

**THE ASSESSMENT OF CUSTOMER COMPLAIN
HANDLING PRACTICE (IN CASE OF COMMERTIAL
BANK OF ETHIOPIA AT WOLKITE TOWN).**

**RESEARCH PAPER SUMMETED TO DEPARTMENT OF
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ABSTRACT

The study was conducted on commercial Bank of Ethiopia at Wolkite town. The main objective of this study is to assess customer's complaints handling practice on Bank. Both primary and secondary data were used to accomplish this study. A questionnaire was used to collect data from primary and secondary source of data. The primary data was collected directly from the employee of the bank and the secondary data was collected annual reports, books, records and website of the bank the research utilized stratified Sampling method. This method makes the population more homogenous population to researcher in order to collect accurate and reliable information. After that the data was presenting, interpreting and analyze by using statistical tools such as tabulation percentage. Finally the researcher made finding, showed that most of the time customer complaints have made many times .The research conclude Handling complaint is an important factor to consider is dealing with customers and conducting business to satisfy customers. When organizations deploy customer complaint logbooks, the process of complaint resolution is further enhanced. The recommendation another way would be to factor complaint services into ATM services such that complaints can be made electrical by just pressing a button. This would relieve customers of some frustrations that go with poor service were forwarded and it raised a problems.

KEY WORD

- ❖ Complain
- ❖ Customer
- ❖ Service
- ❖ Service delivery
- ❖ Service recovery
- ❖ customer complain

CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

The customer complaints are such a common part of in every organizational life. The globalization market has force managers to adjust comparer's competitive strategies in order or keep customers from switching and stay loyal. The increased competitiveness in the business environment has make customers more demanding and the need for focus on relationship marketing more sub tolerable than ever.

According to good ridge (1980; p.184) well run service business respond quickly and generously to complaints. Because customer complaints uses as source of information, so it is good thing to being each individual complaints to satisfactory conclusions but it can also be use full to keep a record of complaints over a period of time and from it identify possible causes. By studying the pattern of compliant, the company can correct system failures which are typically the source of these problems (kotler2005).

Complaints are an important way for the management of an organization to be accountable to the public, as well as providing valuable prompts to review organizational performance and the conduct of people that work within and for it (single Sb, 2006).

Effective handling of customer complaints is fundamental to the provision of equality service (GoyalS.Thakur Ks, 2008).

A complaint is an expression of dissatisfaction make to or about an organization, related to its products, services, staff or the handling of a compliant, where a response or resolution is explicitly or implicitly expected or legally required as a matter of guidance, complaints can be make directly to an organization by members of the public and/or customers or through alternative path ways such as to members of the parliament or statutory officers but otherwise about the organization (UppalRk, 2007). According to Allan Wilsan (2008) well run service business responds quickly and generously to complaints. Because of customer complaints are used as source of information. So it is good things to being each individual complaint to

satisfactory conclusions. But it can also be use full to keep a record of complaints over a period of time and from it identify possible causes. By studying the pattern of compliant, the company can correct system failures which are typically the sources of these problems (Kotler, 2006).

An effective handling of customers complaints used to resolves issues raised by a person who is dissatisfied in a timely and cost effective way, provides information that can lead to improvements in service delivery (Voss and Grbber, 2005).

Customer complaints are considered to be waste of time and money by many companies. Most of the companies today are considering complaints as something negative. Most service giving companies seek to develop reputation for super error performance at on time delivery better and fast answering of inquire and quicker resolution of customer complaints (Shanker Ag, 2006).

The bankers must respond to challenges such as automation increased client expectation, aggressive competence, merger and acquisition, new product and market segmentation.

The banks will concern to access the contribution of handling of customer complaints to the growth, profitability and efficiency of the bank (Ganesh C, Varghese Me, 2008).

1.2. STATEMENT OF THE PROBLEM

In today's business world there are variety of complaints raised by customers within the bank.. Each complaint is takes place with the bank, but the bank cannot handle those complaints to satisfy our customers (GoyalS, Thakur KS, 2008).

Customers play a vital role in the bank to be profitable and gain competitive advantage over other organization. Sometimes they may not handle either customers properly and their customer's complaints about service. Hence this study will be devoted to investigate problems that can be raised from customers and if there were well organized customers handling service in the CBE. Commercial bank of Ethiopia at Wolkite branch received money complaints to be obtained business objectives handle their customers properly and their customers compliant about service. The banks were to investigate the problems that can be from customers and if there were well organized handling service in the company. Many organizations established to maximize their profitability by satisfying needs and wants of the customer (Shankar Ag, 2004).

The study would be devote to investigate problems or complains that can be from customers and there are many factors in the bank to satisfy our customers. Those complaints includes; Automated teller machine (ATM) gets blocked ,non printing of statements ,excessive delays at the banking hall, too many steps in processing transaction ,waiting for long time conducting transaction ,reduction in balance without cash payment, not giving fast response, poor relation between customers and employees. By these reason other customers would not come to the organization. All of those indicates the bank would not profitable, incurs loss and it also liquidate.

The commercial bank of Ethiopia Wolkite branch would be establish with the objective of providing services, provisions, and saving mobilization service and solve customer complaints both rural and urban area by integrity all organizational components and provide for better operation and survival of a competitive environment. The majority of complaining customers are dissatisfied with the company's complains t handling efforts. It seems that the issue of effective complaint handling is still not adequately addressed by businesses. Bank s promise to deliver good service to customers, but in actual sense it is different from what employees deliver to their customers thus result in to miss understanding between management and customers.

The gaps are as follows. The Difference between customer's expectations and the management's perceptions towards customer complain handling practice. Between expected service and perceived service by the consumer. This results in to negative quality perception, bad publicity and reputation, negative impact on organization's image and loose of customers due to negative perception in

1.3. RESEARCH QUESTION

1. How complaints posed by customers are handled by the bank?
2. What is the importance's of customer complaint handling in delivering quality service in the bank?
3. What are the roles of employees in the successful implementation of customer complain handling practice?
4. What are the critical factors for the success of customers in the bank?

1.4 OBJECTIVE OF THE STUDY

1.4.1. GENERAL OBJECTIVE

The general objective of the study is to assess handling customer complaints practice (in case of commercial bank in Wolkite town).

1.4.2. SPECIFIC OBJECTIVE

The specific of this study would try to address the following specific objectives

1. To identify handling customer complain methods used by the bank.
2. To assess the importance of customer complaint handling in delivery quality service in the bank.
3. To explore the role of employees in the successful implementation of customer complain handling practice.
4. Find out the critical factors for the success of customers in the bank.

1.5 SIGNIFICANCE OF THE STUDY

The research would add knowledge and insight to the very under researched topic of the customer on complaints handling in banks. Therefore the study would be beneficial to other researchers and academics working in this discipline. The research also has specific implications for bankers to know the customer attitudes and perceptions towards complaints handling practice in banks.

It helps to CBE at Wolkite branch to take corrective action and measure. To investigating the problem that helps the company.

It builds up the reputation image of company. It helps increase the confidence of the customers on the company. It facilitates faith full policy and strategy CBE.

The importance of handling customer complaints to deliver proper services would be the leading factor for the economy as a whole.

* Significance for the Organizations:

It helps to the bank to take corrective action and measures. To investigating the problem that helps the company. It builds up the reputation image of the company. It facilitates faithful policy and strategy of the bank.

1.6 SCOPE OF THE STUDY

The study would more faithful, it would conduct appropriate with commercial bank of that found in wolkite town. Due to different constraints carry out in study of the bank.

This research would be under take to assess handling of customer complaints at Wolkite town the study would has been cover neither every customer complaint in Ethiopia nor Other customer complaint in Wolkite town. Because it would be difficult to assess, very wide as well as a broader and reduce the quality of the research. Therefore this research focused only handling customer complaint's in commercial bank at Wolkite town. That helps to the mechanisms to solve properly and timely

1.7. LIMITATION OF THE STUDY

The respondents were involuntary and failure to fill questioners due to work load and lack of enough time. The completion of the study was perceived to be short and therefore limited the ability of the study to select a larger sample size from a larger and geographically more diverse population. To effectively combat this limitation, the study limited the geographical span for respondent sampling to wolkite town.

1.8 ORGANIZATION OF THE STUDY

The research paper would have five chapter including introduction parts of the study, back ground of the study, statement of the problem, research objective, significance, scope and limitation of the study. Second chapter deals with related literature review.

Third chapter deals with research methodology. Chapter four deals data presentation, analysis and interpretation of the research. Finally chapter five deals about finding, conclusion and recommendation.

CHAPTER TWO

2. LITERATURE REAVIEW

2.1. INTRODUCTION

In this chapter the researcher present the studies and theories relevant to the researcher question. The literature review would create a base for the conceptual frame works use sin this study.

Customer complaint is "an expression of dissatisfaction on a consumer's behalf to is possible party" (Landon, 1980). It canals' be described in a positive sense as are port from a consumer providing documentation about a problem with a product or service. In fact, some modern business consultants urge businesses to view customer complaints as a gift. Consumer complaints are usually informal complaints directly addressed to a company or public service provider, and most consumers manage to resolve problems with products and services in this way, but it sometimes requires persistent

18, 2013By Amanda Herder, Account Manager, Signature Worldwide Complaints happen every day. When a customer complains, it is usually for a good reason or genuine concern. They usually have made a purchase that did not meet their expectation—a product, service, or maybe a combination of the two. In the customer service industry, we cannot avoid complaints. We must take care of the customer by listening to the complaint, and resolving it, to ensure a happy customer.

2.2. THEORETICAL REVIEW

Regarding the competitive environment, there is need for Banks to plane their strategies that will differentiate them from another. This can be achieved through the delivery of high service quality. The practice of excellent service quality has been proven that customer's satisfaction will significantly lead to customer loyalty (Caruana, 2007; 2008).

Customers satisfaction is handling of complaints one of the most important issue concerning business organization of all types, which is satisfied by the customer oriented philosophy and the principles of continuous improvement in modern enterprise (Aroklasamy,2008).

The marketing concept suggests that satisfied buyers will be more likely to purchase again, than those who are dissatisfied. They consider that customer satisfaction and retention the most important long term objectives of firms (Pleshko, and Hellens, 2009).

The new buyers cost more to serve than repeat customer, which means that repeat customers benefiting affirms cost structure (Relchheld and Sasser 2007).

A firm's primary strategy objectives are to minimize customer regress and to maximize customer intention rates to buy, as evidenced by the recent emphasis on customer complain these previously satisfied buyers may help firms both reduce marketing costs and develop more stable level of sales when a large number of satisfied buyers are retained to purchase again in the future (Bearden and feel, 2008; Oliver 2009).

2.2.1 HANDLING CUSTOMER COMPLAINTS

Many companies are starting to realize the important of handling customer's complaints in the right way. There are many studies which focus and different strategy. Companies can use depending on the industry, the operate in the literature review will bring up several strategies and models of the relevant for the service industry. (Graw.M, 2006).

2.2 .2. SERVICE RECOVERY STRATEGIES

Service recovery reefers to when a company searches and deals with the failure in the delivery service (Gram.M hill and Armstrong (2007). It is important and to note that customers computer complaints is often the indicators that service failures has takes place (Carnage,2008). Company's should simply the customer complains process by providing more effective producers and prepare refunds and also provide some extra in inactive such as discount to make up for the complaining customer effort and lost time. The service provides shall apologize and admit mistakes when appropriate, but shall be cautions in taking in understanding blame. Recovery communication example admitting mistakes, evokers a feeling of fairness with the customer and if customer is able to place the blame outside the relationship the anger is reduce further service provides shall than the customers for feedback after the service failure and assure the customer that mistake will not repeat itself (Mudie.P and Pirrep,2009).

Kotler.P (2008) has studies that effect of using four different recovery strategies, apologize only, compensation, assistance, and compensation and assistance. Apology is considered the lowest level of action after a service failure and shall always be provided. The effectiveness of service recovery depends on the severities of the situation example delay ordinal, critically of the service recover and the type of service.

Recovery effective is also influenced by the employee's ability to handle recovery the situation; empathy and understanding increase the effectiveness of the recover. This implies that the effective recover strategy is determined by what and a problem is taking states that these are three different response after service recovery; exit, voice and loyalty. When exit is choose action; the customer decides to and the relationship and switch to new supplies or spread bad word of mouth to external parties which can head to bad regulation and financial losses. The response of loyalty increase customer's retrondates and is what companies should strive for it (Ganeshc, Varghese ME.2006).

2.2.3. EMPLOYEE COMMUNICATION IN SERVICE RECOVERY

Kotler.P (2006) have focused the study on what (example compensation for loses) is doing in service recovery and leave out the aspect on how (example employees attitude) it is doing. However, their study indicates that future intention of customer in service is likely to be influencing by how an employee communicates with the customer in service recover situation (Bhat.M, 2006).

Consumption based emotion are connected to satisfaction and post purchase behavior such as complaints, recommendations and repeat purchase intention. According Boone.M (2006), there is a negative relation between relationship satisfaction and blame. Their study shows that external blame is reducing hen the relationship is valued satisfactory (Goyals. Thakur Ks, 2008).

States the way a service recovery is handle is more important than recovery strategies if the relationship between buyers and sellers perceives as a strong for the customer (Shankar AG 2006).

Employees need to have an accommodation communicational style and be responsive to customer need (ibid). The service provides also have to show empathy and deliver past recovery.

However if the service is high in criticality, recovery strategy is more value to the customer then how the situation is handling (Ross and Grubber, 2005).

2.2.4 COMPLAINT RESOLUTION AND DISCONFIRMATION PARADIGM

Bhat. M (2004) claims that the complaints resolution process is build up by three different steps.

The first step is when the customer expresses complaint.

The second step is when the employees start to take action to resolve the problem in order to satisfy the customer.

How the problem is handling affect customer satisfaction or dissatisfaction with this process and the repeat purchase behavior as well as word of mouth. Behavior is also affecting by the customer satisfaction or dissatisfaction.

2.2.5 BENEFITS OF CUSTOMER COMPLAINTS

Research indicates that the benefit of complaints is held by both seller and buyer in the service recovers after a complaint satisfaction. The literature review will refer bring up research on benefits that are mutual and individual. Wong and shoal (2004) are sum of the autnoss who desirable benefits of customer complaints

2.2.6. SATISFYING VERSUS DELIGHTING THE CUSTOMER

The outcome successful service recover is often referring to as satisfying customer Voss and grubber, (2005). States customer is satisfying as long as the expectations are exceeded by the service provider. However recent study points out that the state satisfying is often not enough to keep customer from defecting. Providing the customer with “excellent service” give the outcome of delight and this type of service include a close relationship between the buyer and the seller then if the outcome is satisfactions.

2.2.7. CUSTOMER LOYALTY

The handling of customer complaints leads to satisfaction on and the more satisfying the more loyal the customer will be, when the company reach high level of customer. Loyalty is also likely they will face high frequency in customer retention Wong and Shoal,(2004). The benefit of customer retention is the likelihood of customer returning, making business recommendation.

According Voss and grubber (2009), the goal of making a complaining customer satisfying is to prevent the customer from switching to a competitor. This situation when a customer leaves accompany for another is called defection.

It is important to take in to consideration the retention life time value for the company. A customer who returned frequently is worth more than just the individual purchase made (Singh SB. 2006)

2.2.8. WORD OF MOUTH

Herr, Karder and Kim (2007), claims that word of mouth communication has strong influence on how product and service perceived. It is also known that vividly (clearly) presented information has a strong influence in service judgment than does less vivid printing information. This is one reason why service markets now a day put more emphasize on the impact of word of mouth.

Boone. M (2006). State that the relationship satisfaction will decrease negative word of mouth and the risk of exist, which result from blame and anger. Researchers show that customer, and particularly service customer, tend to relay much on word of mouth to minimize the level of perceiving connection risk to a purchase. A service customer seems to have greater confidence on their personal resource. That is friends and family to find out more about the service than does purchase of goods. The company shall willing to listen the complaints instead of considering customer complaints as west of time and money (voth and grobber, 2005). By listing customer, companies have the possibilities to improve by implementing their customer suggestion (ibid). A company who manage to recover a service failure and succeed in creating delighter customer (and not satisfied customer). It will ultimately have significant more for loyal customer.

When the customer complain he or she is actually providing organization an opportunity to make him/her satisfying and their by preventing that customer to switch and also prevent un favorable word of mouth communication the information collected from the complaints can be used the organization to take action in reducing and eliminating the cause the complaints.

2.2.9. BEST PRACTICES FOR HANDLING CUSTOMER COMPLAINS

A Comprehensive Attitude toward Customer Complaints ensuring that your business takes an effective approach to managing customer complaints is key. But effectively handling customer complaints practice also means adopting the right attitude. General guidelines, such as those offered by Commonwealth Ombudsman, high light various things you can do across your organization that contribute to improving the process.

- ❖ **Culture:-** It's wise to view customer complaints positively. After all, they'll help you understand if there are Common mistakes your company is making and helps you to resolve them. Value complaints as a way of strengthening your offering and improving public relations .Let your company knows that complaints drive change and take a proactive approach to resolving them.
- ❖ **Principles: -** Focus on key principles, including fairness, accessibility, responsiveness and efficiency. There's no room for rudeness to your customers, yet it should also be clear that your company will not tolerate abuse or mistreatment of its staff.
- ❖ **People: -** Hire intelligent, professional and well-trained people to handle customer complaints. Whether this is their full-time job or one of their roles, people should understand the company's codes of conduct and behave correctly.
- ❖ **Process: -** Every organization will have its own exact steps for handling customer complaints. Nevertheless, they should all, at a minimum, incorporate acknowledgment, assessment, planning, investigation, response, review, consideration of systemic issues and follow- up.
- ❖ **Analysis:-** Information about customer complaints should be continuously examined to help your company review and improve.

2.2.10. REASONS WHY OUR CUSTOMERS COMPLAIN

According to conversocial 88% of consumers are less likely to buy from companies who leave Complaints unattended. These will be forever lost for a company and will never come back. To prevent customers from switching to competitors businesses should pay more attention to their complaints and address them timely.

However, this is not enough. Complaints are the greatest source of learning, they show us where we fail and where and how we should improve. Here are 10. most common reasons why our customers complain.

Not Keeping Promises:- If you give a promise ensure you keep it. Some promises sound great but if they have not been kept this may lead to multiple complaints, distrust and switching to competitors.

Poor Customer Service: - When customer service representatives are not trained properly, keep customers waiting for a long time and do not resolve issues, this is called poor customer service. It is very irritating to see rep's efforts in resolving your issue and at the end having a simple question unanswered or no solution provided.

Transferring From One CSR to Another:- Poor staff training leads to calls or chats being transferred from one agent to another and there is nothing more irritating than telling your story again and again. As you can see a human side of your business can sometimes generate more complaints than your operational side.

Rude Staff:- It'd be a good strategy to keep an eye on this as sometimes rude attitude, inability to listen and interrupting customers may become one of the main reasons for your customers to complain publicly and tell the world about your customer service quality. There are also people who treat customers as if they interfere into their daily routine. The way they communicate with people is enough to turn the most mild mannered of customers against your company.

No Omni-channel: - Giving your customers an easy way to get in touch with you is one of the first requirements of Good customer service. If your customers do not see convenient ways of getting in touch with your team regarding their questions they will contact your competitors and

will tell the world about their experience. Today online shoppers use not only email and phone for communication purposes. Live chat and social media are gaining popularity among consumers and for some customers it is convenient to begin conversation using one channel and finish it using another.

Hidden Information and Costs: - Ignoring your customers and not listening to them is one of the biggest mistakes customer service rep can make and one of the reasons for customers to complain.

Low Quality of Products or Services:-If you promise high quality of your products or services and what you deliver is of lower quality, and then be sure, your customers will share this bad experience publicly and most likely complain in social media networks.

Keeping an Issue Unresolved:- Unresolved issues and complaints are deadly to any business. If you turn away from your customers and let everything go “as is” then you will lose most part of your customers.

Inaccessibility:- When a customer is seeking assistance there is nothing worse than lack of contact information or unanswered emails and not returned calls. This drives people crazy, especially if they have already paid you. Losing even a single customer can be very costly for businesses.

2.3. CRITIQUE OF THE EXISTING LITERATURE RELEVANT TO THE STUDY

The most detrimental factor in this research study was the fact of failing to reinstate the hypothesis and purpose in the necessary sections of the research paper. Despite the shortcomings of this research proposal, this publication can be looked upon as an example for future researchers to help them develop further empirical data needed to validate the hypothesis. The therapy seems grounded and functional for individuals dealing with issues of trauma and hurt. This should show insight into the meaning and significance of the research findings. The discussion should use theoretical concepts as the context in which the new study can be interpreted. Any limitations of the study should be clearly presented. You will need to evaluate whether the author has clearly interpreted the results of the study, or whether the results could be

interpreted another way. Performing your own critical analysis of an article allows you to consider its value to you and to your workplace. Critical evaluation is defined as a systematic way of considering the truthfulness of a piece of research, the results and how relevant and applicable they are. These existing literature review is relevant to the study due to arrives at concerned key terms, key issues, identifies for engagement and key elements themes not to be mooted that are critique relevant to the prior study.

Under taking study a critique literature review may seem challenging at first help you to evaluate whether the literature has relevant to practical working, and also should provide a comprehensive list of citation within the text.

2.4. EMPIRICAL LITERATURE REVIEW

In this chapter a presentation of important finding will be delivered with the empirical data to explain in detail the description of the sample, at result of interesting similar and different observation in the data collected for the research.

In order to fulfill the purpose of the research and answer the research question “what are the effect of customer complain handling practice applied both customer and the organization to combine the literature review finding related to empirical review.

To present the assessment of customer complain handling practice try to find out the gap which exist customer complain handling practice which hinder the effectiveness.

There is a way to combine both quantitative and qualitative ways of examining.

This is done to answer the questions that normally can't be studies in the provided environment.

Justice Kingsele Bokyemensah(2016)conduct on the effect of customer complain handling and its impact on customer they found that the main source of customer complain handling problems which affect employees motivation is lack of good complain handling practice in the organization.

2.5. SUMMARY

These research focused the most important aspect of customer complain handling at commercial bank of Ethiopia in wolkite town, which is important for the development of the bank. And to solve problems related to different service given by the bank that arise customer complain. The market concept suggest that satisfied customer will be more likely to purchase again and customers satisfaction and retention is the most important in long term objective of the firm (Pleshko and Sasser 2007).

Handling customer complain start to realize in a right by focusing different strategy depending on mood of the relevant of the service industry, plus search and deal frailer of service industry. Handling customer complain on time leads to satisfaction and more satisfying the more loyal the customer will be company reach high level of customer. A comprehensive attitude towards customer complains ensuring that your business take effective approaches to managing customer complain is key.

Complain are greatest source of learning they show as when we fail and where and how we should improve. The most common reason our customer complain are not keeping promise, poor customer service ,rude staff not listening customer complain ,keeping an issue un resolved, low quality product or service, inaccessibility To prevent customer from switching to competitor business should play more attention to their complain and address timely.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. RESEARCH DESIGN

In order to conduct the study the researcher used descriptive Research design that helps to deeply analyze the assessment of customer complains handling practice of the bank. The researcher used to describe data and characteristics because of such types of research are description nature of affairs as it presents exists. This study should been used through description of customer and employees of commercial bank.

3.2. BACKGROUND OF THE STUDY AREA

The study was conducted at south nation nationality peoples of Ethiopia region; in Gurage zone located 158 KM away from Addis. The study decided to use Wolkite town banks they in order to assess customer complaints handling on service offered. The researcher recommended improving complaints handling practice, in order to achieve customer satisfaction which would help to retain existing customers and increase new customers.

3.3. SOURCES OF DATA

The study has used both primary and secondary data. Primary data source of the study would collect from employee by questioners. The secondary also collected from official documents data would be used internet, books, manual books, report and written materials to obtain historical and other information published article and web site of the bank.

3.4. STUDY POPULATION AND SAMPLING

The targets populations of the study are 99, employee from these 15 are females and the remain are male in the three branch. These branches are Wolkite, Yejoka, and Bekur with total employee of 32 male and 4 female, 26 male and 3 female, 27 male and 7 female respectively. The study would be conducted with commercial bank of Ethiopia at Wolkite town. This study aimed at assessing customers satisfaction on complaints handling in banks, in this study the participant contacted at commercial bank of Wolkite employees. The populations which involved in the

study were 99 employees. From this population the following Yamane formula used to calculate the sample size randomly selected.

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

Whereby

n=Samplesize

N=Targeted population

e=Level of precision or confidence interval i.e. 10 %

n=99

$1 + 99(0.1)^2$

n=50

=50 sample

To select the sample from each Banks the total strata were. For strata:

n 1 =50 (36)/99 =18 employees from Wolkite Branch.

n 2 =50(29)/99 = 15 employees from Yejoka Branch.

n 3=50(34)/99= 17 employees from Bekur Branch.

3.5. TOOLS AND METHODS OF DATA COLLECTION

The researchers would be use questionnaires in order to gather the data from employee that currently work in the organization at commercial bank of Wolkite town and deans of the college. The researchers used closed ended question as a tool or instrument to collect data, the data would gather by distributing the questionnaires to employees.

3.6. METHODS OF DATA ANALYSIS AND INTERPRETATION

After collection of relevant data it was analyzed by using statically tools such as, percentage, tabulation and frequency to analysis of data. Research design for both primary and secondary data would have been used in the study. Because descriptive research design analysis transforms raw data in to form that make easy to understand and interpret data. The data gathering process have conducted manually, percentage, tabulation and frequency to analysis data.

The collected data through questionnaires will be sorted out by identifying which data will be usable and not usable, coding where numbers or symbols would be assigned, classifying and tabulation of collected data ready for analysis..

3.7. ETHICAL CONSIDERATIONS

According to Yin (2005) in his treatise on research design and methods, every research

Endeavor must be guided by certain ethical considerations. The study, in sampling respondents, considered all situations that might make a respondent ineligible to be sampled. For instance, some of the restraining factors include a respondent's inability to understand the concept of the study due to a lack of adequate education. Secondly, respondents were told that they could opt out of the study if they felt that the study was breaching their right to privacy or any other right in anyway. Thirdly, the purpose and objectives of the study were thoroughly explained to the sampled respondents and their anonymity guaranteed by the policy of not including their names or any other identification detail on the questionnaire sheets in other to ensure confidentiality.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with analysis, presentation and interpretation of data collected through questionnaire and interview from Wolkite Town concerning with customer complaints handling. For this study the questionnaires were distributed for 50 employee of the bank and 45 respondents have completed and submitted the questionnaire.

Table 4.1 distributed and returned questionnaires by the employee of the Bank

Questionnaires	No. of respondents	Percentage of respondents (%)
Returned	45	90
Not returned	5	10
Distributed	50	100%

Source: Survey 2011

From the above table 4.1 shows 90% of respondents were returned the question and fulfill in proper manner and carefully and 10% of respondents were not return the question and fulfill in proper manner and carefully, SO most of the respondents were loyal and turn the question and fulfill in proper manner and carefully.

Table 4.2 Characteristics of respondents by sex, age, education level marital status.

Item		No of respondents	Percentage (%)
Sex	Male	36	80
	Female	9	20
	Total	45	100%
Age	18-25	11	24.44
	26-30	14	31.11
	31-40	20	44.44
	Above 40	0	0
	Total	45	100%
Level of education	Diploma	4	8.88
	Degree	20	44.44
	Master	15	33.33
	PHD	6	13.33
	Total	45	100%
Marital status	Married	26	57.77
	Single	15	33.33
	Divorced	4	8.88
	Total	45	100%

Source: survey 2011 E.C

From the above table 4.2 shows that about sex distribution 80% are male and about 20% are females. Therefore, it implies that the majority of the employees in the bank are male. Regarding to age distribution from above table shows that 24.44% of the respondents are in the age of 18-25 years, 31.11% of the respondents are in the age of 26-30 years, 44.44% of the respondents are in the age of 31-40 years. Therefore the majority of the customers in the bank are in the age of 31-40 years.

On the other education level the above table shows that 44.44% of respondents were degree, 33.33% of respondents were master, 13.33% of the respondents were PHD, and 8.88% of respondents were diploma. So the majority of the bank employees were degree holder.

Table 4. 3 Customer complains method used by the bank.

Item	Respondents	
	Number	Percentage (%)
Do you think the bank use customer complaints handling method effectively?		
Yes	25	55.55
NO	20	44.44
Total	45	100%

Source: Survey 2011 E.C

Table 4.3 shows that the majority of employee respond that the bank use customer complain method effectively 25(55.55%), and 20 (44.44%) of respondents said that there is no effective customer complain handling method in the bank. According to the respondent the bank use

effective customer complain handling method and it should continue and should provide recognition for the rest of employee to use customer complain handling method effectively to solve their request

Table 4.4: Analysis of the employee receives against customer complain

Item	Respondents	
	Number	Percentage (%)
What do you want to receive against customer complaint?		
Compensation	6	13.33
Service recovery	20	44.44
Apologize	16	35.55
Nothing	3	6.66
Total	45	100%

Source: Survey 2011 E.C

From the above table 4.4 shows 44.44% of respondents were by service recovery, 35.55% of respondents were by apologize, 13.33% of respondents were by compensation, and 6.66% of respondents were nothing. From this the researcher can understand that the bank use service recovery and apologize to receive customer complaints and solve properly and efficiently.

Table 4.5 Actual performance of the bank regarding customer complain handling.

Item	Respondents	
	Number	Percentage (%)
How is the actual performance of the bank regarding to customer complaints handling?		
Higher than expected	12	26.66
Lower than expected	22	48.88
Matched to expected	11	24.44
Total	45	100%

Source: Survey 2011 E.C

From the above table 4.5 shows (48.88%) of respondents said lower than expected, (26.66%) of the respondents were higher than expected and 24.44% of respondents were matched to expected. Therefore the majority the respondents were lower than expected. From these the researcher could be concluded that highest respondents said that the actual performance of the bank regarding to customer complaint handling is lower than expected.

Table 4.6 the problem level of regarding to service quality dimension.

Item	Extremely satisfied	Satisfied	Neutral	Dissatisfied	Extremely dissatisfied	Total
Location of the bank	3 (6.66%)	18 (40%)	-	22(48.88%)	2(4.44%)	45(100%)
Sufficient No; of ATM machine	3(6.66%)	12(26.66%)	5(11%)	16(35.55%)	9(20%)	45(100%)
Presence of clear guide line	6(13.33%)	10(22.22%)	2(4.44%)	15(33.33%)	12(26.66%)	45(100%)
Reduction of balance without cash payment	3(6.66%)	7(15.55%)	5(11%)	20(44.44%)	10(22.22%)	45(100%)
Absence of immediate connection to the service	5(11%)	7(15.55%)	4(8.88%)	19(42.22%)	10(22.22%)	45(100%)
ATM card blocked	-	8(17.77%)	6(13.33%)	16(35.55%)	14(31%)	45(100%)
Take many steps processing transaction	3(6.66%)	12(26.66%)	3(6.66%)	22(48.88%)	5(11%)	45(100%)
ATM cannot printing of statement	5(11%)	9(20%)	4(8.88%)	19(42.22%)	8(17.77%)	45(100%)
Capable of serving customer problem adequately	3(6.66%)	12(26.66%)	4(8.88%)	20(44.44%)	6(13.33%)	45(100%)
Presence of giving fast service response	5(11%)	8(17.77%)	3(6.66%)	17(37.77%)	12(26.66%)	45(100%)
Wait long time conducting transaction	1(2.22%)	4(8.88%)	3(6.66%)	20(44.44%)	17(37.77%)	45(100%)

Source: Survey 2011 E.C

From the above table 4.6 first item shows that 48.88% of respondents were dissatisfied by location of the bank, 40%of the respondents were satisfied the location he bank, 6.66%of the respondent were extremely satisfied on the location of the bank and 4.44%of extremely dissatisfied by the location of the bank .Therefore majority respondents were dissatisfied by the

location of the bank. From these the researcher understands that the location of the bank in Wolkite town not comfortable to the customer of the bank.

From the above table 4.6 second item shows 35.55% of the respondents were dissatisfied about the sufficient t number of ATM machine, 20% of the respondents were extremely dissatisfied about on available ATM machine 26.66% of respondents were satisfied on sufficient number of ATM machine, 11.11% of respondents were neutral on sufficient number of ATM machine and 6.66% of respondents were extremely satisfied on sufficient number of ATM machine. Therefore the researcher concludes that the majority percent of respondent were dissatisfied about sufficient number of ATM machine available on commercial bank of Ethiopia found in wolkite town or there is no enough number of automatic teller machines in bank.

From the above table 4.6 third item shows about 33.335% of respondents were dissatisfied on presence of clear guide line, 26.66% of respondents were extremely dissatisfied on presence of clear guide line, 22.22% of respondents were satisfied on presence of clear guide line, 13.33%of respondents were extremely satisfied on presence of clear guide line and 4.44% were neutral there for the researcher implies that bank were at medium level on presence of clear guide line.

The above table 4.6 fourth item shows 44.44 %of respondents were dissatisfied on reduction of balance without cash payment, 22.22% of respondents were extremely dissatisfied on reduction of balance without cash payment, 15.55% of respondents were satisfied on reduction of balance without cash payment, 11.11% of respondents were neutral on reduction of balance without cash payment, 6.66% of respondents were extremely satisfied on reduction of balance without cash payment, there for the majority percent of responded were dissatisfied on reduction of balance without cash payment .

From the above table 4.6 fifth item shows about 42.22%of respondents were dissatisfied on absence of immediate connection to the service, 22.22% of respondents were extremely dissatisfied on absence of immediate connection to the service, 15.55 % of respondents were satisfied on absence of immediate connection to the service, 11.11% of respondents were extremely satisfied on absence of immediate connection to the service and 8.88 % of respondents were neutral on absence of immediate connection to the service. There for the researcher

conclude that presence of respondents dissatisfied on absence of immediate connection to the service.

From the above table 4.6 sixth item shows that 35.55% of respondents were dissatisfied on ATM card blocked, 31.11 % of respondents were extremely dissatisfied on ATM card blocked, 17.77 % of respondents were satisfied on ATM card blocked, 13.33 % of respondents were neutral on ATM card blocked, Therefore the researcher conclude that presence of respondents dissatisfied on ATM card blocked and present complain many times on automatic teller machine blocked.

From the above table 4.6 seventh item shows that 48.88% of respondents were dissatisfied by Take many steps processing transaction, 26.66 % of respondents were satisfied by Take many steps processing transaction, 11.11 % of respondents were extremely dis satisfied by Take many steps processing transaction, 6.66 % of respondents were extremely satisfied and neutral by Take many steps processing transaction. Therefore the researcher concludes that presence of respondents dissatisfied on Take many steps processing transaction.

From the above table 4.6 eighth item shows that 42.22% of of respondents were dissatisfied by ATM cannot printing of statement, 20% of respondents were satisfied by ATM cannot printing of statement, 17.77% of respondents were extremely dissatisfied by ATM cannot printing of statement, 11.11 % of respondents were extremely satisfied by ATM cannot printing of statement and 8.88% of respondents were extremely neutral by ATM cannot printing of statement, Therefore, the researcher conclude that presence of respondents dissatisfied on ATM cannot printing of statement and to minimize these complain the bank should prepare printing of statement to the customer in any automatic teller machine.

As indicating table 4.6 item ninth 44.44% of respondents were dissatisfied on capable of serving customer problem adequately, 26.66 % of respondents were satisfied on capable of serving customer problem adequately, 13.33% of respondents were extremely dissatisfied on capable of serving customer problem adequately, and 8.88 % of respondents were neutral on capable of serving customer problem adequately and 6.66 % of respondents were extremely satisfied on capable of serving customer problem adequately Therefore, the researcher conclude that the majority percents of respondent were of respondents were dissatisfied on capable of serving customer problem adequately.

From the above table 4.6 item tenth indicates that 37.77% of respondents were dissatisfied on presence of giving fast service response, 26.66 % of respondents were extremely dissatisfied on presence of giving fast service response, 17.77 % of respondents were satisfied on presence of giving fast service response, 11.11% of respondents were extremely satisfied on presence of giving fast service response and 6.66 % of respondents were extremely satisfied on presence of giving fast service response. Therefore the researcher understands that the majority percents of respondent were of respondents were dissatisfied on presence of giving fast response to the customer when the complain occur and does not immediately response to their customer.

From the above table 4.6 item eleventh indicates that 44.44 % of respondents were dissatisfied on waiting long time conducting transaction, 37.77 % of respondents were extremely dissatisfied on waiting long time conducting transaction, 8.88 % of respondents were satisfied on waiting long time conducting transaction, 6.66% of respondents were neutral on waiting long time conducting transaction, 2.22 % of respondents were extremely satisfied on waiting long time conducting transaction.

From this the researcher can understand problem level regarding to service quality dimension the majority of customers in the bank were raise complain related to the above issue and dissatisfied by the banking services provided by the bank. And also implies that the above problems will happen in frequently within the bank.

Table 4.7 Overall customer service satisfaction provided.

Item	Respondents	
	Number	Percentage (%)
Are your customers satisfied with the overall customer service provided by the bank?		
Yes	14	31.11
No	27	60
Cannot say	4	8.88
Total	45	100%
Do you ask customer whether they are satisfied with service recovery?		
Yes	16	35.55
No	29	64.44
Total	45	100%

Source: survey2011 E.C

The above table 4.7 shows that 60% of respondents says No, 31.11% of respondents says yes, and 8.88% of respondents can't say. From this the researcher can understand that the majority of customers of the bank were not satisfied with the overall service provided by the bank.

AS the table show in the above 35.55% of respondent were said yes and 64.44% of respondent said no. From this the research conclude that the customer of the bank satisfied with service recovery

Table 4.8 Response of the bank against customer complains.

The response of the bank against customer complain shows the time that express the bank see the customer complain to check whether it is fast or not to solve their problem on time.

Item	Respondents	
: How can see the response of the bank against customer complaint?	Number	Percentage (%)
Very quick	2	4.44
Quick	7	15.55
Medium	27	60
Late	9	20
Nothing	-	-
Total	45	100%

Source: survey 2011 E.C

As shown the above table 4.8 shows the respondent response that 27(60%) medium, 9 (20%) of respondents says late, 7(15.55%) of respondents says quick, and 2(4.44%) of respondents says very quickly.

According to the result shown 27(60%) of the respondent said that the response of the bank against customer complain medium these show that the banks better to improve response against customer complain.

Table 4.9. Employee willingness to help their customer.

Item.	Respondents	
	Number	Percentage (%)
Are the employees of the bank willing to help the customers?		
Yes	17	37.77
No	28	62.22
Total	45	100%

Source: questionnaire 2011 E.C

The above table 4.9 shows 62.22% of respondents said No, and 37.77% of respondents said yes. From this the researcher can understand that the majority of employees of the bank can't help the customer of the bank to handle their complaint most of the time.

Table 4.10 Times customer complain a rise.

Item	Respondents	
	Number	Percentage (%)
How often customer complaints arise in the bank?		
Many times	23	51.11
Some times	12	26.66
Few times	10	22.22
Never	-	-
Total	45	100%

Source: Survey 2011 E.C

The above table 4.10 shows 51.11% of respondents say many times, 26.66% of respondents say sometimes, and 22.22% of respondents say few times. From this the researcher can understand that the customer complaints arise many times within the bank.

4.11 Mechanisms used the bank to take customer complain.

Item	Respondents	
	Number	Percentage (%)
Is there any mechanism used by the bank to take customer complaints?		
Yes	26	57.77
No	19	42.22
Total	45	100%

Source: Survey 2011 E.C

From the above table 4.11 shows that 57.77% of respondents said yes by any mechanism used by the bank to take customer complaints and 42.22% of respondents said no on any mechanism used by the bank to take customer complaints. From this the researcher can understand that the bank can use customer complaint mechanisms to solve properly and timely. In order to increase customer and protect the customer from switching and stay loyal plus to that increase trust on bank.

Table 4.12 the bank decisions after presenting complain.

Item	Respondents	
	Number	Percentage (%)
What does the bank do to you after presenting your complaints?		
Training employee	21	46.66
Advice employee	16	35.55
Warning employee	4	8.88
Change employee	4	8.88
Other	-	-
Total	45	100(%)

Source: Survey 2011E.C

On the above table 4.11 shows that out of 45 total respondents 21 (46.66%) were indicated that training employees, 16(35.55%) of were indicated advice employees, 4(8.88%) of respondents were indicated change employees, and 4(8.88%) of respondents were indicated warning employees. From this the researcher could understand that the majority of the respondents in the bank can give training employees after presenting customer complaints.

Important ideas about customer complain handling for the development of the bank

The employee of the bank customer complain handling practice for the development of the bank suggested that using customer complain as a tool to identify uncovered complain wisely to make good relationship the employee of the bank and customers for making important decision by prepare meeting about customer complain to give advice for the customer and increase customer complain showing habits, the bank make corrective actions considering the case to minimize complain on time. The bank use daily customer exited interview and immediate action with excellent service should improve and timely communicate when complain is happen, and then discussed the concerned body to know different problem from the customer to fill full the short coming.

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter presents a summary of the study of findings, conclusions and recommendations for handling of customer complaints handling practice with in Wolkite town.

5.1 MAJOR FINDINGS

The general objective of the study was handling of customer complaints in case of the bank. The study showed that most of the time customer complaints have made many times. More than half of the study samples were found to have made complaints about ATM machines. Significance percentages of respondents made complaints about deduction of their balance without cash payment, location of the bank, waiting long time for conducting transaction, ATM card blocked, can't print of statement, capable of serving customer problem adequately waiting long time conducting transaction , absence of immediate connection to the service, take many step processing transaction, and others. These showed that the reactions of most customer complaints were mostly an expression of disappointment, negative perception about the bank and complain raise from their customer (and probably the failure of the bank to adequately resolve it) and the overall mindset of negativity against the bank.

5.2 CONCLUSION

The researcher finally comes with the following conclusion based on the finding regarding of h customer complaint handling CBE in case of Wolkite town. Handling complaint is an important factor to consider is dealing with customers and conducting business to satisfy customers. When organizations deploy customer complaint logbooks, the process of complaint resolution is further enhanced. The customer complaint logbook serve as a record of the complaints and recommendations of customers that when factored in to policy decisions, can improve the company's customer service operations and public image. Based on the interpretation we can conclude that customer complaint is arise in many times in the bank and we can understand that the bank can give training and advise for employees to support and strength the customers.

5.3 RECOMMENDATION

Based on the findings, the study puts forward the following recommendations.

- The study found that most complaints were about ATM machine malfunctions and deficiencies. Complaints about such deficiencies can only be forwarded to the bank during the day when the bank is open. Customer complaints become impossible when ATM service is deficient at night and the client can't make it to the bank during the day time to make a complaint. This may not only deny the bank a chance to address its customer needs but also a chance to implement critical service improvements.
- Another way would be to factor complaint services into ATM services such that complaints can be made electrical by just pressing a button.
- Customers of the bank frustrate with poor service at the time it is encountered and negatively influence retention. The study showed that the majority of complaint made by customers over different service due to this the bank should improve different service and make it more modernize.
- The study samples found to have made complaints about automatic teller machine (ATM) failures and cannot printing of statement, location of bank take many steps processing transaction, absence of immediate connection to the service, reductions of balance without cash payment and others. The study recommends that the bank totally focus to significantly improve these services to enhance product offerings and customer services.
- The bank should made to increase better to improve against customer complain, solve their problem quickly and give there employees training about customer complain handling to minimize switching of their customer.
- The organization prepare customer contact when any modernize new technological change occur to give awareness to increase the customers use and reduce resistance to change, plus to increase the chance of using it.

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APPENDIX
WOLKITE UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

Dear respondents: the questionnaire is prepared by third year management students on topic of handling of customer complaints handling practice (in case of CBE at wolkite town hence it is purely used for academic purpose and your response will be kept confidential.

The questionnaire fulfilled by customers of the banks.

The response to fulfill success in ways of putting (√) sign your answer

Part 1: demographic information

1. Sex male female
2. Age 18-25 26-30 31-40 above 40
3. Level of education

Diploma degree master PHD
4. Marital status:- married single divorce

Part 2: questions related to the study: put (√) sign for you answers

1. Do you think a bank use customer complaints handling methods effectively?
Yes No
2. What do you want to receive against customer complaint
Compensation service recovery apologize nothing
3. How is the actual performance of the bank regarding customer compliant handling?
Higher than expected lower than expected matched to expected
4. Problem levels regarding to the following service quality dimension your customer compliant to the bank please tick (√) .

D e s c r i p t i o n s	E. satisfied	Satisfied	Neutral	Dissatisfied	E. Dissatisfied
Location of the bank					
Sufficient No of ATM machine					
Presence of clear Guideline					
Reduction of balance without cash payment					
Absence of immediate connection to the service					
ATM card Blocked					
Take many steps processing transaction					
ATM cannot printing of statement					
Capable of serving customer problem adequately					
Presence of giving fast service response					
Waiting long time conducting transaction					

6. Are your customer satisfied with the overall customer service provided by the bank?

Yes No cannot say

7. How can see the response the bank against customer complaints.

Very quick

Medium

Nothing

Quick

Late

8. Are the employees of the bank willing to help their customers?

Yes

No

9. How often customer complaints arise in the bank.

Many times

Some times

Few times

Never

10. Is there any mechanism used by the bank to take customer complaints?

Yes

No

11. If your answer for question number 11 is yes what kind of mechanism is used? Please specify.....

12. Do you ask customer whether they are satisfied with service recovery?

A. yes

B. no

13. What does the bank do to you after presenting your complaint?

Training employees

Advise employees

Warning employees

Change employees

If others you can specify.....

14. What is your suggestion important idea about customer complaint handling for the development of the bank? -----