairs, and /or replacements. Customers want to feel that the company has “paid” for its mistakes in a manner at least equal to what they have suffered.

#### **✚ Procedural fairness**

In addition to fair compensation, customers expect fairness in terms of policies, rules and timeliness of the complaint process. They want easy access to the complaint process, and they want things handled quickly, preferably by the first person they contact. So that, the recovery effort can match their individual.

#### **Interaction of fairness**

Above and beyond their expectations of fair compensation and hassle free, quick procedures, customers expect to be treated politely, with care and honesty. This form of fairness can dominate the others if customers feel the company and its employees have uncaring attitudes and have done little try to resolve the problem.

## **2.4. Effective Service Recovery Practice**


### **2.4.1. Service Recovery Following Customer Complaints**

Some customers choose not to complain directly to the provider but rather spread negative word of mouth about the company to friends, relatives, and coworkers. This negative word of mouth can be extremely detrimental because it can reinforce the customers' feelings of negativism and spread that negative impression to other as well. Further, the company has no chance to complaint directly to the company.

Finally, customers may choose to complain to the third parties such as the better business bureau, to consumer affairs arms of the government, to a licensing authority, to a professional association, or potentially to a private attorney. No matter the actions (or interaction), ultimately the customers determine whether to patronize the service provider again or to switch to another provider (Balaji B.2002:264).

### **2.4.2. Types of Complainers**

Research suggests that people can be grouped into categories based on how they respond to failures. Four categories of response types were identified in a study that focused on grocery stores; passive, voices, irate, and activists. Although the proportion of the types of complainer's likely to vary across industries and contexts, it is likely that these four categories of complainer types will be relatively consistent and that each type can be found in all companies and industries.

 **Passive:** this group of customers is likely to take any action. They are unlikely to say anything to the provider, less likely than others to spread negative word of mouth, and

unlikely to complain to a third party. They often doubt the effectiveness of complaining, thinking the consequences will not merit the time and effort they will expend. Sometimes their personal values or norms argue against complaining. These folks tend to feel less alienated from the marketplace than irate and activists

✚ **Voicers** - these customers actively complain to the service providers, but they are less likely to spread negative word of mouth, to switch patronage, or to go to third parties with their complaints. These customers should be viewed as the service provider's best friends. They actively complain and thus give the company a second chance. As with the passives, these customer is are alienated from the market place than those in the other two groups. They tend to believe compliant has social benefits and therefore don't hesitate voice their opinions. They believe the consequence of compliant to the provider can be very positive and they believe less in other types of complaining such as spreading word of mouth or talking to the third party. Their personal norms are consistent with complaining.

✚ **Irates-** these consumers are more likely to engage in negative word of mouth to friends and relatives and to switch providers than are others. They are about average in their interest to complain to the provider. They are unlikely to complain to third part. This talk tends to feel somewhat alienated from the market placed. As their names suggests, they are more angry with the provider, although they do believe that complaining to the provider can have social benefits. They are less likely to give the service provider a second chance and instead will switch to competitors, spreading the words to friends and relatives along the way.

✚ **Activists-** these consumers are characterized by above propensity to complain to the provider, they will tell others, and they are more likely than any other group to complain to third parties complaining fits with their personal norms. As with the iratest, these consumers are more alienated from the market place than the other groups. They have avery optimistic sense of the potential positive consequence of all types of complaining. When there is a service failure, customers can respond in a variety of ways.

It is assumed that following a failure, dissatisfaction at some level will occur for the customer. In fact, research suggests that a variety of negative emotions can occur following a service failure, including such feelings as anger, discontent, disappointment, self-pity, and anxiety. These initial negative responses will affect how customers evaluate the provider or not. Many customers are very passive about their dissatisfaction, simply saying or doing nothing. Whether they take

action or not, at some point the customers will decide whether to stay with that provider or switch to a competitor. As we already have seen, those who do not complain are least likely to return. For companies, customer passivity in the face of dissatisfaction is a threat to future success (Zeithmal and Bitner, 2003:191).

If customers initiate action service failure, the action can be of various types. Dissatisfied customer can choose to complain on the spot to the service provider, giving the company the opportunity to respond immediately. This is often the best-case scenario for the company because it has a second chance right at that moment to satisfy customer, keep his or her business in the future, and potentially avoid any negative word of mouth. If they don't complain immediately, customers may choose to complain later to the provider by phone or in writing, or even to call the corporate offices of the company.

Again, the company has a chance to recover. Researchers refer to these proactive types of complaining behavior as voice response or seeking redresses (Valarie A. and Others 2003:190).

### **2.4.3. Service Recovery Strategies**

The importance of an effective service recovery strategy is for retaining customers and increasing positive word of mouth. Another major benefit of an effective service recover strategy is the information it provides that can be useful for service improvement. Specific strategies that firms can use for service recovery are:-

#### **1. Fail-safe your service dolt right the first time.**

In this way recovery is unnecessary, customers get what they expect, and the cost of redoing the service and compensating for errors can be avoided.

#### **2. Well come and Encourage complaints**

Even in zero defections organization that aims for 100% service quality, failures occur. A critical component of a service recovery strategy is thus to welcome and encourage complaints. It should be anticipated, encouraged, and tracked. The complaining customer should be viewed as a friend.

#### **3. Act quickly**

Complaining customers want quick responses. Thus if the company welcomes, even encourages, complaints, it must be prepared to act on them quickly. This requires systems and procedures that allow quick action, as well as empowered employees.

#### **4. Treat customers fairly**

In responding quickly, it is also critical to treat each customer fairly, customers expected to be treated fairly in terms of the outcome they receive, the process by which the service recovery takes place, and the interpersonal treatment received.

#### **5. Learn from recovery experiences Problem-**

Resolution situations are then opportunities to fix defective services and strengthen ties with customers. They are also a valuable but frequently ignored or underutilized source of diagnostic, prescriptive information for improving customer service.

#### **6. Learn from lost customer**

Another key component of an effective service recovery strategy is to learn from customers who defect or decide to leave. Formal market research to discover the reasons customers have left can assist in preventing failures in the future. Not all companies are doing poorly at service recovery. Many have learned the importance of providing excellent recovery for disappointed customers. In this section we examine their strategies and share examples of benchmark companies and what they are doing. It will become clear that excellent service recovery is really a combination of a variety of strategies shown in the figure will be discussed, starting with the basic “do it right the first time” (Zeithmal and Bitner, 2003:197-203).

##### **2.4.3.1. Why do customers complain?**

In general studies of consumer complaining behavior have identified four main purposes for complaining:

1. Obtain restitution or compensation. Often, consumers complain to recover some economic loss by seeking a refund, compensation, and/or have the service performed again.
2. Vent their anger. Some customers complain to rebuild self-esteem and/or vent their anger and frustration. When service processes are bureaucratic and unreasonable or when employees are rude, deliberately intimidating, or apparently uncaring, the customer's self-worth, or sense of fairness can be negatively affected. They may become angry and emotional.
3. Help to improve the service. When customers are highly involved with a service (e.g. at college, an alumni association, or their main banking connection), they give feedback to try and contribute toward service improvements. These customers are motivated by the prospect of getting better service in the future.

4. For altruistic reasons. Finally, some customers are motivated by altruistic reasons. They want to spare other customers from experiencing the same problems, and they might feel bad if a problem is not highlighted (Lovelock and Wirtz, 2005:405).

#### **2.4.4. Customer Responses to Effective Service Recovery**

Service Recovery is an umbrella term for systematic efforts by a firm to correct a problem following a service failure and retain a customer's goodwill. Service recovery efforts play a crucial role in achieving (or restoring) customer satisfaction. In every organization, things may occur that have a negative impact on its relationships with customers. The true test of a firm's commitment to satisfaction and service quality isn't in the advertising promises but in the way it responds when things go wrong for the customer (Lovelock and Wirtz, 2005:407).

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **3.1. Description of study area**

Emdibir is a town in south-western Ethiopia. It is located in the Gurage Zone of the Southern Nations, Nationalities and Peoples' Region; this town has a latitude and longitude of 8°7'N37°56'E / 8.117°N 37.933°E and an elevation between 2130 and 2164 meters above sea level. It is the administrative center of Cheha woreda, which is 182kms far from Addis Ababa, the capital city of Ethiopia.

According to the Gurage Zone government, Emdibir is one of 12 towns with electrical power, one of 11 with telephone service and one of nine that have postal service. An all-weather road was built in 1963 by the Gurage Road Association, which connected Emdibir to Addis Ababa through Welkite and Hosaena.

Historically, in the early 1930s there was a Catholic mission of the Capuchins, usually with a Père and a Frère; they did some medical work and had a school. During the Italian occupation the mission was renamed "Missionedella Consolata". The Emdibir market was held every Friday.

Demographically, based on figures from the Central Statistical Agency in 2005, Emdibir has an estimated total population of 4,057 of whom 1,992 are men and 2,065 are women. The inhabitants practiced Ethiopian orthodox Christianity with 48.17 % of population, 42.32% were Muslims, 7.86 were Protestants and 1.34 was Catholics. Most of the people of Emdibir are speakers of Guragagna and Amharic.

#### **3.2. Research Design**

In order to assess the service recovery of the bank the descriptive research method was employed. This is because it helps to gather data in order to describe the service recovery situation of the CBE.

### 3.3. Target Population

In order to gather appropriate information which is relevant and related with the assessment of service recovery practice in commercial bank of Ethiopia Emdibir Branch, the target populations of the study were

- ☞ The branch manager and customer service manager who are directly related to the customers and service tasks
- ☞ Customers of the bank (commercial bank of Ethiopia) at Emdibir branch
- ☞ The target group of the study will be the manager of commercial banks of Ethiopia in Emdibir branch, estimates number of 2000 current account holder will be customers of commercial bank of Ethiopia in Emdibir town in addition to this the researcher will took all 30 employees of the banks as a target group of the study. The managers of the bank were also another target population of the researchers study.

#### 3.3.1. Sample Size and Sampling method

The researcher selected sample size of the population by using taking (Yamanes formula, 2007).

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

Where,  $N = \text{total population}$

$e = \text{error}$

$n = \text{samplesize}$

Given total population= 2032

Error = 0.5% = 0.05

Level of confidence = 95 = 0.95

Population Types	Target Population	Sample Size
Customers of the bank	2000	329
Employees of the bank	30	5
Managers of the bank	2	-
Total	<u>2032</u>	<u>334</u>

$$n = \frac{2032}{1 + 2032(0.05)^2} = 334$$

Employees by using census method due to in an organizational small in number the researcher will took all employees of the bank.

In this research, researchers will use convenience sampling for customers, which will be a non-probability sampling technique. The reason for taking non probability sampling was that it would be difficult to get the complete population list or it was impossible to get all customers at the same time.

### **3.4. Types of Data Sources**

To get genuine responses from customers, the researcher used Primary and secondary data sources. Primary data will be collected through questionnaires and interview. Questionnaire will be prepared to customers and employees. The researcher conducted interview with Customer Service Manager and Branch Manager.

Furthermore, Secondary data were collected through customer service department record, relevant books, internet and report presented by the company itself related with this study.

### **3.5. Method of Data Collection**

The researcher used both quantitative and qualitative data.

- ✓ Quantitative data will be collected through close ended questionnaires.
- ✓ Qualitative data will be collected through open ended questionnaires and interview.

Secondary or documentary data through customer service record, relevant books, internet and report presented by the bank itself to figure out and study deeply about the service recovery of the company.

### **3.6. Data Analysis Method**

The quantitative data were analyzed using frequency, percentage and tabulation. However, the qualitative data were collected through interview and narrated/ analyzed qualitatively.

## **CHAPTER FOUR**

### **4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

This chapter deals with the Presentation, Analysis and Interpretation of the gathered data from Commercial Bank of Ethiopia customers and the data were obtained through distribution of questionnaires to customers of Commercial Bank of Ethiopia as well as conducting an interview to the Commercial Bank of Ethiopia manager and customer service manager at Emdibir Branch.

The research tries to assess the degree of service recovery from customer point of view, Commercial Bank of Ethiopia Emdibir Branch manager and customer service manager.

Accordingly various questions were posed to sample respondents mainly related to customer complaint handling mechanism, service failure, and service recovery. To make this research paper, 200 representative questionnaires are prepared and distributed to the respondents but only 174 (one hundred seventy four) were responded. This means 87% of customers have filled and returned the questionnaire. So the Analysis is presented based on the response gathered from the Commercial Bank of Ethiopia customer and summarized by using descriptive statistic method. Where by the raw data is computed in percentage and presented in a tabularized form followed by detail explanation and critical interpretation of the data that is made to show implication of the major findings.

#### **4.1. General Characteristics of the Respondents**

Table 1 on the next page describes the Demographic Characteristics of the respondents including Sex, Age, Educational Level, Occupation, and for how many years' customers have been using Commercial Bank of Ethiopia Emdibir Branch?

Table 1:- General Characteristics Of Respondents.

S/N	Item	Customer Respondent	
		Frequency	Percentage (%)
<b>1</b>	<b>Sex</b>		
	Male	127	73%
	Female	47	27%
	<b>Total</b>	174	100%
<b>2</b>	<b>Age</b>		
	18-27 years	76	43.7
	28-37 years	75	43.1
	38-47 years	21	12.1
	48-56 years	2	1.1
	Above 56 years	0	0
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>3</b>	<b>Educational background</b>		
	Below 10th grade	25	14.4
	10th complete	50	28.7
	Certificate	18	10.3
	Diploma	49	28.2
	1st degree and above	32	18.4
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>4</b>	<b>Occupation</b>		
	Governmental	7	4.0
	Private	82	47.1
	Broker	79	45.4
	Merchant	4	2.3
	Others		
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>5</b>	For how many years have you been using commercial bank of Ethiopia?		
	less than 1 year	53	30.5
	1-5 year	103	59.2
	6-10 year	14	8.0
	above 11 years	4	2.3
	<b>Total</b>	<b>174</b>	<b>100.0</b>

As can be seen item 1 of table 1 regarding sex distribution, 127 (73.0%) of respondents were Male, and 47 (27.0%) of them were Female. This implies that most of the respondents are Male. In relation to Age category as shown item 2 of the same table the No of respondents from age 18-27 were 76(43.7%), 28-37 years were 75 (43.1 %), 38-47 years were 21(12.1 %), 48-56 years were 2 (1.1%), and No respondents above 56 years. This deduces that Commercial Bank of Ethiopia is highly demanded by the young age group.

Item 3 on the previous page again explain the educational background of the respondents.

Accordingly, out of the total respondents, 25 (14.4%) were below 10th grade, 50 (28.7%) were 10th complete, 18(10.3%) were Certificate, 49(28.2%) were Diploma, 32 (18.4%) were 1st degree and above. This shows that most of customers of Commercial Bank of Ethiopia at Emdiber Branch are 10<sup>th</sup> complete.

Regarding the occupation of the total respondents 7(4.0%) were governmental, 82(47.1%) were private, 79(45.4%) were Broker, 4(2.3%) were merchant, and 2(1.1%) were other than mentioned above like students, and House Wife. This deduces that private customers are upstanding members of the bank.

As depicted on the previous page again table 1 of item 5 out of the total respondents regarding of length of time using Commercial Bank of Ethiopia at Emdibir Branch bank's service,53(30.5%) of respondents replied using the service for less than 1 year, 103(59.2%)of respondents said using the service for were 1-5 years, 14(8.0%) were customers have been using Commercial Bank of Ethiopia6-10 years and 4(2.3%) of them above 11 years customers have been using Commercial Bank of Ethiopia.

Based on the data indicated above the student researcher can infer that majority of the respondents were using the service of Emdibir Branch for 1-5 years. They need quick recovery of service failure from the Emdibir Branch.

## **4.2. Analysis of the Major Findings**

This research study tries to investigate the overall service recovery practice of commercial bank of Ethiopia at Emdibir Branch from customers point of the recovery response and managers are presented , analyzed and interpreted in the form of percentage and presented as follows:

#### 4.2.1. Analysis of Service Delivery Practice

Table 2:- service delivery practice

S/N	Item	Customer Respondent	
		Frequency	Percentage (%)
<b>1</b>	How do you rate the service delivery practice of commercial bank of Ethiopia?		
	Very Good	31	17.8
	Good	35	20.1
	Medium	73	42.0
	Bad	7	4.0
	Very bad	28	16.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>

As Depicted in table 2 of item 1 concerning service delivery out of the total respondents 31 (17.8%) replied very good, 35(20.1%) replied good, 73(42%) replied medium, 7(4%) replied bad and 28(16.1%) replied very bad. This implies that majority of the respondent's rate medium and above level. There is an opportunity for the bank existing customers loyal customer and also turn a potential customer in to an on-going customer by building their trust.

#### 4.2.2. Analysis of Service Recovery Practice

Table 3:-Service Recovery practice

S/N	Item	Customer Respondent	
		Frequency	Percentage (%)
1.	Service recovery is controlled by explicit rules, exhaustive procedures and documented norms		
	Strongly Agree (SA)	31	17.8
	Agree (A)	42	24.1
	Neutral (N)	73	42.0
	Disagree (D)	28	16.1
	Strongly Disagree (SD)	0	0
	<b>Total</b>	<b>174</b>	<b>100.0</b>
2.	The bank provides recovery options or alternatives in dealing with service failures		
	Strongly Agree (SA)	36	20.7
	Agree (A)	57	32.8
	Neutral (N)	60	34.5
	Disagree (D)	21	12.1
	Strongly Disagree (SD)	0	0 0

	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>S/N</b>	<b>Item</b>	<b>Customer Respondent</b>	
		<b>Frequency</b>	<b>Percentage (%)</b>
3	The bank provides points that have the authority and power to deal with failed service encounters.		
	Strongly Agree (SA)	30	17.2
	Agree (A)	41	23.6
	Neutral (N)	70	40.2
	Disagree (D)	31	17.8
	Strongly Disagree (SD)	2	1.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>
4	The bank provides the power and authority to all contact employees to correct failures upon discovery.		
	Strongly Agree (SA)	41	23.6
	Agree (A)	76	43.7
	Neutral (N)	51	29.3
	Disagree (D)	4	2.3
	Strongly Disagree (SD)	2	1.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>
5	The bank provides multiple channels for customers to express their concerns.		
	Strongly Agree (SA)	47	27.0
	Agree (A)	63	36.2
	Neutral (N)	50	28.7
	Disagree (D)	12	6.9
	Strongly Disagree (SD)	0	0
	<b>Total</b>	<b>174</b>	<b>100.0</b>
6	The bank involves customers in finding solutions to failed service encounters.		
	Strongly Agree (SA)	26	14.9
	Agree (A)	48	27.6
	Neutral (N)	56	32.2
	Disagree (D)	34	19.5
	Strongly Disagree (SD)	10	5.7
	<b>Total</b>	<b>174</b>	<b>100.0</b>
7	The bank provides intensive and extensive training to employees on provision of quality services and handling of failures.		
	Strongly Agree (SA)	30	17.2
	Agree (A)	41	23.6
	Neutral (N)	70	40.2
	Disagree (D)	31	17.8
	Strongly Disagree (SD)	2	1.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>

As Depicted in table 3 of item 1 concerning service Recovery out of the total respondents 31(17.8%) replied Strongly Agree, 42(24.1%) replied Agree, 73(42%) replied Neutral, 28(16.1%) replied Disagree and no one replied strongly disagree. This implies that majority of the respondent's rate Neutral. As depicted in table 3 of item 2 out of the total respondents concerning of bank provides recovery options, 36 (20.7%) said Strongly Agree, 57 (32.8%) said Agree, 60 (34.5%) said Neutral, 21 (12.1%) Disagree, and no one said strongly disagree. This implies that customer service bank provides recovery options relation with service failure is not Strongly Agree and not strongly disagrees.

As depicted in table 3 of item 3 out of the total respondents concerning of focus of the authority 30 (17.2%) replied Strongly Agree, 41 (23.6%) replied Agree, 70 (40.2%) replied Neutral, 31 (17.8%) replied Disagree, and 2 (1.1%) replied strongly disagree. From this we can deduce that, frontline the authority must give prompt attention and willing to help customers when they are in need of assistance.

As depicted in the table 3 of item 4 out of the total respondents concerning of all contact employees, 41 (23.6%) were Strongly Agree, 76 (43.7 %) were Agree, 51 (29.3%) were Neutral, 4 (2.3%) were Disagree, and 2 (1.1%) were strongly disagree. From this one can possibly say that the Commercial Bank of Ethiopia personnel's is knowledgeable and skill full to service recovery.

As depicted in the table 3 of item 5 out of the total respondents concerning the multiple channels for customers to express their concerns 47(27.0%) were Strongly Agree, 63(36.2 %) were Agree, 50(28.7%) were Neutral, 12(6.9%) were Disagree, and no one were strongly disagree. From this the bank provides multiple channels for customers to express their concerns.

As depicted in the table 3 of item 6 out of the total respondents concerning finding solutions 26(14.9%) replied Strongly Agree, 48(27.6%) replied Agree, 56(32.2%) replied Neutral, 34(19.5%) replied Disagree, and 10(5.7%) replied strongly disagree From this we can deduce that, the bank involves customers in finding solutions to failed service encounters.

As depicted in the table 3 of item 7 out of the total respondents concerning intensive and extensive training to employees 30 (17.2%) replied Strongly Agree, 41 (23.6%) replied Agree, 70 (40.2%) replied Neutral, 31 (17.8%) replied Disagree, and 2 (1.1%) replied strongly disagree.

From this we can deduce that the bank provides intensive and extensive training to employees on provision of quality services and handling of failures.

### 4.2.3. Analysis of Customer Complaints

Table 4:- customer complaints

S/N	Item	Customer Respondent	
		Frequency	Percentage (%)
<b>1</b>	Do you complain as customer of commercial bank of Ethiopia?		
	Yes	91	52.3
	No	52	29.9
	I don't remember	31	17.8
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>2</b>	Does the bank clearly communicate to you about to who complain in case of a problem?		
	Yes	111	63.8
	No	23	13.2
	I don't know	40	23.0
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>3</b>	If your answer is yes for above question whom did you proposed your complain?		
	☞ to the manager	65	58.6
	☞ to customer complain handling office	15	13.5
	☞ to customer service employee	31	27.9
	☞ others		
	<b>Total</b>	<b>111</b>	<b>100.0</b>
<b>4</b>	How do you want to convey your compliant if is a service failure in commercial Bank of Ethiopia?		
	☞ by using suggestion box	47	27.0
	☞ for frontline employees	63	36.2
	☞ directly for engaged person	50	28.7
	☞ for family and customer	12	6.9
	☞ others		
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>5</b>	How do you rate customers complaining handling mechanisms of commercial Bank of Ethiopia during service failure?		
	very good	26	14.9
	good	48	27.6
	medium	56	32.2
	bad	34	19.5
	very bad	10	5.7
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>6</b>	Do you believe to complain about service failure in Commercial Bank Of Ethiopia Emdibir Branch?		
	yes	128	73.6
	no	46	26.4
	<b>Total</b>	<b>174</b>	<b>100.0</b>

With respect to item 1 of table 4 above the total respondents concerning of complain, 91(52.3%)were complaint to commercial bank of Ethiopia, 52(29.9%) were not complaint to commercial bank of Ethiopia, and 31(17.8%) were don't remember about complain .This implies that majority of Commercial Bank of Ethiopia at Emdibir Branch customers apply complaints regarding service delivery.

As Depicted in the table 4 of item 2 out of the total respondents concerning of communicate to complain, 111(63.8%) were known to whom complain, 23(13.2%) were not know to whom complain, and 40(23%) were I don't know. This shows that the bank clearly communicates or aware customers to whom they complain in case of problem.

As Depicted in table 4 of item 3 out of the total respondents concerning of to whom complain65 (58.6%) were complain to the manager, 15(13.5%) were complain to customer complaint handling office, 31(27.9%) were complain to customer service employee, and 7(4%) were complain to Lobby-Man. From this it is possible to infer that, most customers communicate manager of the bank to apply their complaints. As depicted in table 4 of item 4 out of the total respondents concerning of the way of complain,47(27.0%) were for frontline employees, 63(36.2%) were directly for engaged person, 50(28.7%)Were for family and customer, 12(6.9%) were by using suggestion box, and 2 (1.1%) were other than mentioned above that is to the Branch manager. From this one can possibly said that majority of respondent customers prefer apply complain to frontline employees. According to table 4 of item 5 out of the total respondents concerning of customers complaining handling mechanisms, 26(14.9%) of them were rated the mechanism as very good, 48(27.6%) were good, but about 56(32.2%) of the total respondent customers, rate the complaining handling mechanism below good which were medium, 34(19.5%) were as bad,and10 (5.7%) were very bad. As we can see from the above findings most respondents are not satisfied in the compliant handling mechanism of the company. This implies that Commercial Bank of Ethiopia at Emdibir Branch needs a practice of inspecting the compliant handling mechanism to avoid not handling complaints effectively. As depicted in table 4 of item 6 out of the total respondents concerning of believe to complain about service failure, 128(46%) said yes, and 73.6 (26.4%) said no.

In the review of the related literature indicated that there are purposes why customers complain during failed service or recovery efforts when customers complain they need competent and

efficient service, to be listening seriously and they need knowledgeable help. Some customer's complaint to rebuild self-esteem or give feedback to try and contribute towards service improvements. Customer respondents mention in the reasons why complaining has solution is that only which a complaint has been expressed can the appropriate corrective action be taken without customers complaints management of assumes that everything is okay. On the other hand those respondents' customers who think complaining don't have any importance it is just wastage of time and resource. From this we can learn that even though some customers belief complaining doesn't have any solution, it needs for customers to give full and undivided attention and agree that a problem exist. This makes customers to build positive image about complaining. In addition it will prove our concern and respect to our customers.

Finally, most respondents comment on the quality and personality of the staff assigned to deliver the service. They pointed out that some of them are not competent in the execution of their duty and responsibility.

#### 4.2.4. Analysis of Employees' Ability

Table 5:- employees' ability

S/N	Item	Customer Respondent	
		Frequency	Percentage (%)
1	How do you evaluate employees' ability relation with service failure?		
	A. Very Good	36	20.7
	B. Good	57	32.8
	C. Medium	60	34.5
	D. Bad	21	12.1
	E. Very Bad	0	0.0
	<b>Total</b>	<b>174</b>	<b>100.0</b>
2	How do you rate the focus of employees of commercial Bank of Ethiopia for your complaint during service failure?		
	A. Very Good	30	17.2
	B. Good	41	23.6
	C. Medium	70	40.2
	D. Bad	31	17.8
	E. Very Bad	2	1.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>
3	How do you evaluate commercial bank of Ethiopia employee's skills?		
	A. Very high	41	23.6
	B. High	76	43.7
	C. Medium	51	29.3
	D. Low	4	2.3
	E. Very low	2	1.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>

As depicted in table 5 of item 1 out of the total respondents concerning of employees' ability, 36 (20.7%) said very good, 57 (32.8%) said good, 60 (34.5%) said medium, 21 (12.1%) bad, and no one said very bad. This implies that customer service employees' ability relation with service failure is not good and not bad. As depicted in table 5 of item 2 out of the total respondents concerning of focus of employees 30 (17.2%) replied very good, 41 (23.6%) replied good, 70 (40.2%) replied medium, 31 (17.8%) replied bad, and 2 (1.1%) replied very bad. From this we can deduce that, frontline employees must give prompt attention and willing to help customers when they are in need of assistance. As depicted in the table 5 of item 3 out of the total respondents concerning of employee's skills, 41 (23.6%) were very high, 76 (43.7 %) were high, 51 (29.3%) were medium, 4 (2.3%) were low, and 2 (1.1%) were very low. From this one can possibly say that the Commercial Bank of Ethiopia personnel's is knowledgeable and skill full to service recovery.

#### 4.2.5. Analysis of Service Recovery

Table 6:- Service Recovery

S/N	Item	Customer Respondent	
		Frequency	Percentage (%)
<b>1</b>	How do you evaluate the overall method of customer's problem resolution of Commercial Bank of Ethiopia?		
	A. Very Good	36	20.7
	B. Good	58	33.3
	C. Medium	55	31.6
	D. Bad	21	12.1
	E. Very Bad	4	2.3
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>2</b>	How do you rate the bank's responsiveness to customer complaints?		
	A. Very High	25	14.4
	B. High	54	31.0
	C. Medium	72	41.4
	D. Low	14	8.0
	E. Very Low	9	5.2
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>3</b>	Do you believe commercial bank of Ethiopia is effective in service recovery?		
	Yes	132	75.9
	No	42	24.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>4</b>	How do you see the banks service recovery for customer compliant?		
	Very High	43	24.7
	High	71	40.8
	Medium	49	28.2
	Low	9	5.2
	Very Low	2	1.1
	<b>Total</b>	<b>174</b>	<b>100.0</b>
<b>5</b>	Do you believe that the service recovery by commercial bank of Ethiopia is enough for you?		
	Yes	78	44.8
	No	52	29.9
	I don't know	44	25.3
	<b>Total</b>	<b>174</b>	<b>100.0</b>

As depicted in table 6 above of item 1 out of the total respondents concerning of method of customer's problem resolution, 36(20.7%) of the respondents replied that very good, 58(33.3%)of them good, 55(31.6%) said that medium, 21(12.1%) also replied that bad and 4(2.3%) were very bad. From this one can possibly said that good customer handling and

satisfactory resolved leads customers to satisfaction. This in turn may lead the organization to gain the new potential customers and changed them into customers forever. This shows that Commercial Bank of Ethiopia at Emdibir Branch has good problem resolution method.

As depicted in the table 6 of item 2 out of the total respondents concerning of bank's responsiveness, 25(14.4%) were very high, 54(31%) were high, 72(41.4%) were medium, 14(8%) were low and 9 (5.2%) were very low. As we can see the above, when customers complain quick recovery of mistakes by the organization makes customers feel good and trust in the service delivered by the bank.

It is observable the above table 6 of item 3, 132(75.9%) of the respondents that Commercial Bank of Ethiopia is effective in service recovery in the banking industry; Whereas 42(24.1%) of the respondent customers believed that, Commercial Bank of Ethiopia is ineffective in service recovery in the banking industry. From this one can infer that, Emdibir is more effective in service recovery in the dynamic banking industry.

As depicted in table 6 of item 4 out of the total respondents concerning of service recovery for customer compliant, 43(24.7%) of the customers were very high, 71(40.8%) of the customers were high, 49(28.2%) of the customers were medium, 9(5.2%) of the customers were low, and 2(1.1%) of the customers were very low. This shows that most customer respondents replied high service recovery for customer compliant. From table No 6 of item 5 we can see that 78(44.8%) of respondent customers were satisfied by the service recovery by the Bank. Whereas 52(29.9%) were not satisfied by the service recovery by the Bank, and 44(25.3%) said I don't know. This shows that most respondent customers were believed by service recovery practice of Commercial Bank of Ethiopia at Emdibir branch.

#### **4.2.6. Issue Related To Respondents Personal Opinion**

The respondents give a chance to forward their suggestions, comments and opinions related to the service recovery and their point are arranged and listed as follows:-

- The service is weak because always they are very slow.
- Employees didn't give attention to the customer's complaint.
- Commercial Bank of Ethiopia money transferring system is very late as compared as private banks. My reason focuses on to improve it.
- The employees must motivate by different mechanism in order to handle the customers problem.

- Add many or use all customer service employees.
- The bank should use its network system rather than TELE.
- ATM machine must available every branch it minimize the work load.
- The banks late for service recovery.
- Long Duration of time.
- The bank management should proactive the high level of service failure.
- The repeated service failure.
- The bank should improve managements and give training for customer service officer.
- The bank has to handle customer compliant.
- The bank must use advanced technology.
- The service failure (problem) expands the workers that have good experienced.
- The bank has lack of money problem.
- From government bank bring the material that connected with work and bring enough money.
- The service failure consequent many business bankruptcy.
- The management approach is different from private bank.
- The customer service employee should understand the customers need/ wants.

#### **4.2.7. Interview with the Branch Manager**

The first question I asked, *which part of service delivery is frequently complained by customers of Commercial Bank of Ethiopia Emdibir Branch?*

A customer's typical trip to the bank may entail making a deposit or withdrawal, opening or closing an account or simply getting a cheque or replacement bank card. Our bank employees are responsible for making customers feel welcomed, determine their wants and ensure that they leave the bank with their needs met and problems solved. Besides our customers are big traders who deposit and withdraw large amount of money, they are also currency oriented and exchange always in notes. They mostly do not want to stay long lining behind customers while counted their money.

#### **Q. what are mechanism of service recovery in Commercial Bank of Ethiopia?**

Our Bank is looking at service recovery as a mission that involves three stakeholders: customers who want their complaints resolved; our managers in charge of the process of addressing those

concerns; and the frontline employees /maker/checker/ who deal with the customers. All three need to be integrated into addressing and fixing service problems.

Tensions naturally arise in and among the groups. For example, customers can be left feeling that their problem wasn't addressed seriously, even when they've received some form of compensation.

Managers in charge of service recovery, meanwhile, can feel pressure to limit flows of critical customer comments, even though acting on the information will improve efficiency and profits.

However, successfully integrating these three perspectives is something that did well. Based on Commercial Bank of Ethiopia years of work in service management, here is a look at the three stakeholders in service recovery, focusing on their different perspectives and the tensions that arise among them. We then make recommendations on how to address these tensions and integrate the aims of all three to achieve better if not perfect service.

The Customer We Believe Fairness is typically the biggest concern of our customers who have lodged a service complaint. Because a service failure implies unfair treatment of the customer, service recovery has to re-establish justice from the customer's perspective.

Say our customer requests a receipt from an Automated Teller Machine but the machine fails to print one. The customer becomes worried and goes to one of the bank Customer service officer. The Customer Service Office checks the account, and assures the customer that there is no problem, that the deposit was made. But if the teller only focuses on the fact that the account was credited, he or she has ignored what in the customer's view was the most severe and critical aspect of the service failure: the worry initially felt, and the extra time it took to verify the deposit. Our Customers often want to know within a reasonable time not only that their problem has been resolved, but how the failure occurred and what the Bank is doing to make sure it doesn't happen again.

A customer's faith can be restored using this kind of approach -- once. We have even noted something referred to as a "recovery paradox," in which customers can be more delighted by a skillful service recovery than they are by service that was failure-free to start with.

But there is a flip side to this as well: in our experience customers have more tolerance for poor service than for poor service recovery. And if a customer experiences a second failure of the same service, there is no recovery strategy that can work well. In all likelihood, that customer will be lost forever.

Our experience shows that after a failed service recovery, what annoys -- and even angers -- customers is not that they weren't satisfied, but that they believe the system remains unchanged and likely to fail again.

***Q. what are the failure of service delivery in Commercial Bank of Ethiopia?***

Most failures are emanating from the process and the employee. The bank recently implementing core banking which needs external body involvement that is telecommunication. One of the major infrastructures of the country is Telecommunication. Due to lagging and insufficient network, the online branches are to suffer the worst service failure. We use redundant networking like EVDO and others which also is provided by the same telecom.

Actually, if one branch fails in networking another nearest branch will have the network to assist customers of the failed branch. ATMs also have the major contribution for small withdrawals when such kinds of failure are happen.

***Q. what look like the training does Commercial Bank of Ethiopia gives for its customer service officers to improve customer handling?***

Customer service training is a must to ensure that your employees can effectively meet customer needs Commercial Bank of Ethiopia is implementing customer service training with employees. To do so effectively, our bank must understand customer needs and how well employees are meeting them. They also must know employees' skills gaps and their preferred methods of learning.

Our bank developed and will deliver training programs that address these concerns, ensure learning occurs, and transfer gained skills to the job setting.

1. We Identified areas of need. This is done by surveying customers to find out if their needs are met and to identify areas where training may be necessary.

2. Evaluate employee skill levels. Employees may not be meeting customer needs because of unwillingness to serve or lack of the knowledge and skills necessary to provide service.

CBE identified the areas where skill levels need improvement and prioritized these areas to drive the development of employee customer service training.3. These all the above tasks are done by the well-known foreign company also design training to fill gaps. Customer has indicated that an opportunity for improvement exists to strengthen service recovery skills among employees, training also designed to fill this gap. The design is took into account existing skill levels of employees and customized to meet individual employee needs.

4. Now the bank is selecting the delivery mechanism. The training will be delivered by a live instructor to multiple employees at once. The delivery mechanisms selected is based both on employee learning preferences and the best opportunities for training effectiveness. For instance, training employees to deal with angry customers can best be accomplished in a setting that allows for role-playing and coaching.

5. Deliver training. Training delivery should involve opportunities for employees to listen, interact and, whenever possible, to practice the skills they are learning.

6. Evaluate effectiveness from the learner's perspective and in terms of customer service.

Our organization can learn if the training method selected was appropriate from the learners' point of view by determining if it engaged them and if learning occurred.

Evaluate customer service results with surveys to customers to see if changes occurred in the targeted training areas.

***Q. What are the ability of Customer Service officers when failures of service delivery?***

The customer Service officers are trained how to handle the complaint associated with the service failure. First of all they should identify the problem. It may be an obvious issue, since someone is yelling what the problem is, but looking at underlying causes will not only help resolve the issue this time, but lessen the chances of having a recurring problem. Also, identify whether the problem is related to a product or the service being provided. This part of the process should not be part of the "customer is always right" philosophy. Why? Because everyone knows this is not a truism. Sometimes the problem is the customer. If this is the case, a diplomatic approach should be tendered, like stating some intangible thing, such as a lack of communication, is to blame.

***Q. To what extent service recovery of the company enhance its performance?***

**A.** Our bank recovery management and thus we have gained better returns in the form of visible customer satisfaction and loyalty, enhanced employee satisfaction, fewer failures, lower costs, and overall higher profitability.

***Q. What are the challenges of Service Recovery Practice?***

**A.** When our customers are even more delighted after an effective service recovery than if the service was failure-free in the first place can occur after one failure, but no such outcome is possible after two failures. Let's say our ATM machines are complained not functional. The machine failed to do repeatedly after serious maintenances. After Recovery efforts thus become

even more challenging, and even impossible, when two similar failures occur, especially in close time proximity.

**Q. *What is the effectiveness of Service Recovery practice in Commercial Bank of Ethiopia?***

Effectiveness will always come with repeated practices of service recovery. First of all We attribute this gap between knowledge of best practices and customer dissatisfaction with actual practices to tensions among discipline-based, functional groups (management, marketing, and operations), with their competing interests for managing employees, customers, and processes, which in turn limit service recovery effectiveness.

We first describe best practices in service recovery, and then detail the cross-functional tensions that can compromise their implementation, and finally propose a set of integrative perspectives and practices that may help close the gap between best and actual practices.

**4.2.8. Interview with Customer Service Manager**

The frequently complained part of service at Commercial Bank of Ethiopia Emdibir Branch is local money transfer.

We handle customer problems in relation to service delivery by immediately Identifying and seeking the area were customer's complaint. Commercial Bank of Ethiopia fails in understanding customer needs from the grass root level i.e. Commercial Bank of Ethiopia is not responding to the available banking potential in the country. There is no as such appropriate training being given to its officers as to how to handle its customers.

The ability of customer service officers is not a standardized one and it all depends on each individual officer in regards to seeking service failure.

Of course Commercial Bank of Ethiopia is trying to handle customer dissatisfaction in an administrative way rather than identifying the skill gap and providing appropriate training to its officers, to the extent that customers judge right.

Currently Commercial Bank of Ethiopia is trying to provide customer focused service delivery while ignoring skill building and giving attention to experience. In order to address customer needs Commercial Bank of Ethiopia is trying to handle customer complaints repairing service failure through suggestion box, through tell free telephone.

## CHAPTER FIVE

### 5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Since the final goal of the study is to assess the service recovery practice of Commercial Bank of Ethiopia at Emdiber Branch research questions were raised, related literatures were reviewed and important data were presented, analyzed, and interpreted through descriptive method as shown in the previous chapter. From the analysis made in the third chapter the following summary, conclusion and recommendations is draw up.

#### 5.1. Summary of the Major Findings

The study attempted to address the major research questions posed in the first chapter. As a result the major findings of the study are therefore summarized as follows:

- From the total number of respondent customers 127 (73.0%) of them were Male and 76(43.7%) were in the age of 28-37. Regarding educational background of respondents most of the respondents 50 (28.7%) were 10th grade complete and 49(28.2%)Were diploma holder in line with occupation the private company customers dominate the others by 82 (47.1%).
- As the responses made by customers out of the total respondents 103(59.2%)of them Used the service of Commercial Bank of Ethiopia at Emdibir Branch for 1-5 years.
- According to respondent's 73(42%) of customers replied that service delivery practice of commercial bank of Ethiopia is not good or not bad.
- According to respondent's 73(42%) of customers replied that Service Recovery practice of commercial bank of Ethiopia is not Strongly Agree and not strongly disagrees.
- As evidenced from customers response, 91(52.3%) and 52(29.9%) of customers complain and does not complain respectively for Commercial Bank of Ethiopia Emdiber Branch.
- Concerning communication of complains about service delivery, the majority that is111(63.8%)were known.
- With regard to whom complain 65(58.6%) of respondent customers replied they complain to the manager. Customer don't get the opportunity to complain handling office or do not know where compliant handling office.

- In addition to the way of complain of the customer, 63(36.2%) were complain directly for compliant handling office. All respondents want to convey their compliant by using different ways like complain to branch manager and lobby-man.
- In relation to customer compliant mechanisms of Commercial Bank of Ethiopia at Emdiber Branch 56(32.2%) of the total respondent customers, rate the complaining handling mechanism not good or bad and most respondents are not satisfied in the compliant handling mechanism of the company.
- 128(73.6%) customers replied that believe to complaining on the service failure of Commercial Bank of Ethiopia at Emdibir Branch has a solution and 46 (26.4%)respondents replied it doesn't have any solution.
- Regarding employees' ability relation with service failure, majority of respondents 60(34.5%) is neutral to take it as good or bad.
- According to respondent customers 70(40.2%) of them were rated the focus of employees to complaining during service failure neutral to take it as good or bad.
- Relating to employee's skills, 76(43.7 %) replied that Commercial Bank of Ethiopia personnel's are skill full to service recovery.
- In relation to the overall method of customer's problem resolution of Commercial Bank of Ethiopia at Emdibir branch 58(33.3%) of them said that good problem resolution method.
- Based on the response given by customers, towards Commercial Bank of Ethiopia at Emdibir Branch responsiveness to handle customer complaints, majority of respondents 72(41.4%) of customers ranked medium.
- Concerning to effectiveness of service recovery in Commercial Bank of Ethiopia at EmdibirBranch,132(75.9%) of the respondents replied that Commercial Bank of Ethiopia is more effective in service recovery in the dynamic banking industry.
- As evidenced from their response 71(40.8%) of the customers replied high service recovery for customer compliant.
- The other information which is gathered from customers of the bank related to believe that the service recovery by commercial bank of Ethiopia is enough, most respondent customers 78(44.8%) were believed by service recovery practice of Commercial Bank of Ethiopia. Customers were satisfied by the service recover given by the Bank.

- Finally, In addition to the above questions the respondents given chance to mention their personal opinion. Most respondent customer's comment on the management approach is different from private bank. But the customer service employees understand the customers need/ wants.

## 5.2. Conclusions

Depending on the finding discussed above the following conclusion are drawn.

- According to the research findings most respondent customers show that service recovery practice in Commercial Bank of Ethiopia at Emdiber Branch is not good and not bad. If the service was failure-free in the first place—can occur after one failure, but no such outcome is possible after two failures. The Automated Teller Machine failed to do repeatedly after serious maintenances. After Recovery efforts thus become even more challenging, and even impossible, when two similar failures occur, especially in close time proximity.
- As it is revealed in the research findings service recovery programs of CBE focusing The designed service recovery program of Commercial Bank of Ethiopia at Emdibir Branch needs adjustment and improvements because most respondent's customers' needs quick resolution of their problems. On their different perspectives integrate the aims of all three stakeholders' i.e. customers, employees and bank to achieve the program.
- As the research finding denoted majority of respondent CBE at Emdibir Branch effective for service recovery practices. The complaining handling mechanism good responsiveness to handle customer complaints and satisfied in the compliant handling mechanism of the company by effective customer compliant handling system. The bank first describe best practices in service recovery, and then detail the cross functional tensions that can compromise their implementation, and finally propose a set of integrative perspectives and practices that may help close the gap between best and actual practices.
- As the research finding denoted, most respondent customers were known to whom communicate for complain. This shows that the banks clearly communicate to whom complain in case of a problem.
- As it is discovered in the research finding, Commercial Bank of Ethiopia personnel's are skill full to service recovery.

### **5.3. Recommendations**

According to the majorities that have been discussed so far the following points due recommended by the student researcher.

- Service recovery practice in Commercial Bank of Ethiopia at Emdibir branch should be implemented well according to their service recovery program.
- It is advisable to commercial bank of Ethiopia to improve the designed service recovery program. Because most respondent's customers' needs quick resolution of their problems. So that the recovery practice program should allow quick response and match the individual customers' circumstances.
- It is advisable for Commercial Bank of Ethiopia at Emdibir Branch to practice effective service recovery regularly and effectiveness will always come with repeated practices of service recovery.
- Its important Customers know to whom communicate complain. The bank clearly communicate to who complain in case of service failure, welcomed and encouraged complaints and Commercial Bank of Ethiopia at Emdibir Branch should inspecting the complaining handling mechanism regularly to provide improved and prompt solution for customers' complaint action.

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# Appendix I

## Wolkite University

### Faculty of Business and Economics

### Department of Marketing Management

### Questionnaire to be completed by Employees of CBE

#### Dear Respondents;

I am a graduate student at Wolkite University. Currently, I am doing a research on “*An Assessment on Service Recovery in Commercial Bank of Ethiopia at Emdiber Branch*” as a reference. The research is purely for academic purpose and your response is completely anonymous, but your views, in combination with those of others, are extremely important.

Thus the following questions are for analytic purposes only. It will not be used to try to identify any individual and/ or to attack the dignity and reputation of both the Employee and the bank.

*“Thank you for devoting your precious time to complete this questionnaire”.*

#### **PART I. BACKGROUND INFORMATION**

**Direction:-***For the following items please mark ‘√’ on the one which suits your response*

- *Do not write your name*

#### 1. Gender

Male  Female

#### 2. Age Composition

18-24  25-28  29-35  36-45  46-55  Above 56

#### 3. Educational background

Primary High school

High school graduate

Diploma

First Degree

Second Degree and above

#### 4. How long have you been Employees of Commercial Bank of Ethiopia?

Below one year experience  3-4 year of experience

1-2 year of experience  Above four year experience

**PART-II QUESTIONS RELATED TO THE STUDY**  
**SECTION A:-SERVICE RECOVERY PRACTICE**

**Direction:-**Please rank the following questions according to your level of agreement or disagreement and put (✓) mark in the box where:-

1 = Strongly Disagree (SD). 2 = Disagree (D). 3 = Neutral (N). 4 = Agree (A).  
 5 = Strongly Agree (SA).

No	Questions	SD	D	N	A	SA
	<b>Comprehensive</b>	1	2	3	4	5
1.	Service recovery is controlled by explicit rules, exhaustive procedures and documented norms					
2.	The bank provides recovery options or alternatives in dealing with service failures					
	<b>Centre of authority</b>	1	2	3	4	5
1.	The bank provides points that have the authority and power to deal with failed service encounters					
2.	The bank provides the power and authority to all contact employees to correct failures upon discovery					
	<b>Accessibility and influence</b>	1	2	3	4	5
1.	The bank provides multiple channels for customers to express their concerns					
2.	The bank involves customers in finding solutions to failed service encounters					
	<b>Intensity</b>	1	2	3	4	5
1.	The bank provides intensive and extensive training to employees on provision of quality services and handling of failures.					
2.	The bank devote resources to gather information, evaluate the service delivery system and correct ineffectiveness so identified					

## SECTION B:-SERVICE QUALITY

To what extent do you agree with below statements? In a scale of 1-5, indicate your response

Where:- 1 = Strongly Disagree. 2 = Disagree. 3 = Neutral 4= Agree. 5= Strongly Agree.

No	Questions	SD	D	N	A	SA
	<b>Tangibility</b>	1	2	3	4	5
1.	There is existence of modern looking tools and equipment					
2.	There is presence of appealing facilities					
3.	There is neat appearance of employees					
4.	There is visually appealing materials associated with the services					
	<b>Reliability</b>	1	2	3	4	5
1.	Services are offered at the promised time					
2.	Employees express sincere interest in solving customer problem					
3.	Services are performed right first time					
4.	Employees insist on keeping error free records					
	<b>Responsiveness</b>	1	2	3	4	5
1.	Employees tell customers exactly when they will be served					
2.	Service is offered promptly					
3.	Employees are always willing to help customers					
4.	Employees are never too busy to respond to customer requests					
	<b>Assurance</b>					
1.	Employees have the ability to instill confidence on customers					
2.	Customers feel safe to transact within the bank					
3.	Employees are consistently courteous with customers					
4.	Employees possess excellent knowledge to answer customer questions					

## Appendix II

### Wolkite University

#### Faculty of Business and Economics

#### Department of marketing management

#### Questionnaire to be filled by customers of CBE

This questioner is prepared by a student at Wolkite University department of marketing management for the partial fulfillment of a degree program in marketing management.

The main purpose of this questioner is to support a study on an assessment on service recovery practice of Commercial Bank of Ethiopia to be filled by customers of Emdibir branch bank.

*Thank you due care and correct answer.*

**N.B** You are not required to write your name

Please make (√) to answer the questions accompanied by various choices

Questions related to your opinion please write is shortly and precisely on the space provided

#### **PART I:-GENERAL CHARACTERISTICS OF THE RESPONDENTS**

##### **1. Sex**

Male  Female

##### **2. Age**

18-27 years  48-56 years   
28-37 years  above 57 years   
38-47 years

##### **3. Educational background**

Below 10<sup>th</sup> grade  Diploma   
10<sup>th</sup> complete  1<sup>st</sup> degree and above   
Certificate

##### **4. Occupation**

Governmental  Private sector  Broker   
Merchant  Others type of Occupation

##### **5. For how many years have you been using commercial Bank of Ethiopia services?**

Less than 1year  1-5 years  6-10 years  above 11 years

**PART II:-QUESTIONS DIRECTLY RELATED TO THE STUDY**

1. How do you rate the service delivery practice of commercial Bank of Ethiopia?  
Very good  Bad  Good  very bad  Medium
2. How do you want to convey your complaint if it is a service failure in commercial Bank of Ethiopia?  
By using suggestion box  For family and customer   
For frontline employees  Other (please specify)   
Directly for engaged person
3. How do you rate customers complaining handling mechanisms of commercial Bank of Ethiopia during service failure?  
Very good  Good  Medium  Bad  very bad
4. How do you evaluate customer service employees' ability relation with customer service failure?  
Very good  Good  Medium  Bad  very bad
5. How do you rate the focus of employees of commercial Bank of Ethiopia for your complaint during service failure?  
Very good  Good  Medium  Bad  very bad
6. How do you evaluate the overall method of customer's problem resolution of Commercial Bank of Ethiopia?  
Very good  Good  Medium  Bad  very bad
7. If your answer is below Medium for question No. 6 please reason out your answer?

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## **Appendix III**

### **Wolkite University**

#### **Faculty of Business and Economics**

#### **Department of Marketing Management**

##### **Interview checklist**

This interview Questions are prepared for Commercial Bank of Ethiopia at Emdibir Branch that includes Manager and Customer Service Manager in relation to Service Recovery practice of Commercial Bank of Ethiopia at Emdibir branch.

1. Which part of service delivery is frequently complained by customers of Commercial Bank of Ethiopia at Emdibir branch?
2. What are mechanisms of service recovery in Commercial Bank of Ethiopia?
3. What are the failures of service delivery in Commercial Bank of Ethiopia?
4. What look like the training does Commercial Bank of Ethiopia give for its customer service officers to improve customer handling?
5. What is the ability of customer service officer when failures of service delivery?
6. To What extent Service Recovery of the company enhance its performance?
7. What are the challenges of Service Recovery Practice?
8. What is the effectiveness of Service Recovery Practice in Commercial Bank of Ethiopia?