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**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND
ECONOMICS, SCHOOL OF COMMERCE**

**THE EFFECT OF CUSTOMER RELATIONSHIP MANAGMENT ON
MARKET PERFROAMNACE: THE CASE OF ETHIOPIAN AIRLINES.**

BY

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ID No: GSE/9780/13

January 2024

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY,
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ADVISOR: BEZA LIBEYESUS (Ph.D.)

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APPROVAL SHEET

**THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON
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DECLARATION

I, the undersigned, hereby declare that this thesis entitled **the effect of customer relationship management on Market performances: The Case of Ethiopian airlines** is my original work and submitted by me for the award of the Degree of Master of Arts in Marketing Management of Addis Ababa University at Addis Ababa and it hasn't been submitted and will not be presented for the award of any other Degree award of any other university or institution and that all sources of material used for the study have been appropriately acknowledged.

Miniyhil Assefa

Student

Signature, January 2023

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ACRONYMS AND ABBREVIATIONS

ANOVA: Analysis of Variance

CRM: Customer relationship management

SPSS: Software Package for Social Sciences

VIF: Variance Inflation Factors

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Abstracts

CRM plays a crucial role in the global market, connecting customers with companies. Ethiopian airlines are focusing on understanding the effect of CRM behavioral dimensions on market performance. A quantitative research study was conducted, collecting data from 187 respondents using a five-point Likert scale questionnaire. The results showed a positive and significant effect of CRM on market performance. Key customer focus, CRM organization, Customer knowledge management, and technology-based CRM were identified as independent variables. The study also revealed that the effect of CRM behavioral dimensions on market performance was significant. This highlights the importance of airline companies in recognizing and responding to the growing importance of customer relationships in their success.

Keywords: Customer Relationship Management, Key customer focus, CRM organization, Customer knowledge Management, Technology based CRM, CRM behavioral dimensions and Market performance.

CHAPTER ONE

1. Introduction

1.1 Back ground of the study

Customer relationship management is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer related data and enabled by information technology (Francis B 2009).

Customer relationship management is a business strategy that increases the use of technology and includes it in all processes to create retention and loyalty over time (Johnson 2001). It is a Coherent and complete set of processes and technologies for managing relationships with current and potential customers and associates of the company, using the marketing, sales and service departments, regardless of the channel of communication (Chen and Popovich, 2003).

Customer relation is the process by which companies and organizations interact with their customers and develop long-term connections with them. Customers have always been at the heart of an enterprise's long-term growth strategies, marketing and sales efforts, product development, labor and resource allocation, and overall profitability directives (Xin Yang 2022).

Good customer relationship management means presenting a single image of the company across all the many channels a customer may use to interact with the firm and keep a single image of the customer that is shared across the enterprise (Berry & Linoff, 2000). A successful CRM implementation is when a CRM system helps a company profitably deliver market offering to consumers that provide value to consumers if possible to a lower cost than the competition, provide more value at the same relative cost relative to the competition, to provide more value at a lower cost than the competition (Elfving & Lemoine, 2012).

CRM includes all the opportunities for managing customer relationships: managing contacts, managing customer interactions, managing potential and completed transactions. CRM contains tools for creating reports, importing/exporting contacts, analyzing and segmenting the target

audience. Based on the data received from CRM, the user can distribute lists of potential customers between sales department managers, plan promotions and subsequently analyze their effectiveness (Leonid & Artem, 2018).

According to Shaw (2001), CRM is an interactive process focused on obtaining optimum balance between investments made by an organization and the satisfaction of its clients, which leads towards an overall profit maximization.

Airlines struggle to gain market share and sustain profitability in today's fiercely competitive and economically demanding environment, they must develop new ways to manage their customer relationships to optimize customer loyalty and revenues (Boland, D. M. 2002).

In this competitive and globalize of airlines industry, customer of each firm is of crucial assets which the firm needs to preserve and expand for its profitability (Hanley, 2008). Many market researchers highlighted that loyal customers have an important contribution in market share and to a company's profitability.

The cornerstone of successful airlines marketing activity is that firms should obtain full knowledge of their current and potential customers. This knowledge needs to encompass information about market size, demographics, customer requirements and attitudes. There also needs to be an ability to forecast the future size of the market, and any possible future changes in customer needs and over whole market performance (Stephen Shaw 2007).

According to Sayed (2011), CRM is a multidimensional construct consisting of four broad behavioral components; those are: key customer focus, CRM organization, knowledge management, and technology-based CRM. Also he examined the four CRM behavioral dimensions on market performance of financial institutions in maintaining current customers, attracting new customers, increasing market share, enhancing the standard of sales growth and adding the net profit standard to sales.

Based on the empirical literature evidences, the fundamental customer relationship management variables that can possibly influence companies market performance include key customers focus, CRM organization, knowledge management, technology based CRM, and more generally CRM behavioral dimension performance. Each of these variables encompasses organizational activities, actions and methods that are necessary to establish and maintain organization client relationships and thus possibly ensure long-term relationships, higher customer retention levels.

Higher market share and sales growth (Fox and stead, 2001; Sin et al., 2005; Yim et al.,(2005)

1.2 Statement of the problem

Focusing on customers is the main parameter in all businesses and based on shifting from product oriented to market-oriented industry. As a result of this, competition has increased between the companies in the market, where each company has to work out a strong up-dated competitive strategy if they want to stay in the business (Parvatiyar & Sheth, 2001). Moreover, a key driver of this change is the arrival of Customer Relationship Management (CRM) which is underpinned by information and communication technologies (Ryals & Knox, 2001).

According to (Lo, Stalcup, & Lee, 2010) CRM is a powerful instrument for boosting the organization's effectiveness which includes increased profitability, goodwill, better product, and service delivery.

Many researchers have been agreed that in business, very important and valued customers are the ones who keep coming back to that company. Acquiring a new client increases the total cost of the company, which mean that the net profit will go to the new customer rather than to the dividend, or to expanding their capital. After the first stage of acquiring a new customer, the cost of doing so will start to fall and the customer will tend to be loyal and keep coming regardless of the price (Srinivasana, Andersona, &Ponnavolub, 2002).

According to Farzana Riasat (2015) strategic positioning and strategic customer relationship management have strong, positive and significance association with Organizational performance.

Technology based CRM and customer knowledge competence also have significance association with Organizational performance. Improvement in information technology and Organizational change in customer's centric procedures has positive and significant effect in development of customer relationship management. Organizations with effective implementation of CRM gain the customers loyalty and satisfaction.

CRM cannot be successful even if the organizations acquire the most advanced technology and try to generate a customer-centric orientation without complete integration of the project into the organization (Sin et al., 2005). Customers' knowledge plays a vital role in CRM. Organizations can use it to build and develop their relationship with customers and it enables organizations to gain a competitive advantage in the market (Sin et al., 2005).

Customer knowledge management is perceived nowadays as one of the key factors for business success, as the customer centered management theories show how important it is to know and meet customer needs. Because of this it has been clearly established that the goal is to reach, keep, and use the best information about customer knowledge (Chang & Lee,2008). The more effective the customer knowledge management that a firm can have performs, the greater the effect it will have on the firm's marketing results (Fidel et al., 2015).

Anderson, Klein Pearo and Widener (2008), and Cheng, Chen and Chang (2008) state that the airline industry creates the perfect setting to study customer satisfaction and customer relationship management due to the number of service encounters passengers are involved in during their flight and since it is in the best interest of the airline to form a long-term relationship with customers.

If the airline company has chosen the right Customer Relationship Management and Marketing strategy, the company can immediately increase the effectiveness of its services. The CRM and marketing implementation and its success rate depend purely upon the effectiveness of the strategies adopted for the customer acquisition, customer satisfaction and customer retention, and customer loyalty (Kumudha & Bhunia, 2016).

Eskdar Tamirat (2015) studied about the effect of customer relationship management on customer loyalty in case of Ethiopian airlines and concluded that customers value trust more than the other relationship qualities to be loyal to the airline and she suggested as the airline should work hard towards building the trust and confidence of its customers by keeping promises and fulfilling obligations to customers, and showing respect to them. But the study did not investigate the effect of CRM on overall of the company market performance.

Sara Aiderous(2017) studied about the effect of CRM on customer loyalty and that customer loyalty can be created, reinforced and retained by marketing plans aimed at building trust, demonstrating commitment to service, communicating with customers in a timely and reliably and handling conflict efficiently. But the study lack to show the effect of CRM on marketing performance of the company.

According to Betelehem Tefera (2021) key customer focus, technology-based CRM and ease of use variables have positive and significant associations with customer loyalty. However, a variable such as knowledge management, CRM organization and convenience were found statistically insignificant implies that they have no attentive effect on customer loyalty. But she didn't indicate the effect of those variables on the market performance of the airlines.

Thus, to the best of my knowledge not enough research is conducted on Ethiopian airlines re the effect of CRM on marketing performance while different scholars conduced on the other industries like banking industry, Hotel industry and telecom industry.

In this stiff and volatile airlines market situation, there is a slight room for airlines to differentiate their products and win the competition in the industry. Thus they are forced to shift their focus towards building a long term relationship with their customers in an attempt to win satisfaction, loyalty, more sales growth and continued business. To win in these high competition environments, airlines invest millions of dollars on latest airlines technology, ICT facilities and CRM that can association their head office with operational teams, and customers. Thus, the researcher motivated to know the effect of CRM on market performance of Ethiopian airlines using CRM behavioral dimension measure that used by the other industries to give insight for the management of the company and future researchers on the area.

1.3 Research questions

The study conducted with the aim of providing answer for the following research questions.

1. What is the effect of **key customer focus** on market performance in case of Ethiopian airlines?
2. What is the effect of **CRM organization** on market performance in case of Ethiopian airlines?
3. What is the effect of **knowledge management** on market performance in case of Ethiopian airlines?
4. What is the effect of **technology-based CRM** on market performance in case of Ethiopian airlines?

1.4 Research Objective

1.4.1 General objective of the study

The general objective of the study is to explore the effect of CRM on marketing performance in case of Ethiopian airlines

1.4.2 Specific objective of the study

In conformity with the general objective, the following specific objectives are drawn:

1. To determine the effect of key customer focus on market performance in case of Ethiopian airlines.
2. To examine the effect of knowledge management on market performance in case of Ethiopian airlines.

3. To examine the effect of CRM organization on market performance in case of Ethiopian airlines.
4. To investigate the effect of technology-based CRM on market performance in case of Ethiopian airlines.

1.5 Hypothesis of the study

In order to achieve the purpose of this study the following general hypotheses have been tested

H1: Key customer focus has positive and significant influence on market performance.

H2: CRM organization has positive and significant influence on market performance

H3: Customer knowledge management has positive and significant influence on market Performance.

H4: Technology based CRM has positive and significant influence on market performance.

1.6 Significance of the study

Focusing on the airlines industry, while describing and exploring the effect of CRM Processes on market performance of Ethiopian airlines, the following are some of the reasons representing the significance of this study.

It can provide practical significance though valuable inputs and directions regarding CRM processes related activities and utilization of assisting technologies towards building the effect of CRM guided business relationship with customers and market performance. Besides, it may help management of the company to learn more about their customer's feedbacks which will be used as an important ingredient to assess and revise their service quality, identify the potential of customer and target for each market lead, and expand the creation and transfer of knowledge with staffs and keen customers on technology adaptability.

More specifically, this study will also hopefully serve as a stepping stone for further study on this issue of the airlines.

1.7 Scope of the study

The main objective of the research is to know the effect of four behavior dimension of CRM (Key Customer Focus, CRM Organizations, Customer Knowledge Management, CRM based Technology) on the market performance in case of Ethiopian airlines. To accomplish the objective of the study quantitative method carried out. Due to time and financial constraint, conducting a research in taking larger size and different location of the company becomes impossible and the research delaminated to the employee of Ethiopian airlines specifically the area managers and the employees under the Ethiopian airline's customer service department.

1.8 Limitation of the study

Due to time and other constraint, the researcher intended to reach only head office-based Employees under customer service division of the airlines and area managers of the company. This will limit the generalizability of the findings to other parts of service industry.

1.9 Organization of the Study

This study structured with five chapters. Chapter one includes background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, and limitation of the study. Chapter two covered theoretical & empirical literatures and conceptual frameworks which are relevant to the subject matter under study. Chapter three covered the methodology part of the study and described in detail. The findings of the study is presented, analyzed and discussed in chapter four. Finally, chapter five covered; summary, conclusions, and forwarded recommendations based on the findings of the study.

1.10 Definition of terms

- **Customer:** Any person capable of opening and transacting a bank account, loan account, and also those with potential to transact with the bank (Bremer, 2012). Customers are people who use product or services and pay in return for them (Chris Rice 1997).
- **Customer Relationship Management:** the activity which is interested in the main customers of the organization, in the efficiency of organization and in the customer knowledge management, with the aim of enhancing the effectiveness of the organization decisions related to customers, leading, therefore, to the improvement of the marketing performance in particular and the organizational performance in general.
- **Key customer focus:** An overall customer-centric focus and continuously delivering superior and added value through customized offers to the key customers (Vandermerwe,(2004).
- **CRM organization:** It is providing staff with modern tools and technology, inspirational leadership and reward systems, customer satisfaction tracking and complaints management systems (Mohammed and Rashid, 2012).
- **Knowledge management:** Gathering and analyzing of customer information as such data will be used in creating extremely personalized offerings especially in the hospitality sector (Mohammed and Rashid, 2012).
- **Technology based CRM:** It refers to advanced information technology that assists various activities of CRM which leads to major opportunities in the hotel industry as it facilitates gathering the right information from the right people at the right time in order to make the right decisions in providing their service (Pandey, 2012).
- **Market performance:** Refers to the enhancement of the organizational standing in the market, improvement of the customer's perception of organization and its products and increase in their loyalty toward organization (Mithas et al, 2005).

CHAPTER TWO

2.0 Literature Review

The purpose of this chapter is to review the related literature on the area of customer relationship management and its effect on market performance of the organization. This enables to establish a framework that can guides the study. The main parts of the section discuss under theoretical and empirical literature. The first part deal with theoretical literature and the second part review empirical study, conceptual framework of the study and research hypotheses.

2.1 Theoretical Review

2.1.1 Concept of Customer relationship management

The definitions of CRM are given based on three different perspectives, (i) a business philosophy, (ii) a business strategy, or (iii) a technology (Caldeira et al. 2008; Pedron & Saccol, 2009). Khalid, Dr. Haslina & Dr. Huda (2011) reviewed around 23 different study to CRM definition demonstrated their own analysis. Based on their analysis that about half of the definition is indicated for CRM as a strategy of doing business while 17% of the definitions are associated for CRM as a philosophy and 22% as a technology. These results show that there is an agreement among researchers in defining CRM as a strategy. On the other hand, two definitions pointed out that CRM is a strategy enabled by technology and only one definition has combined the three perspectives. And they defined CRM is the building of a customer-oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both the organization and the customers.

According to Sayed(2011) which was taken from Zablah (2004),The below table is the summery of CRM concept from five point of view of CRM as a process, a strategy, as a philosophy, as an ability & as a technology.

Point of view	Description	Success requirement	Concept
As a process	Improving the relationships Between the seller and the buyer; this relationship must be strong and enduring.	The institution should have the ability to discover the customer's desires and to respond to them.	CRM is creating and enhancing the engagement and relationships with the external parties, specially the agents and end- consumers.
As a strategy	The value of the life period of the customer with the institution determines the amount and kind or resources that the organization can invest in a relationship.	The institution should assess its relationship with the customer continuously. It should assign priorities in dealing with him/her on basis of the quantitative profitability during the life period of the customer.	CRM is the investment of the companies in the customers who are expected to be valuable for the institution, and the reduction of investment in the valueless customers of the company.
As a philosophy	Customer retention can be better achieved through focusing on establishing relationships and maintaining them.	The customer should be the focus of the attention of the institution, which should be oriented towards understanding the changeable needs of the customer.	CRM is not a temporary project, but a work philosophy, which aims at putting the customer in the focus of the
As an ability	Profitable and long-term Relationships only arise when the companies can customize its behavior continuously towards every customer.	The company should possess a Group of tangible and intangible resources, which the company uses to flexibly remodel its behavior towards the customer continuously.	CRM means the desire and ability of the institution to custom its behavior towards every customer, on the basis of the information the customer tells and what the institution knows about that customer.
As a technology	Knowledge management and Reaction represents the main resources that the institution needs to establish profitable and long-term relationships with the customer.	The institution should be directed with the functional method, and also the user's acceptance of the technology applied by the institution in order to establish the customer's knowledge and reaction management.	CRM is the technology used to integrate sales systems, marketing systems and information systems to establish relationships with customers.

Table 1 Theoretical review summary -source: Sayed(2011)

Based on the aforementioned summery on the concept of CRM from different perspectives and as working definition's : CRM is an activity and strategy employed by the company, which focus on creating and enhancing relationships with the customers of the organization with the aim of enhancing the effectiveness of the organization decisions related to customers, and

therefore, to the improvement companies market performance by well integrating across different units of the organization like marketing, Sales, and customer service.

2.1.2 Customer relationship management in airlines industry

According to Declan Boland, Doug Morrison and Sean O'Neill (2002) on the future of airlines CRM: airlines struggle to gain market share and sustain profitability in today's fiercely competitive and economically demanding environment, they must develop new ways to manage their customer relationships to optimize customer Loyalty and revenues.

Many airline companies have swamped the market nowadays and it is a critical point of airline industry to make a strategic decision to survive and prosper in the market. At that situation, customer is critical since they are in the role which decides whether the airline company will earn profits or not; and finally, whether it will survive or disappear from the skies. CRM concept has been developing and become a top priority for airline companies and an essential component of the corporate strategy of airline companies to differentiate themselves from competitors in the eyes of the customer (Boland et al., 2002).

According to (Boland, Morrison, & O'Neill, n.d., 2002) In order to manage the customer more effectively across all lines of service, airlines must change their approach to CRM in a number of ways:

- **Customer segmentation** -Airlines need to recognize that mileage-based segmentation is Inadequate, whereas value-based and needs-based approaches can help guide investment decisions and drive greater insight into the needs of high-value customers.
- **CRM initiative development**-In order to differentiate themselves from the competition, Airlines must abandon a fast follower approach to CRM initiative development, in favor of investing in initiatives with a high return, which responds to the needs and desires of their Own customers.
- **Organizational design and management** -Airlines need to instill a service mentality in their employees, empowering them with a complete view of the customer and clearly articulating the employee's role in the CRM strategy.

Thus, in today's competitive world especially for air transport sector implementing CRM benefit the company on Operational and marketing efficiency, specifically for customer's satisfaction, customer retention and for a long-term market performance and profitability.

2.2 Aspects of CRM

According to Gray & Byun (2001), CRM system consists of the three aspects which we are going to present as below:

2.2.1 Customer

The customer is the only source of the company's present profit and future growth. However, a good customer, who provides more profit with less resource, is always scarce because customers are knowledgeable, and the competition is fierce. Sometimes it is difficult to distinguish who is the real customer because the buying decision is frequently a collaborative activity among participants of the decision-making process, information technologies can provide the abilities to distinguish and manage customers. CRM can be thought of as a marketing approach that is based on customer information.

2.2.2 Relationship

The relationship between a company and its customers involves continuous bi-directional communication and interaction; the relationship can be short-term or long-term, continuous or discrete, and repeating or one-time. Relationship can be attitudinal or behavioral. Even though customers have a positive attitude towards the company and its products, their buying behavior is highly situational. For example, the buying pattern for airline tickets depends on whether a person buys the ticket for their family vacation or a business trip. CRM involves managing this relationship, so it is profitable and mutually beneficial. Customer lifetime value (CLV), is a tool for measuring this relationship.

2.2.3 Management

CRM is not an activity only within a marketing department. Rather it involves continuous corporate change in culture and processes. The customer information collected is transformed into corporate knowledge that leads to activities that take advantage of the information and of market opportunities. CRM required a comprehensive change in the organization and people (Ohn 2020).

2.3 Types of CRM

Various scholars have raised divergent opinions on which types of CRM considerations are the most effective. Reynolds (2002), defined three forms of CRM in her book: operational, analytical, and collaborative CRM. These three distinct categories were also discussed in a recent study by (Rollins & Halinen, 2005). Similarly, Dyché (2002: p. 13) stressed operational and analytical CRM in his work. However, Buttle (2009: p. 4) recently proposed strategic CRM as a fourth form of CRM in his book. In particular, these various types of CRM are essential since they all have the same goal in mind: to successfully deliver CRM within organizations. As a result, the researcher will present and discuss all four major types of CRM in this section.

2.3.1 Strategic CRM

Strategic CRM is focused upon the development of a customer-centric business culture. This culture is dedicated to winning and keeping customers by creating and delivering value better than competitors. The culture is reflected in leadership behaviors, the design of formal systems of the company, and the myths and stories that are created within the firm. In a customer-centric culture you would expect resources to be allocated where they would best enhance customer value, reward systems. Therefore, customer-centric business approach requires changing behavior from regular business models such as product-orientation, production-orientation or sellingorientation. (Buttle, 2009)

2.3.2 Operational CRM

Operational CRM automates and improves customer-facing and customer supporting business processes. CRM software applications enable the marketing, selling and service functions to be automated and integrated. Operational CRM focuses on customer-involving processes such as selling, marketing and customer service. It is about automating some of the marketing, selling and service functions of an organization. (Buttle, 2009).

2.3.3 Analytical CRM

This involves the capture, storage, organization, analysis, interpretation and use of data created from the operational side of the business. Integration of analytical CRM solutions with operational CRM solutions is an important consideration. (Adrian Payne 2005 p-44)

It enables the value creation to both, the customer and the organization, by capturing, storing, extracting, processing, interpreting and reporting the data. Customer-related data may include information about purchasing history, payment history, and credit score, marketing campaign response, loyalty scheme data and service data. In addition to internal data, organizations may gather and analyze demographic and lifestyle data from external sources as well (Buttle 2009)

2.3.4 Collaborative CRM

Collaborative CRM is a CRM technique in which many departments within a company, such as sales, technical support, and marketing, share any information gathered from customer interactions (Chai, 2007). Consumer input from a technical support session, for example, could advise marketing employees about items and services that the customer might be interested in. The goal of this collaboration is to improve customer service quality in order to boost customer happiness and loyalty.

A collaborative CRM system is primarily used for constructing online groups, establishing business-to-business touchpoints, and personalizing services, is according to Rollins and Halinen (2005) and Adebajo (2003). Collaborative CRM involves the use of collaborative services and infrastructure to make interaction between a company and its multiple channels possible. This enables interaction between customers, the enterprise and its employees (Adrian Payne 2005 p-44).

2.5 Dimension of CRM

According to Sayed H. (2011) different studies varied in treating CRM. some studies treated its humanistic dimension, some treated its technological dimension, and some treated its strategic

dimension. The marketing dimension was of little interest to the studies and he concluded CRM is a multidimensional construct consisting of four broad behavioral components; those are: “key customer focus, CRM organization, knowledge management, and technology-based CRM”. Also, he investigated the four CRM behavioral dimensions on market performance of financial institutions in maintaining current customers, attracting new customers, increasing market share, enhancing the standard of sales growth and adding the net profit standard to sales. Thus, this study will explain the dimension of CRM based on behavior components.

2.5.1 Key customer focus

According to Armstrong and Kotler, (2004), in today’s business environments the ultimate goal of any key customer focus is to achieve a deep customer relationship that makes an organization a necessary partner to its most profitable customers. The overall company understanding and support for key customer focus encourage sales force to foster long-term customer relationships by offering more personalized services.

According to Ryals and Knox (2001); Sheth and Sisodia (2001): Focusing on key customers significantly affects customer satisfaction. This is in accord with the tenet that an overwhelming customer focused mind-set should perpetuate a CRM-oriented organization with business strategy driven by key customers.

According to Anderson and Swaminathan (2005), strong focus on key customers deeply surrounded throughout its CRM system, the whole company should be structured around promoting, encouraging, stimulating these valuable relationships.

Good customer -oriented behaviors, in an organization, definitely ensures a tremendously positive effect on its performance (Kim, 2008; Yilmaz et al., 2005). Similarly, King and Burgess (2008) reach the conclusion that customer orientation is a crucial factor in the successful implementation of CRM.

Moreover, most researches revealed that service firms require a better understanding of customer orientation and its great importance to such firms and their performance (Kim et al., 2006; McNaughton et al., 2002; Sin et al., 2005). Research has supported that customer focus leads to

increase organizational performance (Asikhia, 2010; Liu et al., 2003; Zhou et al, 2009). Furthermore, customer focus is also one of the market beneficial sources, it helps organization to understand customer, and hence it helps in delivering an appropriate plan to satisfy customer needs (Liu et al., 2003).

2.5.2 CRM organization

First and foremost, to make sure there is highly employee involvement to conduct the customer-oriented behaviors. Organizations also have to develop an appropriate working atmosphere for the service in work as a result organizations will provide their employees the supportive working conditions with the help of advanced technology and tools, customer satisfaction and complaints management systems, inspiring leadership and reward system to let employees play their role in customer interaction and communication effectively (Mechinda & Patterson, 2011).

According to (Hoffman and Kashmeri, 2000) The key considerations in order to successfully organize the entire company around customer relationship management are as follows: organizational structure, organization-wide commitment of resources, and human resources management. CRM means indispensable variations in the way that firms are systematized, and business progressions are directed. As a result, firms should take into consideration the organizational challenges inherent in any customer relationship management advantage (Agarwal et al., 2004).

Ku (2010) stated, for CRM success it does not only require technological quality or systems, but it is also requiring a service concept as well as appropriate operation procedures. Thus, this can stress that active involvement of employees in the organization has a direct effect on organization performance and development of long-term beneficial customer relationship to build up the loyalty. Hence, it can be said that CRM organization must be an essential through which firms affect the fundamental changes in the way they organized their business processes (Sin et al., 2005).

2.5.3 Customer knowledge management

Customer knowledge management is defined as a combination of organizational tools, practices, and soft skills focused on how to create, accumulate and transfer customer-related knowledge (Alegre et al., 2013). The more effective the customer knowledge management that a firm can perform, the greater the effect it will have on the firm's marketing results (Fidel et al., 2015).

According to Salomoun et al, (2005) in today's competitive world, knowledge is well thought-out as one of the competitive factors in global economy. It is compulsory to think and consider for a business firms in order to attract customer as another important factor in order to come in today's dynamic market successfully. Despite of this customer knowledge management can be defined as the system of attaining, allocating, and increasing the customer knowledge among employees for making profit to the organization and customers. With the intention of improving the organizational productivity and value, assure from delivering required products and services to the customers and acquire their satisfaction, it is compulsory to manage the organization's knowledge about customers. Accordingly, it can be decided that knowledge management is an integrative part of CRM.

According to Yim, and Swami Nathan (2005), effectively transforming customer information to customer knowledge is an indicator of successful CRM. Knowledge management provides firms with market intelligence that can be used to maintain and build profitable portfolios of customer relationships.

2.5.4 Technology based CRM

According to Abbott *et al.*, (2001) to measure the CRM performance successfully, relevant and reliable customer data is necessary. Therefore, to accurately gather customer data technology has a vital role in CRM in addition to firm intelligence (Boyle, 2004). Indeed, the development and improvement of information technology provide the ability to gather, investigate, and share

customer information which will lead to a customer satisfaction, customer loyalty and retaining customers (Bulter, 2000).

The CRM demands for information-wide strategies which exploit computer technologies in maintaining relationships (Harding *et al.*, 2004) such as: computer-aided design or manufacturing, data warehouses, data mining and CRM application systems that allow the firms to offer maximum customization with better quality at lower cost.

According to Yim, Anderson and Swaminathan (2005), firms will be in the position to enhance prospecting, improve communication and sales presentations, and able to customize their product configurations by using appropriate customer relationship management technology for data collection and distribution.

2.6 Market performance

In the competitive world, companies deliver products and services that are almost personalized for every customer. Indeed, organizations can achieve competitive advantages in sale and service marketing through customizing their mass services. Nowadays, successful companies strive to transfer their mass services to individual customer relationship management. Marketing performance refers to the improvement of the organizational status in the market (market share), improvement of the customer's perception of organization (customer satisfaction) and its products and increase in their loyalty toward organization (Sanmartin and Camero, 2005). Business performance is defined as a multidimensional construct including financial and marketing-based measures (Doyle, 1995; Vorhies and Morgan, 2005). The financial measures are vital to reveal the ability of an organization's ability to utilize its resources effectively and efficiently to achieve predetermined objectives. The marketing-based measures indicate the effectiveness of the organization in delivering value to its customers and strengthening relationships with customers (Dess and Robinson, 1984; Venkatraman, 1990).

Market performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives Richard, et al, (2009).CRM line ups business

processes with customer strategies to build customer loyalty and increase profits over time (Rigby, Reichheld, & Scheffer, 2002).

The ultimate goal of an organization is to increase its financial benefits, but this alone is not a yardstick for measuring increase in performance. Different scholars such as Asiegbu et al. (2011), adopted profitability, sales volume and market share as variables for measuring the marketing performance; O'sullivan & Abela, (2009) adopted to measure market performance using sales growth, marketing share and profitability; and Wang et al., (2004) used indicators such as after tax profit, return on investment, sales volume and market share to determine organization performance, Sayed H., (2011) adopted the four CRM Behavioral dimensions on marketing performance of financial institutions in preserving current customers, attracting new customers, increasing market share, enhancing the standard of sales growth and adding the net profit standard to sales. While according to (martin and Camero, 2005) marketing performance focuses on the following key aspects of customer relationship outcomes: sales growth, customer satisfaction, customer retention or loyalty and market share. The researcher adopted the below components of market performance to measure the effect CRM behavioral dimension on market performance:

2.6.1 Sales Growth

According to Buttle, (2009), improving profitability at the customer level is an indicator of effort within the marketing discipline towards a less comprehensive view of markets. On the other way, the single customer rather than segments of customers is increasingly stressed as the unit of analysis. This occurrences has given birth to labels such as “one-to-one marketing” and “micro marketing”. Understood from this viewpoint, customer profitability is rising as an important measurement in which each customer can be defined. An emphasis on customer-level profitability can also be considered as a mirror image of marketing's changing role within the firm. A significant aspect of the new role is that “marketing is too important to be left to the marketing department”. For that reason, in any case in marketing literature, other departments are encouraged to deal with marketing issues. This can be understood predominantly in terms of

controlling cost, in the logic that marketing performance measures are being introduced in cost accounting literature and practice. However, Reichheld and Sasser (1990) stated that, reducing customer defections by 5 percent can increase profits by 25 percent to 85 percent. Recently, although the precise numbers may vary, empirical findings consistently show a substantial jump in revenue and profits with a small gain in customer retention (Oliver, 1999; Pfeifer and Farris 2004).

2.6.2 Customer retention

According to Ghavami (2006), customer retention has a significant relation on firm profitability and they conclude that “1% improvement in retention can increase firm value by 5%”. In this case firms are interested in maximizing their lifetime value in order to understand that customer retention is a key to increasing long run firm profitability. An understanding of forces for customer’s defection can help companies in designing customer relationship management strategies and interventions aimed toward increasing customer retention and prolonging the lifetime of customers to increase market performance better than 24 before. Customer retention is the safeguarding of continuous trading relationships with customers over the long term.

According to Buttle, (2009) positive retention strategies are strategies that lock the customer in by rewarding a customer for remaining in a relationship.

2.6.3 Customer Satisfaction

According to Hansemark and Albinsson, (2004), the major goal of business organizations is customer satisfaction, since customer satisfaction affects customer retention and companies’ market share, profitability, sales volume. However, customer satisfaction is a complex construct which has been defined in various ways (Hair, et al 2003: Fournier et al, 1999: Sheth and Sisodia, 2001). According to Hair, et al (2003), customer satisfaction is defined as customer’s response to a product or service in terms of the extent to which consumption meets expectations”. Indeed, customer satisfaction is crucial for successful application of the marketing

concept. Various organizations mission statements and marketing strategies are designed around the goal of increasing customer satisfaction (Fournier et al, 1999). In implementing customer relationship management, a firm pursues to establish and retain a long-term relationship with customers based on increasing full customer satisfaction as opposed to transaction-specific customer satisfaction. According to Stefanou et al, (2003), successful customer relationship management activities must cultivate customer satisfaction by continuously adapting to the evolving needs and wants of customers.

2.7. Empirical review

2.7.1 The relationship between key customer focus and market performance

Customer-centric approach not only helps in maintaining a harmonious relationship with the customers but also enhances the overall performance of the organization (Brown et al., 2002). Different studies suggest that managers in service-oriented organizations need to focus and implement customer focus behavioral strategy that promotes customer satisfaction, customer loyalty and increased organizational performance (Minghetti, 2003, Kim, 2008; Yilmaz et al., 2005). Because of the growing market environment and pressure in the service industry especially on airlines sector, managers need to maximize efforts in order to see results, growth, boost market performance, and an increase in profits.

Yaacob. Z (2014) concluded that Employee satisfaction, innovation, and customer satisfaction seem to be considerably affected by customer focus. The study demonstrated that there is an indirect link between customer focus and customer satisfaction. Notably, the author found that customer satisfaction is effected by employee satisfaction, and employee satisfaction also facilitates the effect of customer focus on inventiveness. In other words, employees' satisfaction, inventiveness, and customer satisfaction greatly affect the attainment of market performance.

Studies claiming that the marketing concept has assumed that the implementation of the customer orientation would lead to the greatest organizational performance (Kennedy et al., 2002; Piercy, 2002).

EsubalewA (2018) studied on effects of Customer Relationship Management (CRM) on

Marketing Performance, in of selected Four-Star Hotels In Addis Ababa found out as there is a positive and significant relationship between the independent variable key customer focus and the dependent variable marketing performance.

Mesfin L, & Garede K(2018) studied on effects of customer relationship management on market performance in banking sector: a comparative study of the selected private banks in Ethiopia and they concluded that key customer focus dimension is positively and significantly correlated with market performance.

In support of the above, Alemu M, & Zewdu (2018) studied about The effect of customer relationship management on bank performance in case of CBE in Amhara region and revealed that Key Customer focus , knowledge management and CRM organizations have positive and significant influence on bank's performance.

Thus, for this study, the researcher formulated the below hypothesis based on the above reviews.

H1: Key customer focus has positive and significant influence on market performance.

2.7.2 The relationship between CRM Organization and market performance

Agarwal et al., (2004) observed that with a strong focus on key customers deeply embedded throughout its system, the entire company should be organized around cultivating these valuable Relationships. Clear business goals that reflect a customer-centric orientation should be established, and efforts should be made to ensure that the employees possess essential skills and capabilities pertaining to how effective relationships with customers can be built and maintained, through designing effective training programs (Sin et al., 2005).

Gebeyehu J (2014) studied about Effects of Customer Relationship Management on Market Performance of selected banks at Mekelle City and he found out, improves the CRM

organization, the firm's market performance will be improved. At last he concluded as CRM organization has power to determine the market performance of the banks.

Alemu M, & Zewdu (2018) studied about The effect of customer relationship management on bank performance in case of CBE in Amhara region. The study deployed Binary-Logistics regression model to analyze the effect of CRM factors on the performance of the bank. All dimensions of CRM considered in this study were found statistically significant (at p value of 0.05) in determining the performance of commercial banks. The result prevailed as with one unit change in CRM organization, the change in the odds of improving performance is 7.64. and CRM organization has a significant Positive relationship with bank performance.

Thus, based the studies review as above, the researcher formulated the below hypothesis analysis to the effect of the objective the study.

H2: CRM organization has positive and significant influence on market performance.

2.7.3 The relationship between knowledge management and market performance

Knowledge management functions are reflected in basic CRM activities that include: capturing customer information about their needs and preferences both directly and indirectly; developing sound mechanisms for sharing customer knowledge to facilitate concerted actions by different departments; and acting on the knowledge generated and disseminated (Sin et al., 2005).

According to Alemu M, & Zewdu (2018) Knowledge management has a great effect on bank performance than other CRM Dimensions. The odds ratio for Knowledge management is 35.76 which implies as one unit change or improvement made on Knowledge management, the odds ratio of bank performance is 35.76.

EsubalewA (2018) studied about effect of CRM on marketing performance and Pearson correlation test was conducted to know the degree of relationship between the independent variable customer knowledge management and the dependent variable marketing performance. The result of the study showed that, both variables are positively and significantly correlated to one another at a significant level & has a positive and significant relationship.

Sayed (2011) studied about CRM and its relationship to the marketing performance on 97 financial institutions, of which there are 39 banks, 20 insurance companies and 138 brokerage companies based in Egypt. The study found as there is a significant correlation between marketing performance and focus on the main customers, organizational efficiency and customer knowledge management and There was a positive, strong direct and statistically significant correlation between customer knowledge management and marketing performance,

Thus, based the studies review as above, the researcher formulated the below hypothesis analysis to the effect of the objective the study

H3: Knowledge management has positive and significant influence on market performance.

2.7.4 The relationship between technology-based CRM and market performance

Technology based CRM, as the name indicates, refers to the usage of the latest technology in CRM deployment as an enabler of greater customization and better service at lower cost (Sin *et al.*, 2005). According to Heczková and Stoklasa (2014) the adoption of database systems can effect positively on CRM due to the possibility of handling and retrieving substantial information about clients with ease.

Mbugua & Were (2016) studied about the Effect of CRM on perceived organizational performance- a case study of family bank limited **and** found the effects of technology on performance of the banks indicated in customer relations management affects the performance of

the bank to a great extent. According to the findings also, adoption of technology in customer relations management is vital for improving the performance of an organization.

According to Alemu M, & Zewdu (2018) technology-based CRM has significantly and positively affects performance of Bank. They include as one unit increase or improvement in technology-based CRM, the likelihood of increasing bank performance is 2.02. Esubalew A (2018) studied about effect of CRM on marketing performance and Pearson correlation test was conducted to know the degree of relationship between the independent variable technology-based CRM and the dependent variable marketing performance. The result of the study showed that, both variables are positively and significantly correlated to one another at a significant level & has a positive and significant relationship.

Mamoun N. Akroush, Samer E. Dahiyat, Hesham S. Gharaibeh, Bayan N. Abu-Lail, (2011), studied about Customer relationship management implementation: An investigation of a scale's generalizability and its relationship with business performance in a developing country context. The purpose of the study was to examine the generalizability of the customer relationship management (CRM) scale originally developed by Sin et al(. as well as to investigate the strength of linkages between CRM implementation components and business performance in Jordan's financial service organizations (FSOs). The study concluded that, Technology-based CRM emerged as the most influential components of CRM effecting performance & it is the strongest predictors of variations in FSOs' performance.

Different Studies conducted on bank, hotel and telecom in the area of the relationship between CRM dimension and market/organization performance and all prevailed that independent variable technology-based CRM has significantly and positively correlated with the dependent variable market performance of the organization.

Thus, based the studies review as above, the researcher formulated the below hypothesis analysis to the effect of the objective the study

H4: Technology based CRM has positive and significant influence on market performance.

2.8 Conceptual framework

Based on the above literature review, the below model is developed. The model is based on the dependent variable four CRM behavioral components and the independent variable of Market performance.

The independent variable (CRM Dimensions)

Dependent variable (Market performance)

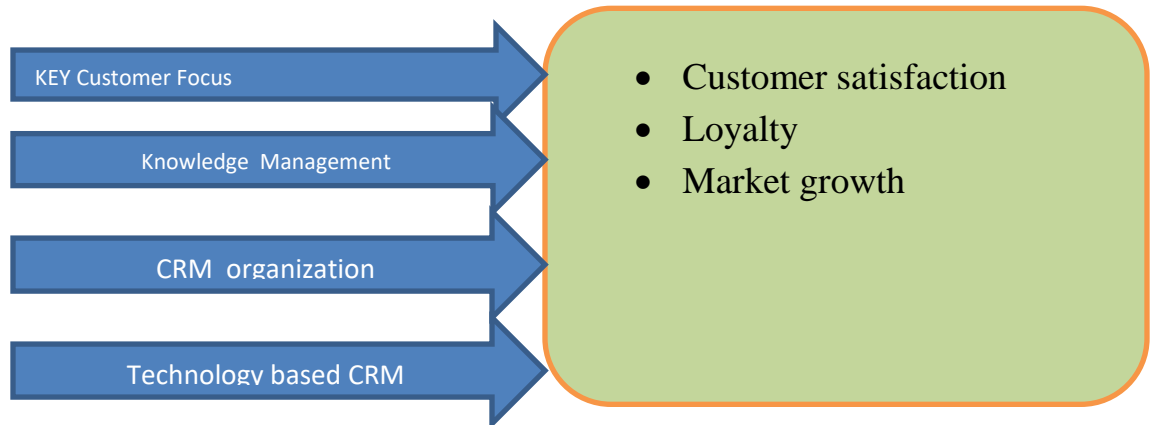


Figure 1: Conceptual framework for the effect of CRM on market performance. Source: Sayed, 2011

CHAPTER THREE

Research methodology.

3.0 Introduction

This chapter anticipated to provide insight of the research methodology employed to conduct the study. Accordingly, this chapter presents research approach, research design, target population and sample size and technique, data type and source, Data collection methods, Data Analysis, validity and reliability of data and ethical consideration .

3.1 Research Approach

To meet the objectives of this study, the researcher used quantitative research approach as it is appropriate research approach which involves studies that make use of statistical analyses to obtain findings. Key features include formal and systematic measurement and the use of statistics to carry out the analysis and its respective interpretation of the data collected through a structured and self-administered questionnaires prepared by Frederick Hong-kit Yim, Rolph E. Anderson, and Srinivasan Swaminathan(2004) and customized for the .area of study . Since the main objective of this study is to explain the effect of the independent variables over the dependent variables, a quantitative research approach employed. That is, hypotheses on the causal relationships deduced from existing knowledge (literature), subjected to empirical analysis (testing), and, based on the findings which either supported or disproved.

3.2 Research Design

Basically, there are three types of research design namely exploratory, descriptive, and explanatory research. Explanatory research was applied to establish cause-and-effect relationships between variables. Causal analysis is concerned with the study of how one or more variables affect changes in another variable. It is thus a study of functional relationships existing between two or more variables (Kothari, 2004).

If a research project utilizes description it is likely to be a precursor to explanation, Such studies are known as descripto-explanatory studies (Mark Saunders, Philip Lewis and Adrian Thornhill 2009) P-171). For the purpose of this study descripto-explanatory studies has been followed

3.3 Target population

According to Saunders et al. (2003), a population is the full group of potential participants to whom the researcher wants to conduct the research for the study. Target population is defined as the entire group a researcher is interested in. The Target population that has been taken for the study is employees under customer service and area managers, which counts around 350.

3.4 Sample Size and Technique

3.4.1 Sample Technique

Sampling is the statistical process of selecting a subset (called a “sample”) of a population of interest for purposes of making observations and statistical inferences about that population (Bhattacharjee, 2012). This study has deployed simple random sampling method which used to identify respondents for the research.

3.4.2 Sample Size

According to Saunders (2007) researchers normally work to a 95% level of certainty. Sampling is the process of selecting some study units from a defined study population (Zikmand, 2010). It is economical to take a representative sample for the intended investigation when conducting a census is unrealistic. The researcher aimed to take sample based on the formula used by different researchers which originally developed by Yamane (1967:886) which provides a simplified formula to calculate sample sizes a 95% confidence level and $P = 0.5$.

$$n = N / (1 + Ne^2)$$

Where, n is the sample size

N is the population size
e is the level of precision

$$\begin{aligned} \text{Total population } N &= 350 \\ n &= 350 / (1 + 350(0.05)^2) \\ &= 186.666 \end{aligned}$$

Thus, from the total population 350, 187 samples have been taken to use on this study.

3.5 Source and methods of data collection

3.5.1 Data Type and Source

Primary data has been collated from those addressed sample populations by way of self-administrated structured questioner which deployed to the staffs and managers to have a deeper understanding of the companies with respect to the study variables.

3.5.2 Data collection method

Questionnaires tend to be used for descriptive or explanatory research. Descriptive research, such as that undertaken using attitude and opinion questionnaires and questionnaires of organizational practices, will enable you to identify and describe the variability in different phenomena. In contrast, explanatory or analytical research will enable you to examine and explain relationships between variables, cause and-effect relationships. These two purposes have different research design requirements (Gill and Johnson 2002). The researcher aims to collect the data by way of structured and self-administered questioner which adopted from Frederick Hong-kit Yim, Rolph E. Anderson, and Srinivasan Swaminathan(2004) and Moreno and Melendez (2011) with some modification for the intended area of study in the form of Likert five scales and will be addressed to the selected respondent via email or internet-based tools due to the location of respondent.

3.6 Method of data analysis

After the data collected, both descriptive and inferential statistics were used to analyze the data. Descriptive Statistics deployed to present quantitative descriptions in a manageable form which includes frequency distribution, percentage, and table.

The inferential statistics were employed to test the hypotheses formulated in chapter one of the study. Multiple regression analyses conducted to determine how the independent variables, CRM behavioral Dimensions i.e. key customer focus, CRM organization, knowledge management, and technology-based CRM effect the dependent variable, i.e market performance.

3.7 Reliability

Test validation as postulated by Cronbach (in Cracker & Algina, 1986) is the process in which a test developer gathered evidence to support the test scores interpretations. He suggested that when an examiner planned to conduct a validation study, clear identification of the intended inference is required.

The reliability test is an important instrument to measure the degree of consistency of an attribute which is supposed to measure. As stated by Mahon and Yarcheski (2002) the less variation of the instruments produces in repeated measurements of an attribute the higher its reliability.

Reliability can be equated with the stability, consistency, or dependability of a measuring tool.

Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. It also indicates that whether a scale is one dimensional or multidimensional. The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency.

Different authors accept different values of this test in order to achieve internal reliability, but the **most commonly accepted value is 0.70** as it should be equal to or higher than to reach internal reliability (Hair et al., 2003).

Table 3.7 reliability test result

	Number of Items	Cronbach's Alpha
Score_KCF	5	.905
Score_CRMO	5	.822
Score_CKM	5	.843
Score_TBCRM	5	.876
Score_MP	5	.829
Entire		0.855

Based on the above range, all defined variables were discovered to be a good measure of internal consistency. The alpha coefficient of the variable is better than 0.7, indicating that the data's dependability is excellent and acceptable.

3.8 Ethical Issues

The researcher would treat all the information given by the respondents by keeping confidentially without disclosing the respondent's identity and did not use for any personal interest. The researcher did not intentionally mislead others about the nature of the findings and under no circumstances fictitious data to support a particular conclusion herein.

CHAPTER FOUR

4.0 Data presentation, analysis, and interpretation

This chapter contains two main parts; **background information of the respondent** and the **data collected from the respondent through questionnaire**.

The data collected from respondents were analyzed and interpreted using quantitative analysis which involves analysis of the **demographical information** of respondents and the descriptive and inferential statistics employed to test the hypothesis and to investigate the influence of independent variables on dependent variable. To analyze the collected data in line with the objective of the research undertaking, statistical procedures were carried out using SPSS version 26.

4.1. Response rate on questionnaire

A total of 187 questionnaires were distributed to employees of the airline under commercial and customer service to see the effect of CRM (in the **aspect of CRM behavioral dimension**) on market performance. From the distributed questionnaires 179 questionnaires were filled up and 8 questionnaires not returned from the respondents and making the response rate 96 percent.

4.2 Demographic Information of the Respondents

Descriptive analysis is used to look at the data collected and to describe data captured through the questionnaire. It was used to describe the demographic factors for more clarification. It is mainly important to make some general observations about the data gathered for general or demographic questions. The demographic factors used in this research were gender, age, educational qualification, and work experience of respondents in the airlines.

Table 4.1: Demographic characteristics of respondents

	Categories	Frequency	Percent
Age	21-30 years	100	55.9
	31-40 years	59	33
	41-50 years	14	7.8
	Above 50	6	3.4
	Total	179	100
Gender	Male	77	43
	Female	102	57
	Total	179	100.0
Level of Education	Masters & Above	24	13.4
	BSC/BA Degree	149	83.2
	Diploma	6	3.4
	Total	179	100.0
Year of service	1-5 years	21	11.7
	6-10 years	135	75.4
	11-15 years	12	6.7
	16-20 years	6	3.4
	More than 20 Years	5	2.8
	Total	179	100.0

Source: Own survey data 2023

The age demographic factor of the respondent showed that 55.9% of the respondent's belongs to the range 21-30 years which counts 100 , 33% were between 31-40 years which counts a total of 59, 7.8% of the respondents belongs the rage of 41-50 years which counts 14, and the remain 6 the total respondent were above 50 years. Therefore, different age groups were represented well with more of youths in the sample taken population group.

Table 4.2.1: Age demographic factor of the respondent

	Categories	Frequency	Percent
Age	21-30 years	100	55.9
	31-40 years	59	33
	41-50 years	14	7.8
	Above 50	6	3.4

Regarding the gender, male represented by 43% and female staffs were represented by 57%. This indicates that the questionnaire is well distributed, and sample was representative of the population.

Table 4.2.2: Gender demographic factor of the respondent

	Categories	Frequency	Percent
Gender	Male	77	43
	Female	102	57
	Total	179	100.0

With respect to level of education, 13% were master’s degree holders, 83.2% were bachelor’s degree holders and 3.4% were diploma holders. The educational level mixes implied that the whole respondents were well educated and have the ability to understand the questioners with good understanding of the importance of the study to CRM and its effect on market performance.

Regarding the service year, the result showed that a composed of 11.7% within the range of 1-5 Years, 75.4% within the range of 6-10 years, 6.7% within the range of 11-15 years and 3.4% within the range of 16-20 years and 2.8% respondents has more than 20 years’ work experience.

. Table 4.2.3: Years of service demographic factor of the respondent

	Categories	Frequency	Percent
Year of service	1-5 years	21	11.7
	6-10 years	135	75.4
	11-15 years	12	6.7
	16-20 years	6	3.4
	More than 20 Years	5	2.8
	Total	179	100.0

4.3. Reliability Test Result

Table 4.3: Cronbach's Alpha for each field of the questionnaire

Dimension	No. of Items	Cronbach's Alpha	Acceptable Level
Key customer focus (KCF)	5	.905	Accepted
CRM Organization (CRMO)	5	.822	Accepted
Customer knowledge management (CKM)	5	.843	Accepted
Technology based CRM	5	.876	Accepted
Market performance (MP)	5	.829	Accepted
Entire	25	0.855	

Source: own survey 2023

The Cronbach's coefficient alpha was calculated for each field of the questionnaire. The table 4.3 shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha ranged from 0.843 and 0.905. This range is considered high as the result ensures the reliability of each field of the questionnaire.

Cronbach's Alpha equals 0.855 for the entire questionnaire which indicates very good reliability. of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and Acceptable.

4.4 Descriptive statistics

The study variables constitute CRM behavioral dimensions (independent) and market performances (dependent) variables. To attain the research objectives, a total of 25 questions were grouped into the four dimensions of CRM behavioral dimensions with five questions under each element and same five questions were designed for the dependent variable market performances.

4.4.1 Descriptive Statistics of Scaled Type Questionnaires

In this part descriptive statistics in the form of mean and standard deviation were presented to demonstrate the level of agreement of the respondents with their implications in the airline CRM and market performance. The responses of the respondents for the variables indicated below were measured on five-point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. While making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear. 1 - 1.8= Strongly Disagree, 1.81 – 2.6 = Disagree, 2.61 – 3.4= Neutral, 3.41 – 4.20= Agree and 4.21 – 5 = Strongly Agree (Best, 1977, as cited by Yonas, 2013 and Gebeyehu 2014).

4.4.2 Perception of respondents towards Key customer focus (KCF)

The study pursued to establish the respondent’s level of agreement towards key customer focus and market performance. From the finding, the study revealed that, majority of the respondents agreed that key customer focus strategy of the airline is moderate. The mean values range from 3.45 to 4.36 & std. Deviation from 0.659 to 1.334. Thus, from this we can infer that the airline has moderate strategies on implementing and monitoring key customer focus, and more specifically the company should work more through ongoing dialogue with individual key customer to customize the offerings and all people in the airlines should treat customers with great care which will help the company to growth and profitable in the long run.

Table 4.4.2 Perception of respondents towards Key customer focus (KCF)

Descriptive Statistics KCF					
	N	Minimum	Maximum	Mean	Std. Deviation
1.1 The airlines provide customized services and products to our key customers	179	1	5	3.88	1.233
1.2 Through ongoing dialogue, we work with individual key customer to customize our offerings.	179	1	5	3.53	1.334
1.3When the airlines finds that customers would like to modify a product/service, the departments involved make coordinated efforts to do so.	179	1	5	3.45	1.324
1.4. The airlines makes an effort to find out what our key customer needs are.	179	3	5	4.36	.659
1.5 All people in the airlines treat customers with great care.	179	1	5	3.53	1.334
Valid N (listwise)	179				

4.4.3 Perceptions of respondents towards CRM Organization (CRMO)

From the table 4.4.3, the mean value ranges from 3.45 to 3.88. From the findings the respondents on CRMO4 and CRMO5 has marginally lower mean. Thus, from this we can infer that the airline has to commit time and resource to manage customer relationship and employee performance shall be measured and rewarded based on meeting customer needs and successfully serving them.

Table 4.4.3 Descriptive statistics on the Perceptions of respondents towards CRM Organization (CRMO)

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
2.1. Customer-centric performance standards are established and monitored at all customer touch points.	179	1	5	3.59	1.297
2.2The airline has established clear business goals related to customer acquisition, development, retention, and reactivation.	179	1	5	3.88	1.233
2.3 The airline has the sales and marketing expertise and resources to succeed in CRM	179	1	5	3.5	1.412
2.4 ET commits time and resources to managing customer relationships	179	1	5	3.45	1.324
2.5 Employee performance is measured and rewarded based on meeting customer needs and successfully serving them	179	1	5	3.45	1.324
Valid N (listwise)	179				

4.4.4 The perception of respondents Customer knowledge management (CKM)

As shown from the below table 4.4.4, It has low mean for fully understands the needs of key customers and as well as collecting & analyzing customer's information and used such information for developing highly personalized offerings has lower marginal mean score.

Whereas the other three variables have moderate and good mean score as per the data collected from the respondents. Thus, we can infer that the airline’s strategies to wards extent of providing two-way communication as well collecting, analyzing of customer information and develop personalized offerings needs more improvement as the mega carrier on the contents.

Table 4.4.4 Descriptive statistics on the perception of respondent’s customer knowledge management

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
3.1 Ethiopian airline provides channels to enable ongoing two-way communication between our key customers and us.	179	1	5	3.59	1.30
3.2 Customers can expect exactly when services will be performed	179	1	5	4.26	0.77
3.3 The airline fully understands the needs of our key customers.	179	1	5	3.45	1.32
3.4 The Airlines is fully knowledgeable in understanding the needs of our customers and meets its customer’s best interest.	179	1	5	3.69	1.29
3.5 Airlines perform collecting and analyzing customer’s information and used such information for developing highly personalized offerings.	179	1	5	3.50	1.41
Valid N (listwise)	179				

DESCRIPTIVES VARIABLES=TBCRM1 TBCRM2 TBCRM3 TBCRM4 TBCRM5

4.4.5 Perception of respondents towards Technology based CRM (TBCRM)

According to the below table 4.4.5, the mean score for three questions is lower based on the collected data from respondents. This implied that the airline must go far on the adaption of technology-based CRM and its practices at each touch points. The other three parameters have moderate mean score value.

Table 4.4.5 Descriptive statistical data on the Perception of respondents towards Technology based – CRM (TBCRM)

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
4.1 The airline maintains a comprehensive database of our customers.	179	1	5	3.50	1.41
4.2 ET has the right hardware to serve our customers.	179	1	5	3.69	1.38
4.3 ET has the right software to serve our customers	179	1	5	3.55	1.24
4.4 ET has the right technical personnel to provide technical support for the utilization of computer technology in building customer relationships	179	1	5	3.45	1.32
4.5 Individual customer information is available at every point of contact	179	1	5	3.51	1.19

4.4.6 Perceptions of respondents towards market performance (MP)

As shown on the below table 4.4.6, based on the mean scores for different effects of CRM with market performance the airlines ranges between 3.45 and 3.59 it implied that the airlines has to do a lot on the improvement of market performance with the aspects of CRM behavioral dimension and more especially on Putting customer- center operation to increase its sales growth as well as on developing systems for taking, evaluating and responding customer feedback timely which perceived by the respondents with lower mean value's regardless of the others perceived by employees moderately.

Table 4.4.6 descriptive statistical data on the Perceptions of respondent towards market performance (MP)

	N	Minimum	Maximum	Mean	Std. Deviation
5.1 Putting customer- center operation enables the airlines to increase its sales growth	179	1	5	3.53	1.33
5.2 The airlines is successful in retaining customers by providing perceived quality service and responding as per customers best interest	179	1	5	3.55	1.24
5.3 The airlines develop systems for taking, evaluating, and responding customer feedback timely on services providing.	179	1	5	3.45	1.32
5.4 The airline’s marketing strategy is effective in promoting and attracting new customers	179	1	5	3.50	1.41
5.5 Marketing strategy of the airlines is successful in increasing market share and sales growth	179	1	5	3.59	1.30

4.5 Inferential Analysis

The inferential statistics includes correlation test among variables, different assumption pre-tests of the data itself for their appropriateness or fitness to the intended regression analysis model, and finally the regression analysis.

4.5 .1 Assumption test

The following checks were made to ensure that the data was suitable for regression analysis before utilizing it:

4.5 .1.1 Correlation analysis

The scale typed questionnaire entered to the SPSS software version 26 to process correlation analysis. Based on the questionnaires which were collected from the employees and managers of the company, the following correlation analysis was demonstrated. The relationship between the independent variables i.e. Key customer focus, CRM organization, customer knowledge

management and technology-based CRM and the dependent variable i.e. market performance was investigated using Pearson correlation coefficient.

Table 4.5.1.1 The correlation between CRM behavioral dimension and Market performance

		Score_KCF	Score_CRMO	Score_CKM	Score_TBCRM	Score_MP
Score_KCF	Pearson Correlation	1	.499**	.359**	.320**	.598**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	179	179	179	179	179
Score_CRMO	Pearson Correlation	.499**	1	.855**	.633**	.775**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	179	179	179	179	179
Score_CKM	Pearson Correlation	.359**	.855**	1	.604**	.732**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	179	179	179	179	179
Score_TBCRM	Pearson Correlation	.320**	.633**	.604**	1	.614**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	179	179	179	179	179
Score_MP	Pearson Correlation	.598**	.775**	.732**	.614**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	179	179	179	179	179

** . Correlation is significant at the 0.01 level (2-tailed).

Since all variables are interval, the relationship between the independent variables i.e. key customer focus, CRM organization, customer knowledge management, and technology-based CRM and the dependent variable i.e. market performance was investigated using Pearson product –moment correlation coefficient. The results of correlation analysis in the table 4.5.1.1 shows that all the independent variables were positively and significantly correlated with the dependent variable i.e. market performance...

4.5.1.2. Multi-Collinearity

Multi-collinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multi-Collinearity, there is “overlap” or sharing of predictive power. Thus, the effect of multicollinearity is to reduce any individual independent variable’s predictive power by the extent to which it is related with the other independent variables. A good regression model should avoid correlations between independent variables and multicollinearity. Using SPSS, test multicollinearity as the basis for the VIF (variance inflation factor) value of the multicollinearity test results. If the VIF value falls between 1 and 10, there is no multicollinearity; otherwise, there is multicollinearity.

Table 4.5.1.2 pairwise correlation and tolerance, VIF

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Score_KCF	.733	1.364
	Score_CRMO	.212	4.725
	Score_CKM	.256	3.913
	Score_TBCRM	.584	1.713

a. Dependent Variable: Score_MP

Based on the preceding coefficient output collinearity statistics, the VIF values of the independent variables range from 1 to 10, indicating that no multicollinearity issues exist.

4.5.1.3. Multivariate Normality

To check that a distribution of scores is normal, it needs to look at the values of Kurtosis and Skewness. Both of which have related standard error. The values of Skewness and kurtosis should be zero in a normal distribution. Positive Skewness values suggest a piling of the distribution scores to the left. The more zero the value, the more likely the data will be

distributed normally. At p 0.05, a skewness and kurtosis absolute value between -2 and +2 is anticipated to be significant. When sample sizes are large, significant values result from even slight deviations from normalcy for both skewness and kurtosis (Fieled, 2005). This is because the large sample will result in small standard errors.

Table 4.5.1.3 statistical data for skewness and kurtosis analysis

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Score_KCF	179	.053	.182	-.549	.361
Score_CRMO	179	.164	.182	-.373	.361
Score_CKM	179	.156	.182	-.769	.361
Score_TBCRM	179	-.061	.182	-.105	.361
Score_MP	179	.193	.182	-.176	.361
Valid N (listwise)	179				

As shown in Table 4.5.1.3, all the absolute values of skewness and kurtosis statistics are between -2 and +2, indicating that all independent variables are significantly affected by the dependent variables and their p-values are less than 0.05.

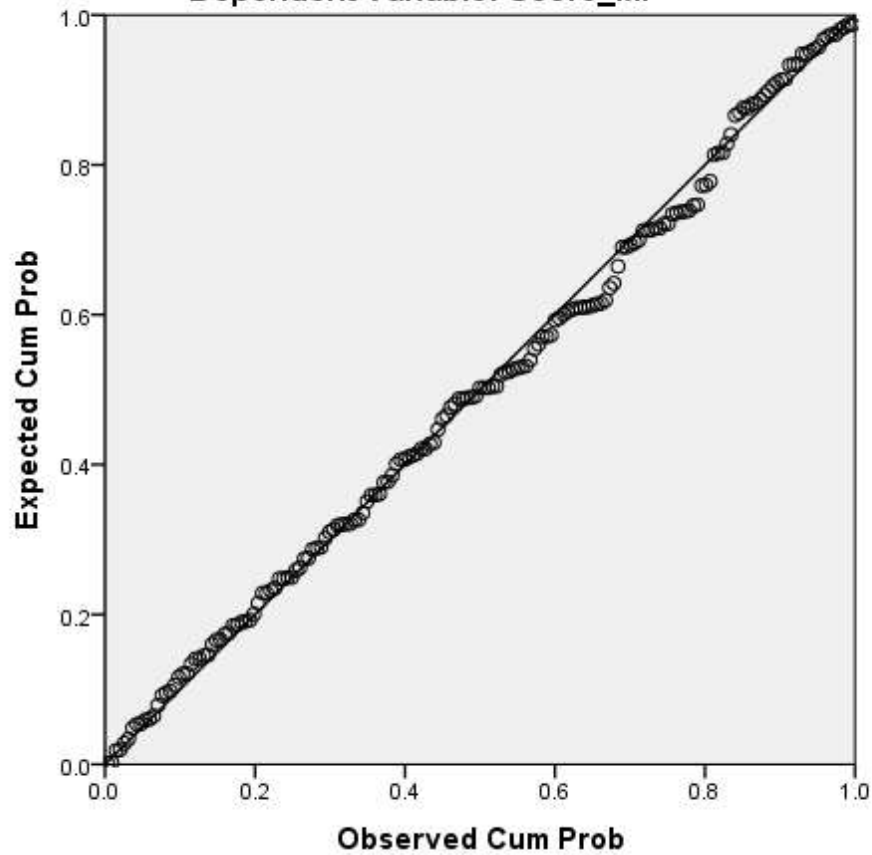
4.5.1.4. Linearity Test

The degree to which a change in the dependent variable is related to a change in the independent variables is referred to as linearity. Plots of the regression residuals using SPSS software were utilized to determine whether the connection between the dependent variable, Market performance-MP and the independent variables (KCF, CRMO, and CKM & TBCRM) is linear.

Figure 2 statistical data for Linearity Test

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Score_MP



In figure 2 above, the scatter plot of residuals indicates no significant difference in the distribution of residuals from left to right. This result indicates that the relationship we are attempting to forecast is linear.

4.6 Regression Analysis

Regression model was applied to test how far the customer relationship management has effect on the market performance. Coefficient of determination R is the measure of proportion of the

variance of dependent variables about its mean that is explained by the independent or predictor variables.

Linear regression is a method of estimating or predicting a value on some dependent variable given the value of one or more independent variables (Marczyk et al, 2005). In this study, multiple regression analysis is used to know by how much the independent variables i.e. CRM Behavioral dimensions (key customer focus, CRM organization, knowledge management, and technology-based CRM) effects the dependent variable, i.e. market performance of the airlines.

The proposed hypotheses were tested using multiple regression analysis. The results of the regression analysis are illustrated on table 4.6.1.

Table 4.6.1 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.841 ^a	.707	.700	.36722	.707	104.844	4	174	.000

a. Predictors: (Constant), Score_TBCRM, Score_KCF, Score_CKM, Score_CRMO

b. Dependent Variable: Score_MP

Table 4.6.1 represents the results of multiple regressions of four underpinnings of CRM in the airlines. The result shows that the model tested is significant ($p < 0.01$).

As far as the above table is concerned, in the airlines the adjusted R square 0.707 indicates 70.7 percent of the variance in market performance is attributed to the four independent variables interred in to the regression and the remaining 29.3 percent of the variance in market performance may be explained by other factors.

Therefore, the CRM behavioral dimensions are excellent explanatory variables of Ethiopian Airlines market performance; however, this does not imply that all of the CRM behavioral dimensions have an equally significant correlation with market performance level.

4.6.2 Analysis of variance /ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.552	4	14.138	104.844	.000 ^b
	Residual	23.464	174	.135		
	Total	80.016	178			

a. Dependent Variable: Score_MP

b. Predictors: (Constant), Score_TBCRM, Score_KCF, Score_CKM, Score_CRMO

The ANOVA tells us whether the model, overall, results in a significantly good degree of prediction of the outcome variable.(Field, 2005) . Hence, from the ANOVA statistics in the table 4.6.2 above, the processed data, which is the population parameters, had a significance level of 0% which shows that the data is ideal for making a conclusion on the population parameters as the value of significance (P-value) is less than 5%. The significance value was less than 0.05 indicating goodness of fit of the model. The contribution of each dimension can be seen from the results of multiple regressions in the coefficient table below.

Multiple linear regression analysis results showed that different CRM behavioral dimension elements have different effects on market performance. The model is well fitted at a 5% level of significance, in addition to the F statistics, which are used to gauge the model's overall test of significance.

A unit change in the independent variable causes a certain amount of change in the dependent variable, as indicated by the regression coefficient. The importance of an independent variable in predicting the dependent variable increases with the beta coefficient's value. The following key inferences can be made from the above table: The correlations between the dependent and independent variables are shown by the coefficient analysis.

As a result, they were statistically significant at the 5% level, supporting the hypothesis. This suggests they have a significant impact on increasing market performance. As shown on the table 4.6.3 above, the regression formula used for this study became as $MP = -0.175 + 0.299KCF + 0.235CRMO + 0.282CKM + 0.196TBCRM$. In this equation no values of the

slope (β) is zero i.e. $\beta_1, \beta_2, \beta_3, \beta_4 \neq 0$ which proves to accept the hypothesis or the research hypothesis.

Table 4.6.3 multiple regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.175	.208		-.843	.400
	Score_KCF	.299	.047	.306	6.382	.000
	Score_CRMO	.235	.080	.263	2.950	.004
	Score_CKM	.282	.078	.293	3.603	.000
	Score_TBCRM	.196	.061	.172	3.205	.002

a. Dependent Variable: Score_MP

From the above regression equation, it was revealed that holding key customer focus strategies, CRM organization of the airline, customer knowledge management strategies and technology-based CRM strategies to a constant zero, marketing performance in the airlines would stand at 0.175. Therefore, a unit increase in KCF strategies would lead to an increase in market performance in the airlines by a factor of 0.299, a unit increase in CRMO would lead to increase in market performance in the airline by factors of 0.235. A unit increase in CKM strategies would lead to an increase in market performance in the airline by a factor of 0.282. A unit increase in TBCRM strategies would lead to an increase in market performance in the airlines by a factor of 0.196.

The study further revealed holding customer focus strategies, CRM organization of the airline, customer knowledge management strategies and technology-based CRM strategies were statistically significant to marketing performance in airlines, as all the p values (sig) were less than 0.05. The study also found that there was a positive relationship between market performance in the airline and customer focus strategies, CRM organization of the airline, customer knowledge management strategies and technology-based CRM strategies.

4.7 Hypothesis testing interpretation

The researcher stated three hypotheses in this study that were obtained from four independent variables or predictors that had significant associations with dependent variable market performance. The researcher compared these assumptions to the p-values determined by the regression approach. As a result, the hypotheses that were tested are given below.

Table 4.7: Hypothesis Testing Statements Interpretation

Hypothesis No.	Hypothesis	Result	Reason
Hypothesis 1.	Key customer focus has positive and significant influence on market performance.	Accepted	P=0.000 <0.05 $\beta =0.229$
Hypothesis 2.	CRM organization has positive and significant influence on market performance.	Accepted	P=0.004 <0.05 $\beta =0.235$
Hypothesis 3.	Customer knowledge management has positive and significant influence on market Performance.	Accepted	P=0.000 <0.05 $\beta =0.282$
Hypothesis 4.	Technology based CRM has positive and significant influence on market performance	Accepted	P=0.002<0.05 $\beta =0.196$

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

In this chapter summary, conclusions of the research findings that have been analyzed and Discussed in the previous chapter are briefly presented. Furthermore, based on the findings. Of the study possible recommendations and suggestions are informed.

5.1 Summary of the Major Findings

From the respondent's demographic distribution only 2.8% of the employees are the most experienced from the respondent's and employees' years of experience below 10 years and above 5 years took the lion share of the respondents with 75.4% followed by employee year of service below 5 years with 11.7%.

On the other way, concerning to the findings of the study, the majority of respondents revealed that the airline was not on modifying a product/service, Customization of offerings and treating customer with great care.

Depending up on the CRM organization, most of the respondent agreed that the company didn't commit time and resource to manage customer relationship. And hasn't the sales and marketing expertise and resources to succeed in CRM.

Depending on the customer knowledge management, most of the respondents agree that the airlines don't provide channels to enable ongoing two-way communication between the airline and customers and don't collecting and analyzing customer's information and used such information for developing highly personalized offerings by understanding the need of key customers.

On the other way, concerning to the findings of the study with the technology-based CRM, majority of the respondents don't agree as the airlines availed Individual customer information at every point of contact and don't maintain a comprehensive database of the customers at all levels of service.

With pertaining to the findings obtained regarding marketing performance; the airlines don't develop systems for taking, evaluating, and responding customer feedback timely on services providing.

5.2. Conclusion

The relationship between the independent variables i.e. Key customer focus, CRM organization, customer knowledge management, and technology-based CRM and the dependent variable i.e. market performance was investigated by using Pearson correlation coefficient. Based on the result of the analysis, the researcher concludes that all independent variables (CKF, CRMO, CKM & TBCRM), that indicated above are positively and significantly correlated with the dependent variable market performance (MP).

Thus, it is apropos to conclude additionally that the independent variables have power to effect market performance of the airlines from the CRM behavioral dimensions aspects.

Multiple regression analysis was conducted to investigate the effect of independent variable on the dependent variable and identify the relative significant effects. Inferring to the results of multiple regression, the researcher concludes that the independent variables (CRM behavioral dimensions; key customer focus, CRM organization, Customer knowledge management, and technology-based CRM have strong effect on dependent variable; marketing performance. Therefore, it is pertinent to conclude that the higher the level of key customer focus, CRM organization, customer knowledge management, and technology-based CRM, the higher level of market performance can be achieved by the airlines.

Descriptive statistics analysis was carried out to measure the perception of respondents on CRM behavioral dimension in relation to market performance of the airlines. Thus, the study shows that CRM behavioral dimension practice needs attention likewise the company did on the other market strategies.

There is absence of time and resources commitment and lacks to provide employees rewarding mechanisms and flexible organizational structure to reach the customers level of expectation regardless of the industry dynamism.

Depending up on the findings of the study, the researcher concludes that there is lack of effective strategy in attracting and monitoring customers, unsuccessful in increasing market share and sales growth, absence of fruitful mechanisms to accept and respond customer's feedback on time at each touch points accordingly.

5.3 Recommendations

In view of this and based on the study attempted to examine on the effect of customer relationship management behavioral dimensions on market performance of the airlines, the following possible recommendations can be adopted and forwarded:

- ✚ The company should retain the employee to have possible knowledge transfer between the most senior staffs and joiner staffs as the demographic data of the study showed the company has more junior staff than senior staffs and this affects the level of customer handling and system knowledge on CRM aspects.
- ✚ Make the management and employees to share customers' required information across all touch points to aware each customer service agent and other related bodies that helps them to increase service excellence.
- ✚ The company should work hard by designing appropriate CRM aspect marketing strategy that helps in maintaining the existing customers, attracting new customers.
- ✚ The airlines should design a mechanism to get feedback timely on service providing.
- ✚ The airlines should plan and design strategies to capture needs and expectations of customers to increase market share and sales growth.
- ✚ The airlines should give utmost emphasis for customer service to be competitive in the long run and latest CRM system should be deployed and implemented at each touch points.

5.4 Limitation and recommendation for further research

The findings of this study depend on the biases of the responds from the staff based in Addis Ababa, future studies should attempt to use several sources including outstation staffs to obtain more accurate data on generalization of the findings.

This study conducted to assess the effect of CRM behavioral dimension (Key customer focus, CRM organization, knowledge management, and technology-based CRM) and the market performance: The case of Ethiopian airlines. All the findings and recommendations drawn on this research is based on the aspects of CRM behavioral dimensions and future researcher shall

be conducted on the other CRM dimensions to see the real effect of CRM on market performance of airlines industry as a whole.

Appendix I: Questionnaire

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

MASTER OF MARKETING MANAGMENT

QUESTIONNAIRE PREPARED FOR RESEARCH DATA COLLECTION

Researcher: Miniychil Assefa Kelkay

Contact Address: +251-9 32597584

Email: Miniychil2112@gmail.com

I am a student in Addis Ababa University School of Commerce. Currently, I am conducting research for partial fulfillment of master's art degree in Marketing Management. The purpose of this questionnaire is to collect a primary data from the employee and manager of Ethiopian airlines in order to conduct research with the title of *Effect of Customer Relationship Management on Market Performance: In the case of Ethiopian airlines*.

The questionnaire is designed to make completion as easy and fast as possible. The whole questions can be answered by simply making a tick in the space provided. The questionnaires shall be completed by Managers, and Employees of the company under the intended departments.

I kindly request you to take few minutes from your busy and valuable time and complete the questionnaire. Your responses will be kept absolutely confidential. To this end, no name, phone number, email address is required on the questionnaire.

Thank you in advance for your kind cooperation.

Miniychil Assefa.

Part I: Demographic Characteristics of respondents

1. 1. What is your gender? Male Female

1.2. How old are you?

- Below 20 years
- 21-30years
- 31-40 years
- 41-50 years
- Above 50 years

1.3 Number of years you have been serving the airlines?

1-5 6-10 11-15 16 -20 More than 20

1.5 Educational level: (Your highest completed level of education)

- Master’s Degree
- BA/BSC Degree
- Diploma

Part II: Questions related to the perception of managers and employees on CRM in relation to market performance of the airlines.

1. Questions about key customer focus in the Airlines	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1.1 The airlines provide customized services and products to our key customers					
1.2 Through ongoing dialogue, we work with individual key customer to customize our offerings.					
1.3 When the airlines finds that customers would like to modify a product/service, the departments involved make coordinated efforts to do so.					

1.4. The airlines make an effort to find out what our key customer needs are.					
1.5 All people in the airlines treat customers with great care					
2 Questions about organizing around Customer Relationship Management in the Airlines	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
2.1. Customer-centric performance standards are established and monitored at all customer touch points.					
2.2The airline has established clear business goals related to customer acquisition, development, retention, and reactivation.					
2.3 The airline has the sales and marketing expertise and resources to succeed in CRM					
2.4 ET commits time and resources to managing customer relationships					
2.5 Employee performance is measured and rewarded based on meeting customer needs and successfully serving them					
3 Questions about Managing Knowledge in the Airlines	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
3.1 Ethiopian airline provides channels to enable ongoing two-way communication between our key customers and us.					
3.2 Customers can expect exactly when services will be performed					
3.3 The airline fully understands the needs of our key customers					
3.4 The Airlines is fully knowledgeable in understanding the needs of our customers and meets its customers' best interest.					
3.5 Airlines perform collecting and analyzing customer's information and used such information for developing highly personalized offerings.					
4. Questions about Technology- Based CRM	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
4.1 The airline maintains a comprehensive database of our customers					
4.2 ET has the right hardware to serve our customers					
4.3 ET has the right software to serve our customers					

4.4 ET has the right technical personnel to provide technical support for the utilization of computer technology in building customer relationships					
4.5 Individual customer information is available at every point of contact					
5. Questions about marketing performance in the airlines	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
5.1 Putting customer- center operation enables the airlines to increase its sales growth					
5.2 The airlines is successful in retaining customers by providing perceived quality service and responding as per customers best interest					
5.3 The airlines develop systems for taking, evaluating, and responding customer feedback timely on services providing.					
5.4 The airline’s marketing strategy is effective in promoting and attracting new customers					
5.5 Marketing strategy of the airlines is successful in increasing market share and sales growth					

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