



**ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE  
DEPARTMENT OF BUSINESS LEADERSHIP**

**THE EFFECT OF RELATIONSHIP MARKETING ON CUSTOMER LOYALTY IN  
THE BANK INDUSTRY IN THE CASE OF BANK OF ABYSSINIA**

**MA - Business Leadership Extension Program**

**Business Leadership Research Project: - Mbl 612**

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**JUNE, 2022  
ADDIS ABABA**

## **DECLARATIONS**

I hereby declare in which this Thesis is my own work and that, to the best of my knowledge and credence, it has not been presented and will not be presented to any other University for similar or any degree award.

\_\_\_\_\_  
Name of Student

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## ADVISOR'S APPROVAL

This is to certify that the thesis entitled: **Effect of Customer Relationship Marketing on Customer Loyalty : In The Case Of Abyssinia Bank**, Addis Ababa submitted in partial fulfillment of the requirements for the degree of Masters of Business Leadership of the Postgraduate Studies, Addis Ababa university school of commerce and is a record of original research carried out by **Blen Tesfu Negussie, ID GSE/8739/11** , under my supervision, and no part of the thesis has been submitted for any other degree or diploma. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

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Name of Advisor

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Date

## **STATEMENT OF CIRTIFICATION**

This is to certify that the thesis entitled “the impact of relationship marketing on customer loyalty in the bank industry in case of bank of Abyssinia” submitted by me Blen Tesfu to Addis Ababa University school of commerce towards complete fulfillment of the requirements for the award of the degree of Master of Art in Business leadership (School of Graduate Studies).

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Dean, BAIS	Signature	Date

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## **ACRONYMS**

BOA –	Bank of Abyssinia
CRM-	Customer Relationship Marketing
RM-	Relationship Marketing
ICRM-	International Customer Relationship
SPSS-	Statistical Package for the Social Sciences
ANOVA-	Analysis of Variance

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## **ABSTRACT**

*Ethiopia's banking sector is showing growth and the competition is becoming tense. This makes it necessary for Banks to build core strategy to acquire new customer and manage to retain them. Thus, this study is conducted to examine how customer relationship marketing affect customer loyalty in case of Abyssinia banking, Addis Ababa. 330 questionnaires were collected to get the required data from customers and interviews were conducted with few branch managers and marketing experts. The collected data was analyzed using SPSS. A quantitative method with deductive approach is applied and follows Causal-comparative/quasi experimental research approach method. Non-probability, convenient sampling technique was used to select the bank branches to disseminate questionnaires. However Cochran sampling technique was used to select respondents. Regression analysis is carried out to see the association between each independent variable: trust, commitment, communication, conflict handling and technology on the dependent variable: customer loyalty, then variables that showed significant associations is included in a single model and multiple linear regressions is performed to identify the most significant predictors. 95% CI and P-value (0.05) was used to assess the degree of statistical significance. The findings showed that customer relationship marketing dimensions have effect on customer loyalty. Four of the independent variables except technology are significantly associated with customer loyalty particularly in Abyssinia bank and in general in banking industry. Also, they are expected to contribute more on attracting new customers and retaining the existed ones with regard to relationship marketing to increase customer loyalty. Based on the findings it is recommended that banks should invest more in creating and developing customer trust, show commitment, good communication and apply effective conflict handling in order to be winner in the competitive field in acquiring loyalty of customers.*

**Key words:** *Customer relationship marketing, Customer loyalty, Trust, Commitment, communication Conflict handling and technology.*

# CHAPTER ONE

## 1. INTRODUCTION

This chapter discussed about objectives and driving force which makes the researcher to do this paper; background of the study, statement of the problem, research questions, objective of the study, significance of the study, scope of the study and organization of the paper are the parts which are included on this chapter.

### 1.1. Background of the study

Client fulfillment has gotten to be one of the foremost critical issues in showcasing since of its significant part in supporting clients and maximizing benefit. Therefore, businesses need to maintain a positive relationship with their customers and to plan a good customer relationship management that helps them satisfying their customers and create value for their business. A relationship marketing strategy is particularly important to service industries because of the intangible nature of services and high level of interaction with customers. A key feature of the strategy of relationship marketing is that not only does it lead to customer retention and increase the profitability of the company, but it also provides a sustainable competitive advantage for the service company (Salah et.al 2019).

The productivity of bank is additionally based on number of clients and the number of exchanges conducted by them. The client situated businesses such as telecom, retail, keeping money; protections etc. require distinctive set of approach as in these sorts of business the clients have adequate alternatives to select while the organizations intense time to hold their client. The organizations are utilizing different strategies to hold and are having lock in their clients, so that their consistent income can be guaranteed and for the same, the organizations are utilizing the languages like, Client devotion, Relationship promoting etc.

Banks productivity is closely related with customer's maintenance. They moreover claimed that, client absconding costs companies millions of dollars each year in misplaced income. In expansion to misplaced income, turncoats ordinarily spread negative word of mouth communication which can impact other clients to buy somewhere else. The longer a bank can hold a client, the more noteworthy income and fetched investment funds from that client.

Assumed is that the customer loyalty is affected with image of the banking organization, cost of

the services, ongoing economic scenario, employee's response to customers, convenience of location etc. The banks must have the effective and good understanding of the consumer behavior pattern, as this would help the organization to draft the appropriate marketing strategies, which would help the organization to develop effective relationship with customer and motivate them for retained with the bank for longer duration. Most of the researches are focused towards the identification and implementation of methods, which can successfully enhance the customer loyalty, but also to develop different reward schemes to achieve these efforts more efficiently (Banna & Rahman, 2020). Benefit quality is the customer's recognition of the common benefit execution of a company in a long-term setting. Also, service quality as "the ability to match expected service with perceived service to achieve customer satisfaction". Given the rise in the service economy, the success of service providers, to a large extent, depends on their ability to provide customer-centered services.

Satisfaction "as an overall customer attitude or behavior towards a service provider, or an emotional reaction towards the difference between what customers expect and what they receive, regarding the fulfillment of some desires, needs or goals. Link service quality to organizations' profitability, costs, repeat purchase and customer satisfaction. Consumers' needs/wants and expectations regarding their purchasing experiences keep evolving, service quality and customer satisfaction must be considered indispensable in the service economy. Customer satisfaction has been defined as "the result of customers' comparison of perceived quality and actual service performance" (Ibrahim and Philip, 2020).

Customer loyalty is an important factor that contributes to an organization's earning and profits. Loyal customers normally establish stable relationship with an organization compared to non-loyal customers. Customer loyalty can contribute to an increase in a firm's revenue, reduce customer defection rate and develop new business through positive word of mouth advertising. Thus, at the end of the day, the bank's assets are not only primarily registered on the balance sheet, but also related to the fact that customers have been successfully retained. In recent years, there has been a refocusing of marketing away from customer acquisition to that of customer retention. If the company is intended to benefit from retaining customers, customers also seek benefit from giving their loyalty to the company. To achieve all the above mentioned goals of customer loyalty, firms devised a new strategy known as relationship marketing (Bonke 2015).

Very often marketers use relationship marketing to make customers loyal in order to ensure that customers will come back to service provider again and again for the similar service requirement; Customer Loyalty is central to the relationship marketing. Several studies are revealing the importance of relationship marketing than traditional or transactional marketing, because it may cost a firm five to six times as much to attract a new customer as it does to retain an existing one. Customer loyalty can contribute to an increase in a firm's revenue, reduce customer defection rate and develop new business through positive word of mouth advertising (Worku, 2017).

Relationship Marketing and customer loyalty in the banking sector would get affected extremely because of relationship marketing and this effect would mostly be positive. Now the banks are no more limited just to lend the loan and save the money of clients but now the demands of clients are more. The current era is period of long – term and personalized relationship and this personalization and mutual understanding is required from both side in order to develop a level of trust. The banks are not just looking for names and number of customers in their database. The type of packages offered by the banks consisting products and services just show the quantitative aspect of demand of the clients but these products and services are not source of generating trust and loyalty among customers. The best offer for these products and services from the bank could be reduction in cost and this acts just as a g e satisfaction related factor. The banks can extend their database by identifying the customers with special financial needs and must provide the customized services to the clients in order to gain their trust and develop a win-win long-term relationship. The relationship aspect between client and bank is developed on catalyst of trust and satisfaction. In the era of 21st century, where most of the business organizations are putting a huge effort in maintaining their customer base and at such time, the relationship marketing is the necessity of time instead of just practicing for huge potential. The banks need to focus on their relationship development strategies as per the requirement of customers based on economic, behavioral, emotional and moral filters. The retention and customer loyalty in banking sector is the foundation of customer lifecycle and this could be possible with help of effective relationship marketing and client satisfaction strategies (Banna&Rahman, 2020). Thus the main purpose of this research paper is to investigate the effect of relationship marketing on customer loyalty in Abyssinia Bank.

## **1.2. Statement of the Problem**

Bank of Abyssinia started its operation with an authorized and paid up capital of Birr 50 million, and Birr 17.8 million respectively, and with only 131 shareholders and 32 staff. In two decades since its establishment, Bank of Abyssinia has registered a significant growth in paid up capital and total asset. It also attracted many professional staff members, valuable shareholders and large customers from all walks of life. This performance indicates public confidence in the Bank and reliability and satisfaction in its services. Currently, employing the state-of-art banking technology, the Bank provides excellence domestic, international and special banking services to its esteemed and valuable customers. It also strives to serve all economic and services sectors via its ever increasing branch networks throughout the country.

Bank of Abyssinia, which started banking services with only one branch in 1996, has 334 domestic branch networks, of which 152 branches are in Addis Ababa and the remaining 182 are established in bankable towns all over the country. All City and Outlying branches are interconnected with state-of-the art ICT. All branches offer both domestic and international banking services. Bank of Abyssinia still strives to identify bankable area every year and serve valuable customers by expanding its branch networks throughout the country. ([www.bankofabyssinia.com](http://www.bankofabyssinia.com))

Relationship marketing is an important marketing tool in the financial services and hospitality sectors. Impressively, many empirical studies the positive effect of relationship marketing practices on customer loyalty from both developed and developing country contexts in the financial services sector. Relationship marketing is often directed only at the most profitable segments defined by, for example, income and wealth. It is clear that customer is the only source of the companies' present profit and future growth. And also creating loyal customers is at the heart of every business. Moreover, companies incur more cost to attract customers and make them loyal. With the intense competition and increasing globalization of the financial markets, building customer loyalty has become a critical strategy for most financial institutions. Studies of the impact of relationship marketing on customer loyalty outcomes lean to approach the way customers encounter a problem with regard to the services provided by the banks. A small group of studies treat that customer loyalty is a function of trust, commitment and conflict handling. The evidence is almost uniformly consistent in indicating that customers are loyal when the banks relationship marketing is good (Atinafu, 2020).

Studies in marketing have not reached a consensus in identifying the relationship of maintaining quality customer relations. For instance, find that relationship marketing antecedents have a wide range of effectiveness for generating strong relationships with customers, and communication is the most effective relationship building strategy. It sets the ground and expectation of clients that will be the basis for their satisfaction. In the contrary, poor communication or conflict that arises due to some other reason has a larger negative effect than the positive impact of any relationship marketing antecedents. So, all proactive relationship marketing effort may be wasted if customer conflict is left. To have a good relationship quality, service providers should be committed to relationship quality activities as well as to their customers (Adanech 2014).

As the financial marketplace becomes more dynamic and competitive, banks also need to focus on retaining existing clients through effective relationship marketing. In this context, the benefits of long-term retention of existing customers, such as increased profitability, reduced costs in relation to the individual customer and word of mouth referrals from satisfied customers, become important. Retaining customers requires careful and creative work and planning which satisfies customers. Service becomes more efficient when employees learn about what customers expect and how best to meet customer needs. Although, zero defections should be the goal of all organizations, in reality, it probably will not be achieved. It requires finding out switching factors, calculation of customer's life time value, customer's loyalty rate, and building lasting consumer relationship management. Due to the above mentioned reasons, it is imperative to apply the modern paradigm shift in marketing called relationship marketing (Bonke 2015).

According to Worku (2017) a 5% increase in customer retention adds 25-150 percent to the bottom line and it costs six times more to attract new customers than to retain the existing one. According to this authors, if losing one customer costs six times than to retain the existing one, we end up in calculating that, if Bank of Abyssinia loses 15,905 customers within a two-year period, it costs the Bank to bring back 95,430 new customers to replace the loss, which is practically difficult to attain within the stated period. Beyond this, the negative word of mouth of the customers who leaved the Bank also aggravated the problem. This is an implication of the fact that, the Bank in a serious problem of assuring the loyalty of its customers, which is attributed to lack of strong relationship marketing strategy. In general, lack of strong relationship marketing strategy could possibly resulted in loss of loyal customers, which create a fertile ground for loss of depos-

it and hence profit as well.

As expressed over, since the field of relationship showcasing is unused as later development within the field of promoting writing. So, this study is to explore the relationship promoting measurements such as believe, commitment, struggle dealing with, communication, and appreciation of Abyssinia bank.

### **1.3. Objective of the study**

#### **1.3.1. General objective**

To Assess the Effect of Relationship Marketing on Customer Loyalty in the Bank Industry in case of Bank of Abyssinia.

#### **1.3.2. Specific objectives**

- To examine the effect of Trust on Customer loyalty in banking industry
- To find out the effect of Commitment on Customer loyalty in banking industry
- To examine the effect of Communication on Customer loyalty in banking industry
- To examine the effect of Conflict handling on Customer loyalty in banking industry
- To investigate the effect of Technology on Customer loyalty in banking industry

### **1.4. Scope of the study**

For research, it was good to use all branches of BOA that are found across the city at large to obtain a complete picture and to believe all the customers to take part in the study. However, due to time and other constraints, the researcher conducted in west Addis Ababa district (WAAD) in Addis Ababa city. it was not possible for the researcher to incorporate all the branches, but random selection of the sampled branches was reducing the margin of any biasness, up to some extent. This may have its own limitation along with that associated with the sampling procedure systematic selection of respondents. Besides this, limited empirical information in the loyalty practices of BOA customers, the possible unwillingness of some BOA customers to respond the questionnaires causes the limitation. Because of this limitation, the research force depends only on registered account holders in BOA.

### **1.5. Significance of the study**

The outcome of this study marketing and customer loyalty determined by the disparity between the expectations of the customers and its perceptions of the service delivered can provide an organization with a lasting competitive advantage. Specifically, this study will help the bank indus-

try and bank of Abyssinia to Advise means for which the sector can maximize its customer loyalty by providing customers service quality, add a body of knowledge from which more other researchers will be attracted to engage in the same issue of concern in service delivery.

The findings will help the Abyssinia bank managers in this research and other banks as well to identify their weakness in implementation of relationship marketing. On the other hand, the study will also add knowledge on the effect of relationship marketing on customer's loyalty for researchers and academic practitioners in further studies.

## **1.6. Operational Definition**

*Relationship marketing*- is a philosophy of doing business, a strategic orientation that focuses on keeping and improving current customers rather than on acquiring new customers.

*Customer loyalty*- is a buyer 's overall attachment or deep commitment to a product, service, brand, or organization. (Boke, 2015)

## **1.7. Organizational of the paper**

The study was structured into five chapters. The first chapter was providing a general introduction of the study including background of the study, Statement of the problem, Research hypothesis, Objectives of the study, Significance of the study, Scope and limitation of the study, organization of the study. Chapter two covers literature (empirical & theoretical) relevant to the study. Chapter three discuss about research design and methodology: the type and design of the study. Chapter four summarizes the findings of the study and discusses them in detail. Finally, chapter five was explains conclusions and recommendation.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

This part provides a theoretical framework and empirical review surrounding The Effect of Relationship Marketing on Customer Loyalty as advanced by different scholar's writers and their perception. Also this part will contain a conceptual framework to provide a logical relationship of variables in this study.

#### **2.2. Theoretical review**

##### **Customer Loyalty & Commitment**

Loyalty is commitment towards particular product or service, which make the person to make repeat purchase of the product / service constantly in future. However, in last few years, it has been noticed that even the usage of same brand purchase for many years, the customer may likely to switch for another product either because of influence of the situation or because of effective marketing strategy being employed by competitors. The customer loyalty is more about expressing a kind of intended behavior, which is directly related to the service provided by the organization. The loyal customer ensures to renew the service contract in future too but now the customers are changing patronage based on the services provided by the favored organization and the competitor organization. The loyal customer can act as marketer for the favoring organization and spread positive word of mouth about the product and services. When management of the organization understands the benefits of available alternatives and there is low switching cost, the organization is closer to the situation satisfying customer needs. In last few years, the researchers have focused towards consumer loyalty aspect in area of service marketing. There are different authors who have done several works by emphasizing customer loyalty aspect in also cognitive psychology research (Banna &Rahman, 2020).

##### **The concept of quality**

Quality has long come to be recognized as a strategic tool for attaining operational efficiency and improved organizational performance. Generally, it is argued that quality is that given by those who see the need for a particular product or service. A given product or service has many users, each with potentially different uses of the service or product (Amanfi 2012).

## **Service Quality**

Services quality as a function of the differences between expectation performance along the quality as a function of the differences between expectation and performance along the quality dimensions. Maintaining service quality at certain level and improving service quality must be an effort to those companies who desire life-time prosperity in customers' heart. Scholars generally agree that quality is associated to the value of a product offering which could either result in satisfaction or dissatisfaction on the part of the individual. Customer expectations are beliefs about a service that serve as standards against which service performance is judged, which customer thinks a service provider should offer, rather than on what might be on offer. To some, service quality can also be defined as the difference between customers' expectations for the service encounter and the perceptions of the service received. According to the service quality theory, it is predicted that customers will judge that quality as `low` if performance does not meet their expectations and quality as `high` when performance exceeds expectations. Closing this gap might require toning down the expectations or heightening the perception of what has actually been received by the customer (Tegengne 2019).

Most of the recent work on service quality in marketing can be credited to the pioneering and continuing work. These dimensions are tangible features, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding and access from that initial research (Abdissa 2019).

## **Consumer Satisfaction**

According to Tegengne(2019) a customer as the most crucial stakeholder of an organization who provides payment in exchange for product offering provided to him/her by the organization with a goal of satisfying a need and eventually maximizing satisfaction of the same. While there is no any agreement between scholars on the definitions of a consumer and a customer. Satisfaction as the feeling of delight or dissatisfaction that results from comparing a product's perceived performance with its expectations. Therefore, it is generally thought that satisfaction could be the enjoyment that one derives from the usage of products and services provided and customer pleasure is an indication of consumer satisfaction. Consumer satisfaction as the perceived discrepancy between previous expectations and the real performance of the product or service as perceived after its usage, hence they consider satisfaction as a post purchase evaluation by the

Consumer. Satisfaction refers to the contentment that an individual feels whenever his/her desires have been fulfilled or needs, objectives or expectations have been achieved. Satisfied customers have a greater likelihood of remaining loyal, would consume more of services of the business organization, and would recommend friends and relatives to the service provider. Therefore, customer satisfaction is the enjoyment obtained from consuming a service offered. Measuring the effect of service quality on the satisfaction of customers could be very difficult at times because it is an effort to determine how human beings feel.

Customer Satisfaction Customer satisfaction is feeling of contentment when the customer “has or achieves what one needs or desires”. Customer satisfaction “is a direct result of firm and environmental variables rather than solely of individual transaction”(Tibebe 2012).

### **Customer Loyalty**

Ibrahim (2020) discuss about customer loyalty has become a significant choice for organizations to survive the strenuous competition in the business environment. It is about how organizations create and retain a relationship with their customers to enhance repeat purchases. Customer loyalty refers to a psychological tendency of customers to trust in the product/service and brand of organizations and the repeat purchase after customer satisfaction. “Customers’ repeated behavior to transact business with an organization or purchase the same brand repeatedly”, customer loyalty has become indispensable for sustainable competitive advantage. Generally, it is believed that loyal customers rarely respond to overtures from competitors. At the very least, loyal customers will help consolidate existing market, reduce marketing costs, enhance the core competitiveness and improve the long-term business performance.

### **Relationship between Service Quality and Customer Loyalty**

Service quality has been conceptualized as a function of consumer expectations and performance. It measures how well the service level delivered meets customers’ expectations on a consistent basis. Service quality is considered very important because it can lead to higher customer satisfaction, profitability, cost reduction, customer loyalty and retention. Also, the study revealed that a high quality of service will result in a high customer loyalty (Ibrahim 2020).

## **Perceptions of Customer Loyalty**

Loyalty is literally translated as faithfulness, one's fidelity against an object. A customer is one used to buy a product. Habits are formed through the purchase and frequent interaction over a given period. Without strong-relationships stock record and repeat purchase, ones are not the customers. Customer loyalty has an important role in a company; maintaining those means improving financial performance and keeping the viability of the company. This is the main reason for a company to attract and retain them. Loyalty is associated with the repetitive-purchase behaviors or recommendation to others. Loyalty as a commitment for repeat purchasing preferred products or services consistently in the future; despite situational influences and marketing efforts have the potential to carry out the changes. The concept of loyalty is more directed to the behavior compared to the attitude; and a loyal customer shows purchasing behavior can be defined as a pattern of regular purchases in a long period of time, conducted by the units of decision-makers (Sandriana 2017).

## **Overview of Relation Marketing**

In today's volatile environment the working condition for any businesses are very challenging due to ever-growing competition, the continuous increase in customer expectation and customers' subsequent demands as service improves. Moreover, customers are becoming increasingly critical about the quality of service they experience. These reasons seem to force organizations to practice relationship marketing by adopting proactive strategies which will assist them to take the lead in the marketplace. Because relationship marketing helps the organization to have an integrated effort to identify, maintain, and build up a network with individual consumers and continuously strengthen their relation with contact over a long period of time. Specially, in today's world, businesses are increasingly dependent on the relationship they have with their suppliers and are demanding that they adhere to high standard. The effectiveness of customer employee relationship has been recognized as being critical for service sectors (Adanech 2014).

## 2.3. Empirical review

### Factor analysis and scale reliability

Originally, the research model proposes a six-factor relationship. Later on, when undergoing the factor analysis, all the 24 items were found to be loaded into five factors. The first factor merged the two dimensions of “Trust” and “Communication”, indicating that customers found them as similar or complimentary to each other. Hence, the first underlying dimension in the analysis is identified as “Trust & Communication”. High communality values are recorded for all the variables and the five dimensions depicted with the explained total variance as 61.636 percent. Before attempting to regression, it is logical to obtain the degree of association between variables. Therefore, correlation coefficients were computed between relationship marketing underpinnings and relationship quality. Relationship quality was found to be significantly ( $p$ , 0.001) associated with the dimensions of “Trust & Communication” ( $r = 0.683$ ), “Commitment” (0.604), “Conflict Handling” (0.667) and “Customer Satisfaction” (0.623). This implies that the relationship quality experiences the change in the same direction as that of relationship marketing antecedents (Rakshit 2013).

From the structural model, relationship marketing and service quality simultaneously and significantly influence the price fairness. The value of Focal is  $98.5 > F$  table (3.042), then the research hypothesis is accepted and significant. The value of R-square 0.50 means the performance of relationship marketing and service quality contribute 50% of the influence on price fairness and the rest 50% is by other factors out of the model. The estimated path coefficient and statistical test of relationship marketing variable toward price fairness is 0.44 with a positive direction. In partial, the hypothesis is accepted, indicated by the value of statistic  $4.89 > 1.96$  (level of significance 5%) meaning that the test result is significant. The result of partial test toward the influence of service quality variable on price fairness is 0.33 with a positive direction. This hypothesis is partially accepted, indicated by the value of statistic  $3.72 > 1.96$  (level of significance 5%) meaning that the test result is significant (Sandriana 2016).

Findings reveal that quality of service does effect the customer satisfaction up to some certain level as both concepts are distinct and the relationship found between them is casual. Also the quality of service has significant contribution towards customer satisfaction because it is affected

by various factors such as human interaction, physical environment, value, price, performance etc. To improve performance system companies should focus more on introducing employee oriented policies by establishing a service culture followed by a strong strategy in place and by removing gaps between management – employees and its customers (Sara 2013).The findings of the study revealed that the hospitality industry in Cape Coast, Ghana, has a little more female customer than the male customers. The study showed that the age groups 40-49 (37.5%) and 50-59 (31.2%) were the slightly majority in the hospitality industry in Cape Coast, Ghana. Followed by age group 30- 39 (21.3%) and age group 20-29 (10%) respectively. Customers with other certificates 140 (43.8%) were the slightly majority in the hospitality industry in Cape Coast, Ghana, followed by master's degree holders 80 (25.0%) and bachelor's degree holders 66 (20.6%). Professional certificate holders were the least 34 (10.6%) customers. It is apparent that customers in the hospitality industry in Cape Coast, Ghana, have attained varied level of education. The statistics showed a significant positive relationship between service quality and customers' loyalty in the hospitality industry in Cape Coast, Ghana. This is demonstrated by the beta value of (52.4%). By implication, the given beta value implies that service quality has a significant of 52.4% influence on customers' loyalty in the hospitality industry in Cape Coast, Ghana, whist the remaining which is equal to 47.6% are influenced by other variables. The findings revealed a significant positive relationship between customer satisfaction and customers' loyalty in the hospitality industry in Cape Coast, Ghana. The beta value of (47.5%) demonstrates this relationship. By implication, the given beta value shows that customer satisfaction has a significant 47.5% influence on customers' loyalty in the hospitality industry in Cape Coast, Ghana, whist the remaining which is equal to 52.5% are influenced by other variables. The results showed that both service quality and customer satisfaction have a significant positive relationship with customers' loyalty in the hospitality industry in Cape Coast, Ghana, with a given beta value of (68.9%). The given beta value implies that both service quality and customer satisfaction have a significant of 68.9% influence on customers' loyalty in the hospitality industry in Cape Coast, Ghana, whist the remaining which is equal to 31.1% are influenced by other variables(Ibrahim, 2020).

The findings of the descriptive statistics revealed that all in all, the study participants valued conflict handling of employees of the organization positively in such a way that more than 48%

of the respondents valued conflict handling of the staff as good and above. However, 31% of the respondents valued it as poor. Moreover, the descriptive results show that 49% of the respondents valued communication skills of employees as good and above. In the contrary, 34.5% of the respondents evaluated it poor. Moreover, the findings of the descriptive statistics revealed that all in all, the study participants valued commitment of employees of the Organization positively in such a way that more than 60% of the respondents valued commitment of the staff as good and above. To the opposite, 27 %, of the respondents valued it poor. To get the reciprocity benefit, the airline should be committed towards serving its customers (Adanech 2014).

Multiple regression analysis was employed to examine the association between service quality dimensions and customer satisfaction. It is a constructive statistical technique that can be used to analyze the association between a single dependent and several independent variables. One of the vital considerations in multiple regression analysis (Hair et al., 1998) is the sample size of the data. Based on this method, the five main independent variables (service quality dimensions) and dependent variable (customer satisfaction) were entered together. Each of the variables had a tolerance value of more than 0.10 and a variance inflation factor (VIF) of less than ten. The finding indicated that no serious multi co linearity problem. From these analyses, it can be concluded that multiple regression model of this study met the assumptions required to ensure validity of its significance test. This indicates that there was a statistically significant link between service quality dimensions and customer satisfaction (Tibebe 2012).

The above results illustrate the highest impact of the responsiveness on customer satisfaction, where an increase in responsiveness by 0.373 was cause an increase in the customer satisfaction in banking sector. Similarly, the customer satisfaction in banks in Gondar town is directly affected by the Assurance where an increase in Assurance 0.195 was cause a direct increase in the customer satisfaction in banks. Also, the customer satisfaction in Gondar town banking was strongly affected by empathy where an increase in empathy 0.184 was causes a direct increase in the customer satisfaction within Gondar town banking. The moderate and positive impact of the reliability on customer satisfaction where an increase in reliability by 0.172 was cause an increase in the customer satisfaction in banking sector. Further the lowest impact of the tangibility on customer satisfaction, where an increase in tangibility by 0.164 was cause an

increase in the customer satisfaction in Gondar town banking sector (Muhaba 2016).

The results indicated that there is a positive relationship between service quality and customer satisfaction and that improvement in service quality can lead to the achievement of higher customer satisfaction while some are not. It was also found that systems, processes and procedures to ensure high service quality delivery but these have to be improved upon. It was thus recommended that the Commission should concentrate on those service quality attributes which the clients considered most important. Finally, measures should be instituted to deal with those factors which tend to impact adversely on the Commission's attempt at ensuring the delivery of high quality of service and client satisfaction (Amanfi 2012).

It is very important to know the quality of help that employees provided to their customers. As the largest amount of respondents agreed that they receive qualitative support from the employees in case if they have any questions related to the assortment. The second largest part of the respondents answered that most of the time employees are ready to help in occurred issues. However, the amount of respondents who answered 'never' is six times bigger than those who answered "almost never". According to the results, employees of the company provide customers with the help and information as much as they are able to (Asya 2013).

Finally, the correlation result shows that there is positive and significant relationship between tangibility, reliability, responsiveness, assurance and empathy and customer satisfaction. The finding also indicates that the highest relationship was found between responsiveness and customer Satisfaction, while the lowest relationship was found between empathy and customer satisfaction. Similarly, the multiple regression results showed that except empathy, the four service quality dimensions (tangibility, responsiveness, reliability, and assurance) have positive and significant impact on customer satisfaction. Therefore, high quality service is an increasingly important weapon to survive, the higher service quality, and the higher customer satisfaction (Abdissa 2019).

Correlation and multiple regressions were used to investigate the relationship between dependent and independent variables. The correlation results indicate that there is a positive correlation between the dimensions of service quality and customer satisfaction. The results of the regression test showed that offering quality service have positive impact on overall customer

satisfaction. And also the highest correlation is between responsiveness and customer satisfaction followed by reliability. The finding of the analysis showed that, the performance of CBE in providing quality service is not in a position to meet the expectation of the customer. Low service quality leads low customer satisfaction (Betelhem 2015).

Relationship-marketing and service quality affect positively on price fairness, either simultaneously or partial. Simultaneously  $F_{count} (98.5) > F (3.042)$ , thus the research hypothesis is accepted and significant. This means relationship-marketing and service quality significantly influence the price fairness. R-square value of 0.50 means the relationship-marketing performance and service quality influence 50% on the price fairness and the remaining 50% by other factors outside the model. Partially, relationship-marketing affects positively to the price fairness. Estimated path coefficients and statistical tests can be seen; the path coefficient of relationship-marketing variables towards the price fairness amounted of 0.44 with a positive direction. That means the higher relationship-marketing will increase the price fairness. The first hypothesis is partially accepted, which is indicated by the value of t-statistic of  $4.89 > 1.96$  (5% significance level) which shows that the test result is significant. The partial testing on the effects of service quality variable towards price fairness shows 0.33 with a positive direction. That means the higher service quality; the higher the price fairness will improve. Hypothesis of H1 is partially accepted, which is indicated by the value of t-statistic of  $3.72 > 1.96$  (5% significance level); this shows that the test result is significant (Sandriana 2017).

The findings indicated that even though customer relationship management leads to word-of-mouth recommendation, it does not lead to repeat visitation. Through multi-group moderation analysis it was further identified that the outcomes of customer relationship management do not vary based on the degree of variety-seeking behavior of customers. On the one hand customer relationship management leading to repeat visitation is fully mediated by the intrinsic factors affecting variety-seeking behavior, on the other hand customer relationship management does have a significant influence on variety-seeking behavior. This study contributes to the body of knowledge on customer relationship management and variety-seeking behavior. The theoretical contribution includes the identification of the impact of customer relationship practices on generating repeat visitation and word-of-mouth and the extension of the theory of the hotel context. This study pointed to some effective segmentation dimensions and methods to improve

targeted communication that can be used by hotel practitioners. The mixed method approach enhanced the methodological rigor used in realizing the above contributions (Maduka 2015).

According to the study, there are a big number of business travelers, and so the airlines should provide unique and differentiated services to business travelers. There is a corporate club, which focuses on the Business traveler, which is a good way to catch business travelers. Still, those business travelers should be treated more than a random passenger by creating good communication with them, have satisfaction assessments every quarter or every six months, and circulate some questionnaires that could bring feedbacks on how and where to improve the service. After collecting this 49 information, the feedback received should work on implementing improved service and circulate this process every time to have consistent quality service. Even though the physical quality does not affect customer retention, it directly affects customer satisfaction, which has a big influence on Customer retention, so the airline should improve its tangible service starting from the office chair right up to the aircraft. The office should be able to impress its customers from the point while they get their ticket and until the time of their last journey flown. In addition to that, the airline should keep on following up and providing a postal service. This way the airline is not only retaining its customer but also promoting itself with a good word of mouth of a retained customer. By retaining its customers, the airline will save its expenditures that could be spent on acquiring new customers who are 6 times more expensive. If the airline manages physical quality and service quality, customers will be satisfied. This way the airline would retain its customers (Mahlet 2017).

A cross sectional design mainly quantitative approach was used to the research question. In order to undertake this research, sample size of 111 out of 33 Branches in Addis Ababa which represents 30% of the total Dashen banks, is drawn with a total sample size of 400 Primary type of data was collected with the help of pretested questionnaires. The collected data was analyzed using SPSS. Binary logistic regression analysis is carried out to see the association between each independent variable with outcome variable and then variables that showed significant associations is included in a single model and multiple linier regressions is performed to identify the most significant predictors.95% CI and P-value (0.05) was used to assess the degree of statistically significance. The findings showed that relationship marketing dimensions have effect on customer loyalty. All the independent variables are significantly association with customer

loyalty particularly in Dashen bank and in general in banking industry (Fikirte 2017).

It can be seen that majority of the respondents are satisfied by the dressing of the employees and the rest 25% are not happy of the item concerned. Based on the response given for item number two, 35.7% of the respondents are highly satisfied about the facial expression of the employees, 42.9% are satisfied , 8.6% are neutral, 8.6 % dissatisfied and 4.2% of them are highly dissatisfied. Concerned item number three, respondents were asked if the airline has enoughaircrafts in terms of quality and quantity and as a result 21.4% of them are strongly agree of the idea,28.6 % agree,21.4 % neutral,17.9% disagree and finally 10.7% of the answered disagree. In this specific item it is easily observed that almost 50% answer below average which in turn helps to infer there is service gap (Meaza2013).

Research done in Zemen bank Ethiopia results shows that empirical evidence for the influence on customer loyalty of five underpinnings of relationship marketing: Trust, commitment, conflict handling, communication, and gratitude. RM constructs are identified from the literature, integrated in the proposed model, and linked with customers' loyalty. In addition, the mediating effect of top management commitment with RM and customers' loyalty are also investigated. This study tries to validate that, in Zemen Bank; relationship marketing underpinnings had effect on customers' loyalty. Overall, all relationship marketing underpinnings such as trust, commitment, conflict management, communication, and gratitude have positive and moderate relationship with customers' loyalty. Moreover, when the RM underpinnings are linearly regressed, they had cause and effect relationship with customers' loyalty at statistically significant  $P < 0.01$ . However, when they are regressed as multiple, conflict management cannot predict customers' loyalty since pvalue is not less than 0.05. This is an important finding for companies that need to emphasize the influence of RM constructs on customers, loyalty. On the other hand, as a mediating variable, top management commitment satisfied all the given conditions with statistical significance and criterion. Therefore, management commitment had the mediating effect between RM underpinnings and customers loyalty. Moreover, when evaluated in general, the factors that have the greatest impact on customers' loyalty are gratitude and commitment. Conflict management has a negligent and statistically insignificant positive effect (Bonke 2015).

## 2.4. Conceptual framework

Conceptual Framework is defined as a symbolic or written product that explains the presumed relationship among dependent and independent variables either graphically or in narrative form (Daniel 2016). The following model has been developed based on established theories from previous research. Even if there were a lot of variables can affect the customer loyalty in banking industry, the researcher focuses on key variables which are expected to influence customer loyalty and summarized as follows:

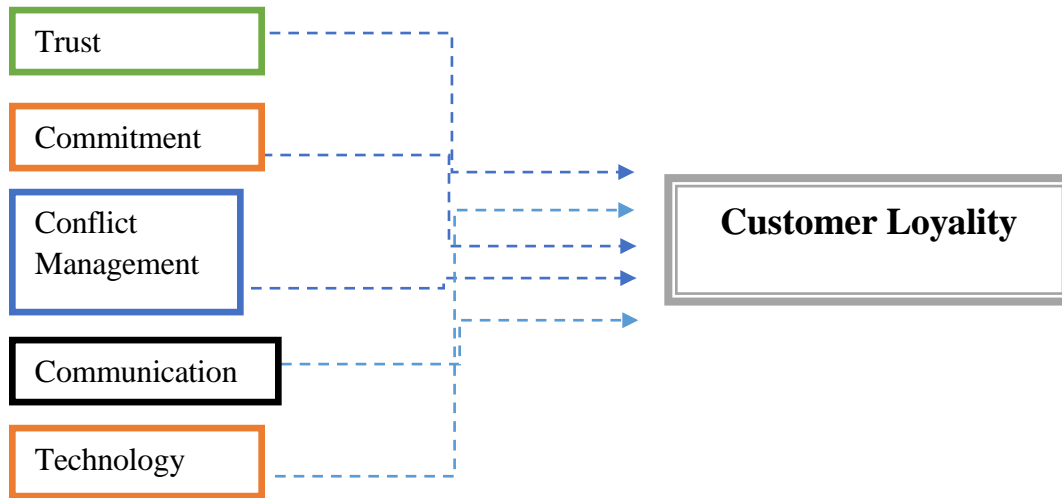


Figure 1. Conceptual framework (Adapted from Chatterjee and Kamesh, 2019).

## 2.5. Research Hypothesis

The study able to show or refute the following research hypotheses which have been prepared based on literature survey.

H<sub>1</sub>: Trust has a significant and positive effect on customer loyalty towards the bank.

H<sub>2</sub>: Commitment has a significant and positive effect on customer loyalty towards the bank.

H<sub>3</sub>: Communication has significant and positive effect on customer loyalty towards the bank.

H<sub>4</sub>: Conflict Handling has a significant and positive effect on customer loyalty towards the bank.

H<sub>5</sub>: Technology has significant and positive effect on customer loyalty towards the bank

## **CHAPTER THREE**

### **METHODOLOGY AND MATERIALS**

#### **3.1. Introduction**

This chapter aims to highlight the design and methodology which were used to obtain required data which are relevant for doing the research. It explains thoroughly about the research design, data collection methods, sampling design, research instrument and methods of data analysis.

#### **3.2. Study area**

The study adopts mainly the quantitative, deductive research approach to collect, analyzes, and interprets the data, as it is based on theory, goes to hypothesis and to data (Soiferman, 2010). In the instances qualitative information such as the background of the bank, number of active members, premium customers, customer handling, and profit of the company was collected by using semi-structured interview with management to know the impact of relationship marketing on sustainable growth of the company under consideration.

#### **3.3. Research Design and approach**

Research design refers to the overall strategy that will be chosen to integrate the different components of the study in a coherent and logical way. The current study adapted explanatory research design method. This method is useful on researches which have an aim of looking the cause and effect relationship between variables (Saunders et al. 2009). Since the aim of this study is to explore cause and effect relationship of Customer loyalty and its determinants, this research design is appropriate. With respect to research approach Looking at the research problems and the philosophy of the different research methods together triangulation method was adopted in this study. In this triangulation, both qualitative and quantitative methodologies were used to increase the perceived quality of the research.

#### **3.4. Target Population**

The target population for this study will be the customers and the managers of bank of Abyssinia. According to Creswell (2003), it is better to use a large sample for the reason of generalizing the study results; the study population consists of all of the current account holders of customers in Bank of Abyssinia. Due to the large number of the bank's customers in the bank, the final selected population was restricted to customers of west district only. This selection will also facili-

tate the comparison since the provided services are mostly the similar in all branches. Bank of Abyssinia has 710 branches in Ethiopia with total population 6,200,000 customers from which 900,100 customers are current account holder customers 164 branches and 4 districts are found in Addis Ababa. From those districts west Addis Ababa districts are selected by using convenient sampling expecting that the researcher will get the necessary data.

Cochran sampling technique was used to select customers who were willing to complete the questionnaire.(Abiyet al., 2009) suggests that Cochran sampling technique will used for this study because it provides an equal and nonzero chance of being selected for each customers of the bank.

The researcher used the branches in the West Addis district and to build it more specific and get more access the researcher used only Grade Four branches specifically in Merkato area among west Addis district which are 4 in number and believed to contain a large number of customer accumulation, number of transactions and employees (which are more than 400 employees in number). From these five branches the researcher takes the ‘premium’ customers in demand deposit as a total population. The branches that are selected in this study are Negadiras, Merkato, Raguel, Aba Mela and Filwuha.

This restricted the sample size, but the nature of sampling allows the researcher to select of most suitable candidates for the study. Abyssinia Bank in Addis Ababa has 336 Branches, 1,500,000 registered active accounts out of which 1200 are premium customers. They have 7494 total employees; branch managers are working on customer relationship marketing at Abyssinia bank so employees who are directly involved are 222 employees. For the current study at the outset, 400customers, 2 branch managers, 5 customer marketing experts were participated, to get the required information to conduct the analysis.

The formula (Glenn D. Israel, 1992) used for the calculation of sample size/population is: -

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

Where: - n = sample population; N = is the Total Population; e = ± 5% sampling error

The total population of 1,500,000

$$n = \frac{1,500,000}{1 + 1,500,000(0.05)^2} \quad n = 399.8 \approx 400$$

The total population for the study is 400 and considering 5% sampling error.

### **3.5. Sampling Criteria**

#### **3.5.1. Inclusion Criteria**

All customers and managers who are voluntary during the study period

#### **3.5.2. Exclusion Criteria**

All customers and managers who are involuntary and other bank employees will be excluded from this study.

### **3.6. Study Variables**

#### **3.6.1. Dependent Variables**

- Customer Loyalty.

#### **3.6.2. Independent Variables**

- Trust
- Commitment
- Conflict management
- Communication
- Technology

### **3.7. Types and Data sources**

#### **Primary Data Sources**

Primary data source is a type of data that is collected by researchers directly from main sources through interviews and key informant interview.

#### **Secondary Data Sources**

Secondary data is the data that has already been collected through primary sources and made readily available for researchers to use for their own research such as books, journals and websites

#### **Data Gathering Instruments**

In order to obtain the relevant information the researcher will use different methods of data col-

lection tools such as interview and review of documents. Data will be collected from the reliable sources, from respondents who had experience. Survey question will be made based on literature review and frame of reference to ensure result validity.

### **3.8. Method of data collection techniques**

Both qualitative and quantitative will be used to collect the data. Structured questionnaires will be used for both quantitative and semi structured for qualitative data. Data will be collected through questionnaire by interview method. As the some of the participants will be in senior positions and are mostly occupied with various tasks, the researcher carried out occasional follow up to reduce delays in getting reverts. The questionnaire and interview were structured, conducted via phone, email exchanges, and a face-to-face interview with necessary safety measures. Document review was also performed to collect data from different reports and publications.

### **3.9. Data processing and Analysis**

After collection of the data then the quantitative data will be entered by using SPSS version 20. The descriptive statistic will be carried out to compute the different frequency, percentage and different diagrams. The qualitative data will be narrated. Analysis of data in this research will be done by using statistical tools like regression and correlation models. Regression analysis will be used to know by how much the independent variable i.e. relationship marketing explains or influences the dependent variable which is customer loyalty. Correlation analysis also conducted to measure the strength of the association between relationship marketing dimensions and customer loyalty. And also descriptive analysis used for the demographic factors such as gender, age, education, occupation, monthly income and for how many times the customers are using the bank's services. The results of semi structured interview questions will analyze qualitatively.

### **3.10. Data quality assurance and Management**

To keep the consistency of the questionnaire, it will be first prepared in English and then translate into Amharic and back to English in order to keep its consistency. The interviewer-administered questionnaire will be pretested before use by randomly interviewing. The questionnaire will be adjusted accordingly. The data entered will be checked for accuracy and completeness. Errors and omissions will be rectified.

### **3.11. Ethical Consideration**

Ethical clearance will be obtained from the University Research and Publication Office to the study area. Permission will be secured from the principals of the study area. Informed consent from the study participants who met the inclusion criteria will be sought. The study participants will be interviewed privately and all the information obtained will be treated with confidentiality. Serial numbers will be used instead of the client's name to protect their identity.

## CHAPTER FOUR

### DATA ANALYSIS AND PRESENTATION

#### 4.1. Introduction

This Chapter would present the analysis and presentation of every the data which were gathered from the customers through questionnaire and interviews. Data analysis and interpretation was through the result obtained from statically tools used totally 360 questionnaires were disseminated across the branches of Abyssinia bank. From 330 (91.5%) were filled and returned while the remaining 30(8.5%) of which were not returned at all. At the last part of the editing, 330 questionnaires were successfully processed for the analysis.

#### 4.2. Descriptive Statistics

The analysis was done in based on research questions and objectives above and it was presented in the form of tables to give better explanations. All the tables in the analysis were generated from survey data through the SPSS 20.

Table 4.1 Statistics

Statistics							
		Gender	Age	Education Level	Occupations	Income	Years of using BOA Service
N	Valid	330	330	330	330	330	330
	Missing	0	0	0	0	0	0

#### Gender of Respondents

In the shown below table there are 205 males (62.1 percent) and 125 females (37.9 percent) in the sample, giving an entire of 330 respondents. From the table below highest percentage of the banks premium demand holder customers are males. Therefore, the majority of the bank's customers are males.

Table 4.2 Respondents of Gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	205	62.1	62.1	62.1
	Female	125	37.9	37.9	100.0
	Total	330	100.0	100.0	

Source: Survey SPSS result 2022

### Age of Respondents

In the table presented below the information we requested for every of the variables is summarized. From 330 respondents, the range of between 21-39 years of age are 62.4%, from 40-59 years of age are 34.2% and above 60 years of age are 3.3%. This implies the BOA has productive customers.

Table 4.3 Respondents Age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-39	206	62.4	62.4	62.4
	40-59	113	34.2	34.2	96.7
	>60	11	3.3	3.3	100.0
	Total	330	100.0	100.0	

Source: Survey SPSS result 2022

### Respondents Level of Education

From the below table, 7.9% of the respondents had diploma education background, 86.7% had degree educational background. 3.0 % of the respondents are postgraduate and 2.4% of the respondents having other background. Therefore, from the research the statistic implies that main-stream of the respondents are literate.

**Table 4.4 Respondents Level of Education**

Education Level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	26	7.9	7.9	7.9
	Degree	286	86.7	86.7	94.5
	Post-Graduate	10	3.0	3.0	97.6
	other	8	2.4	2.4	100.0
	Total	330	100.0	100.0	

Source: Survey SPSS result 2022

### **Occupation of Respondents**

From the survey the majority of the respondents are businessman which is 64.8% while the smallest respondents in relation with occupations are students which accounts 5.5%, but the other 2.7 percent are government sector employee. Larger number of customers who are businessman's holding current account.

**Table 4.5 Occupation of Respondents**

Occupations					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	government sector	98	29.7	29.7	29.7
	Private Sector	214	64.8	64.8	94.5
	Student	18	5.5	5.5	100.0
	Total	330	100.0	100.0	

Source: Survey SPSS result 2022

### **Monthly Income of the Respondents**

Based on the table below 3.0% respondents have a monthly income of less than Birr 2,000, 7.9 % of the respondents have between 2,000-3999 Birr income per month, 3.0 % of respondents have between birr 5000-5999. The remaining 86.1 % of respondents have a monthly income above 6,000 birr. Sagaci Research, a market intelligence firm dedicated to African markets, in its report released in August, 2013 states that more than 10% of the Addis Ababa population earn a monthly income of more than USD 1,000 which is considered as the high income group. As per the data the banks current account holder customer base seems reasonably balanced.

**Table 4.6 Respondents Level of Income**

Income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<2000	10	3.0	3.0	3.0
	2001-3999	26	7.9	7.9	10.9
	4000-5999	10	3.0	3.0	13.9
	>6000	284	86.1	86.1	100.0
	Total	330	100.0	100.0	

Source: Survey SPSS result 2022

**Respondents Subscription period of using BOA Service**

From the table below 13.6% of respondents are second-hand the bank for less than one year,43.3% of respondents are used the bank between one up to three years, 28.8 % of respondents used the bank between three up to five years , The remaining 14.2% % of the respondents are used the bank for more than five years.

**Table 4.7 Period of using BOA Service**

Period of using BOA service					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1	45	13.6	13.6	13.6
	1-3	143	43.3	43.3	57.0
	3-5	95	28.8	28.8	85.8
	>5	47	14.2	14.2	100.0
	Total	330	100.0	100.0	

Source: Survey SPSS result 2022

**4.3. Normality Test**

Skewness is the measure of symmetry, or more precisely the lack of symmetry. A distribution, or data set, is symmetric if it looks same to the left and right of the center point. Kurtosis is a measure of whether the data are heavy-tailed or light-tailed relative to normal distribution (Balanda, 1988).

**Table 4.8 Normality Test**

	N	Skewness	Std. Error	Kurtosis	
				Statistic	Std. Error
Trust	330	-0.072	0.134	-1.15	0.268
Commitment	330	0.127	0.134	-0.983	0.268
Communication	330	-0.830	0.134	-0.874	0.268
Conflict Handling	330	-0.032	0.134	-0.874	0.268
Technology	330	-0.242	0.134	0.708	0.268
Customer loyalty	330	0.048	0.134	0.780	0.268
Valid N (listwise)	330				

Source: Own Survey Data, 2022

According to Hair (1996), data which have Skewness and Kurtosis values ranging between -1.96 and +1.96 are acceptable and the researcher has tested the distribution of the data with the two well-known testing methods namely Skewness and Kurtosis and the result finally showed that all the independent variables i.e. Trust, commitment, communication, conflict handling, technology and the dependent variable-customer loyalty are moderately skewed and passed their test.

**Table 4.9 Normality Test (Lilliefors Significance Correction)**

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Trust	.149	330	.000	.931	330	.000
Commitment	.164	330	.000	.900	330	.000
Communication	.160	330	.000	.943	330	.000
Conflict_Handling	.146	330	.000	.949	330	.000
Technology	.239	330	.000	.911	330	.000
Customer_Loyalty	.161	330	.000	.925	330	.000

a. Lilliefors Significance Correction

Source: Own Survey Data, 2022

## **4.4. Inferential Analysis**

### **4.4.1. Correlation Analysis**

The researcher used SPSS to show correlation between RM dimensions (trust, commitment, communication, conflict handling, and technology) with customer’s loyalty through the respondent’s feedback.

### Correlation Analysis between Trust and Customers' Loyalty

The association between trust and customer's loyalty was investigated using Pearson product-moment correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumptions of normality and linearity. There was a strong, positive correlation between the two variables [ $r=.900$ ,  $n=330$ ,  $p<0.05$ ].

Table 4.10 Correlation Analysis between Trust and Customers' Loyalty

Correlations			
		Customer Loyalty	Trust
Customer Loyalty	Pearson Correlation	1	.900**
	Sig. (2-tailed)		.000
	N	330	330
Trust	Pearson Correlation	.900**	1
	Sig. (2-tailed)	.000	
	N	330	330

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

Source: Own Survey Data, 2022

### Correlation Analysis between Commitment and Customers' Loyalty

According to table 4.10 Pearson correlation test was conducted between commitment and customer's loyalty. From the above table, there is significant correlation between commitment and customer's loyalty. Generally, there is high relationship between commitment and customer's loyalty( $r=.937$ ,  $n=330$ ,  $p<0.05$ ).

Table 4.11 Correlation Analysis between Commitment and Customers' Loyalty

Correlations			
		Customer Loyalty	Trust
Customer Loyalty	Pearson Correlation	1	.937**
	Sig. (2-tailed)		.000
	N	330	330
Commitment	Pearson Correlation	.937**	1
	Sig. (2-tailed)	.000	
	N	330	330

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

Source: Own Survey Data, 2022

### Correlation Analysis between communication and Customers' Loyalty

According to table 4.12 Pearson correlation test was conducted between communication and customer's loyalty. From the above table, there is correlation between communication and customer's loyalty. Generally there is high relationship between communication and customers loyalty ( $r=.868$ ,  $n=330$ ,  $p<.0005$ ).The result of correlation analysis shows that communication dimension and customers loyalty are correlated with a fair relationship.

Table 4.12 Correlation Analysis between communication and customers' loyalty

Correlations			
		Customer Loyalty	Trust
Customer Loyalty	Pearson Correlation	1	.868**
	Sig. (2-tailed)		.000
	N	330	330
Communication	Pearson Correlation	.868**	1
	Sig. (2-tailed)	.000	
	N	330	330

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

Source: Own Survey Data, 2022

### Correlation Analysis between Conflict Handling and Customers' Loyalty

The following table 4.13 shows that conflict handling and customer's loyalty have significant positive correlation. Generally, conflict handling and customers' loyalty have high correlation ( $r=.751$ ,  $n=330$ ,  $p<.0005$ ).

Table 4.13 Correlation Analysis between Conflict Handling and Customers' Loyalty

Correlations			
		Customer Loyalty	Trust
Customer Loyalty	Pearson Correlation	1	.751**
	Sig. (2-tailed)		.000
	N	330	330
Conflict Handling	Pearson Correlation	.751**	1
	Sig. (2-tailed)	.000	
	N	330	330

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

Source: Own Survey Data, 2022

## 4.4.2. Regression Analysis

### 4.4.2.1. Test of Regression assumptions

#### 4.4.2.2. Multi-co linearity test

Multi-co linearity exists when there is a strong correlation between two or more predictors in a regression model. Perfect multi co linearity exists when at least one predictor is perfect linear combination of the others. (Field, 2005). He also stated that, perfect co linearity exists when at least one predictor is a perfect linear combination of the others. If there is perfect co linearity between predictor it becomes impossible to obtain unique estimates of regression coefficients because there are an infinite number of combinations of coefficient that would work equally well.

Table 4.14 Multi-co linearity of Variables

coefficients <sup>a</sup>			
Model		Co linearity Statistics	
		Tolerance	VIF
1	Trust	.166	6.008
	commitment	.152	6.583
	communication	.302	3.309
	Conflict Handling	.416	2.403
	Technology	.537	1.861

a. Dependent Variable: Customer Loyalty

Source: Own Survey Data, 2022

The regression coefficients become less reliable as the degree of correlation between the independent variables increases. If there is a high degree of correlation between independent variables, there is a problem of multi-collinearity. Field (2005) cited that Variance Inflation Factor (VIF) value above 10 and a tolerance (1/VIF) value below 0.10 pose a multi-collinearity problem. From table 4.14 VIF Value ranges from 1.861 to 6.008. Tolerance value ranges within the value of 0.166 to 0.537. In this study, these values (both VIF and tolerance level) indicate that for this analysis, there is no serious multi-collinearity problem.

#### 4.4.2.3. Homoscedasticity Assumption

At each level of the predictor variable(s), the variance of the residual terms should be constant. This just means that the residuals at each level of the predictor(s) should have the same variance (homoscedasticity); when the variances are very unequal there is said to be heteroscedasticity (Field, (2005).

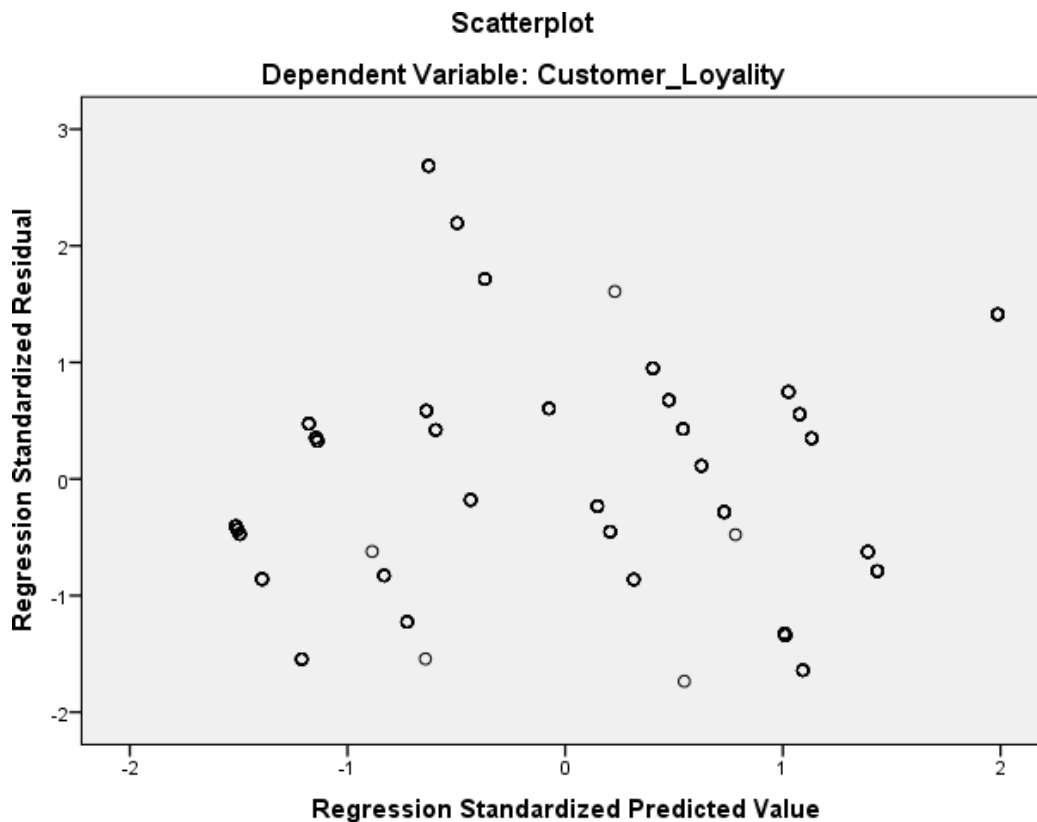


Figure 2. Homoscedasticity Assumption

For this study, as can be seen from Figure 2 above, the response seems concentrated in a specific area with few outliers depicting constant error throughout the observations.

#### 4.4.2.4. Assessment of Autocorrelation

If there are patterns in the residuals from a model, then they can be considered as auto-correlated (Brooks, 2008). The Durbin-Watson (DW) is a test for first-order autocorrelation (Field, 2009). It assumes that the relationship between an error and the previous of an error. In this type of test,

The null hypothesis can't be rejected when the DW result is near 2 (Hair, et al., 1998). Because it shows there is little or no evidence of autocorrelation. Based on Table 4 the Durbin-Watson (DW) statistics value of this study is 2.1. Therefore, there is no evidence of autocorrelation among error terms in this study.

Table 4.15 Durbin Watson Test Model Summary b

Model Summary						
Model	Change Statistics					Durbin-Watson
	R Square Change	F Change	df1	df2	Sig. F Change	
1	.935 <sup>a</sup>	931.817	5	324	.000	1.734

a. Predictors: (Constant), Technology, communication, Conflict Handling, Trust, commitment

Source: Own Survey Data, 2022

The regression analysis model summary table 15 indicates that relationship marketing which is entered into the regression model on SPSS has relationship with customer loyalty with correlation coefficient of 0.771. The R square value of 0.935 indicates that,93.5% of the variance in customer loyalty can be predicted by good customer relationship marketing platform of the bank.

Table 4.16 One-way ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	40.631	5	8.126	931.817	.000 <sup>b</sup>
	Residual	2.826	324	.009		
	Total	43.457	329			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Technology, communication, Conflict Handling, Trust, commitment

As it is indicated in table 4.16, relationship marketing was considered as predictors of customer loyalty and reported high level of significance  $p < 0.01$ , which implies that there is significance relationship exists between the dependent and independent variables in this model, in other words the combination of the independent variables significantly predicts the dependent variable.

#### 4.4.2.5. Multiple Regression Coefficient

This analysis shows how independent variables explain the dependent variables. That means how trust, commitment, conflict handling and empathy explain customer's loyalty. In this study multiple regression analysis was employed to examine the impact of relationship marketing on customer loyalty by taking Customer Loyalty as dependent variable and different factors of relationship marketing (trust, commitment, communication, conflict handling and Technology) as independent variables.

Table 4.17 Regression Result Coefficient

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.306	.029		-10.464	.000		
	Trust	.206	.041	.176	5.059	.000	.166	6.008
	Commitment	.537	.040	.483	13.299	.000	.152	6.583
	communication	.314	.027	.297	11.508	.000	.302	3.309
	Conflict Handling	.169	.023	.161	7.311	.000	.416	2.403
	Technology	-.082	.017	-.094	-4.848	.000	.537	1.861

a. Dependent Variable: Customer Loyalty

Source: Survey Data, 2022

The beta ( $\beta$ ) sign includes a sign of positive (+) and negative (-), it shows the effect of independent variables over the dependent variable (Field, 2009). Based on Table 17 beta sign of all the independent variables shows positive (+) relation except technology. Thus, independent variables (trust, commitment, communication, conflict handling), has a positive effect on the predicting dependent variable (customer loyalty). Therefore, any increase in this independent variables lead to increase in all dependent variable and shows their effect on customer loyalty.

In Table 4.17 multiple regression result of relationship marketing and customer loyalty helped us to understand which variables among the five independent variables are significant and most important in explaining the variance in customer's loyalty. According to Beta coefficient,

commitment has maximum impact (0.537) followed by communication (0.314), then by trust (0.206). This shows these three dimensions of customer relationship marketing; trust, commitment, perceived value and conflict handling has significant effect on customer loyalty. Whereas technology has no positive significant effect (-.082). The column labeled Sig. shows the statistical significance of the regression coefficient, as measured by the t-test. The t-test examines the question of whether the regression coefficient is different enough from zero to be statistically significant. The t statistic is calculated by dividing the regression coefficient by its standard error (labeled Std. Error in the Coefficients table). According to the table, the t-value shows commitment variable with Beta coefficient of .537 and meaningfulness value of <.001, has significant and maximum effect on customer loyalty. It indicted that as the bank increase its commitment by 1 percent towards the customer, the customer loyalty also increases by 53.7% positively. On the other hand, communication has beta coefficient of .314 and sig. value <.001 which indicate that communication influence customer loyalty positively and significantly and as the banks increase their communication with customers, by a single unit customer loyalty increase by 31.4%. In this study, commutment has found to be a major predictor of customer loyalty followed by communication and then trust of the customer in Abyssinia banks. The regression analysis result on conflict handling also depicted that it influences customer loyalty significantly at .169 confidence interval with sig. level <.001 and as of the banks conflict handling ability increase by a single unit customer loyalty increase by 16.9%.

The established regression function is:

$$\hat{Y} = -0.306 + 0.206X_1 + 0.537X_2 + 0.314X_3 + 0.0169X_4 - 0.82X_5$$

*Where Y=customer loyalty*

*0.021=Constant*

*X1= Trust*

*X2= Commitment*

*X3= Communication*

*X4= Conflict handling*

*X5= Technology*

The coefficient values help us to know which of the variables included in the model contributed to the prediction of the dependent variable. It indicates that three variables out of the four variable which are Trust, commitment, communication and conflict handling influence customer loyalty significantly at 99% confidence interval with a sig. level of  $<.001$ .

#### 4.5. Reliability Test

Cronbach’s alpha is most commonly used when you want to assess the internal consistency of a questionnaire (or survey) that is made up of multiple Likert-type scales and items.

Several Likert-Type items are added onto the questionnaire. These items are targeting six variables; Trust (contains seven items), Commitment (contains five items), Communication (contains five items), Customer Handling (contains six items), Technology (contains four items) and Customer Loyalty (contains five items) which are a total of 32 items.

All items are responded to on a Likert scale of 1-5, where 5 = Strongly agree and 1 = strongly disagree. This is so throughout the scale a high score on a question indicates a high belief in perceived task value.

Table 4.18 Reliability Statistics table

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.938	.940	32

This gives us our Cronbach’s alpha coefficient. We are looking for a score of over 0.7 for high internal consistency. In our case,  $\alpha = 0.94$ , which shows the questionnaire is reliable see Appendix 2.

#### 4.6. Hypothesis Testing

**H1: Trust has a significant positive impact on customer loyalty in the banking sector in Ethiopia.**

As can be seen from result of the regression result, the relationship between trust and customer Loyalty is positive and significant and add more values.

This result also identical with study done by Ndubisi 2006, which shows that trust has a significant positive effect on customer loyalty, which proves that relationship marketing variable trust have significantly affected customer loyalty in the banking sector in Malaysia.

**H2: Commitment has a significant positive effect on customer loyalty in the banking sector in Ethiopia.**

The result shows relationship between commitment and Customer Loyalty is positive and significant. Research suggests that relationship commitment is at the core of all successful working relationships and that it is an essential ingredient in successful long-term relationships, including supplier–buyer relationships (Anderson and Narus, 1998).

**H3: communication has a significant positive effect on customer loyalty in the banking sector in Ethiopia.**

The finding shows relationship between communication and Customer Loyalty is positive and add more values.

**H4: Conflict Handling has a significant positive on customer loyalty in the banking sector in Ethiopia.**

As per the finding, H4 is accepted since conflict Handling has a positive and significant effect on customer loyalty. In the study done by Ibrahim et al., (2015) on Customer Relationship Management Quality and Customer Loyalty, on Sudanese bank, shows that communication and conflict handling have significant relation with behavioral loyalty, that three components of relationship quality of Customer relationship marketing which are trust, commitment and conflict handling positively and significantly related to customer loyalty .

**The below table summarize result of hypothesis tests.**

Table 4.19 Summary of Hypothesis testing result

Hypothesis	Result
H1: Trust has a significant positive effect on customer loyalty towards the bank.	Supported
H2: Commitment has a significant positive effect on customer loyalty towards the bank.	Supported
H3: communication has significant positive effect on customer loyalty towards the bank.	Supported
H4: Conflict Handling has a significant positive effect on customer loyalty towards the bank.	Supported
H5: Technology has significant positive effect on customer loyalty towards the bank.	Not Supported

Source: Own Survey result, 2022

#### **4.7. Interview analysis**

The researcher asked the management staffs with regard to relationship marketing and customers' loyalty. Interview was conducted main branch managers, Business managers and operation managers of the bank. There were seven numbers of questions that asked for managers. The response of all interviewee generalized in the following ways.

The responses obtained from five branch managers such as main manager, business manager and operation managers. Managers interviewed the age between 34-50years. There were thirteen males and two Female that were interviewed. The roles played by the officials were area manager, area business manager, customer relationship officer and area manager under operations.

According to interviewers Negadres branch has 520 number of premium customers from this 420 are male and 100 female, Merkato branch has a total of 550 from this 345 male and 205 female, Raguel branch has a total current account customer of 580 from this 420 are male and 160 fe-

male, Abamela branch has 450 number of current account holders from this 327 are male and 123 female and Filwha branch has 560 number of premium current account customers from this 460 are male and 100 are female.

At the interview, Branch management were asked about impact of relationship marketing on customer's loyalty of the bank and all the managers of the branch has answered that it has positive impact.

Commitment and trust makes the bank unique that leads to incensement of customers' loyalty. Because of this the bank customers and profits increases from year to year. The bank treats premium customers individually according to their interest even the bank employees collect their large amount of cash from their business area this shows that the bank has doing on emphatic which has positive impact on customers' loyalty.

The Raguel Abamela ,Filwha,Negadras and Merkato branch managers answered that the bank has disciplinary manual to solve conflict between customers, employees, customers and customers ,any conflict arise in the bank.

All managers of the branch agreed that reaching customers by names and serving them in smiles used to retain the customers which have positive impact on customers' loyalty. Therefore, identifying customers by their names was unique strategy of Bank of Abyssinia management staffs. The managers use telephone calls to verify the issuance of cheques to confirm payment greater than birr 100,000 written for other customer (endorsements) used to protect the customers of fraudulent withdrawals from their current accounts. The bank also uses text message that provide customers on the transactions that take place on their current accounts.

From the interview conducted management showed that the bank collect comments about conflict handling and other related issues in the bank. There are defined policies and procedures to handle complaints in relation with the directive of National Bank of Ethiopia. The conflict handling has procedures affect our customer satisfaction and loyalty. The procedure put both in the system and hardcopy.

Business managers respond that the bank doesn't consider the concern of customers in all situations. There are technical decisions the bank can implement them. Finally, the response given by the management staffs meant that a relationship dimension (trust, commitment, empathy and

Conflict handling) has positive impact on the customers' loyalty. The bank also provides training programs to ensure staff knowledge about customer handling and to provide the right service as per the banks standard.

# CHAPTER FIVE

## Summary, Conclusion and Recommendation

### 5.1. Introduction

This chapter provides a summary of the study that consists with interpretations presented in chapter four. It also shows the major survey results drawn from the research in chapter four. The chapter also includes recommendations aimed at enhancing Bank of Abyssinia operations and to all stakeholders.

### 5.2. Summary of Findings

The main purpose of the study is to explore the impact of relationship marketing on customers' loyalty in Bank of Abyssinia. The researcher put different previous theories and researches regarding relationship marketing and its outcomes, this clearly shows and helps to know the relationship marketing dimensions and customers' loyalty.

The finding of the research used to view the relationship between relationship marketing dimensions and customer's loyalty. Trust, commitment, conflict handling, communication and technology are not the only outcomes of relationship marketing but also background of customers' loyalty.

Based on correlation analysis, the relationship marketing dimensions (trust, commitment communication and conflict handling) are positively related with customers' loyalty in Bank of Abyssinia. The result of the study situate in the following ways:

- Relationship marketing and customers' loyalty have high relationship.
- Trust dimension and customer's loyalty have moderate relationship.
- Commitment dimension and customer's loyalty have high relationship marketing.
- Conflict handling dimension and customer's loyalty have high relationship.
- Communication dimension and customer's loyalty have high relationship.
- Technology dimension and customer's loyalty low relationship.

The use of bank length of time and age of respondents with customers' loyalty are positively correlated. The other general information's have negatively correlated with customers' loyalty.

From the study, relationship marketing has a power to develop customer trust and loyalty but commitment and conflict handling are more responsive than others. Based on regression analysis shown on the study relationship marketing can explain customer's loyalty. Based on the analysis 46% customer's loyalty is explained by relationship marketing. From the analysis each independent variable can explain customers' loyalty i.e. dependent variables. The result of the study put in the following ways:

- Relationship marketing significantly explained customer's loyalty at 93%
- Trust significantly explained customer's loyalty at 20.6%
- Commitment significantly explained customer's loyalty at 53.7%
- Communication significantly explained customer's loyalty at 31.4%
- Conflict handling significantly explained customer's loyalty at 16.9%
- Technology significantly explained customer's loyalty at 5.5%

### **5.3. Recommendations**

Based on the study, Bank of Abyssinia appears to be doing moderately well with their customers. Consequently, it is so difficult to provide more recommendation to the bank. These recommendations that are being made are used to improve the relationship between relationship marketing dimensions with customers' loyalty. It is useful for marketing department to understand the effectiveness of relationship marketing from customers' perspective.

The bank should try to feel the gap between bank actual performance and customers' expectation to increase relationship marketing, since relationship marketing explains customers' loyalty.

This study is designed to give suggestion on the relationship between relationship marketing improvements. The following are recommendations emanated from the study will put in the follow-

ing ways.

- The bank should develop customer relationship program to improve their positive relationship with customers' loyalty. The bank should provide training for employees especially frontline about the relationship between and customers' loyalty. The employees work together to increase customers' satisfaction and hold on to in the bank.
- The bank should be trustworthy and show commitment, gives attention to customers and should resolve conflict to reduce challenge work to retain the banks customers.
- The bank should well aware of the interest of customers by providing continuous research. The interest of the customer's is increase because of technological improvement. So the bank should work with the interest of customers
- Even though the bank increases its customers, Bank of Abyssinia should increase its endeavor to draw more customers in relation with trust, commitment, conflict handling, communication and technology.
- It must also have strong linkage between relationship marketing and customers' loyalty. This strong connection creates the banks to retain its customers and keep customers from moving to other banks.
- Bank of Abyssinia should provide training and development program for employees, especially frontline about customers handling, conflict resolution trustworthy, commitment and communication that foster customers loyalty.
- Employees should motivate to be committed in working environment of the bank used to identify their own contribution for the bank overall success. Besides to this, motivate employees to involve in decision making activities, provide opportunity to enhance their knowledge through learning and reward for their contribution to offer quality service in the bank.
- The bank should give induction and training about trustworthy behavior, conflict resolution, and commitment and communication improvement in the bank.
- Bank of Abyssinia should establish conflict handling procedures and communicate those procedures to customers. It is also advisable that offer information about the conflict han-

ding procedures for customers though different conduct such as brushers and put in accessible area to read by customers easily.

- Bank of Abyssinia should give greater attention to retain existing customers and to increase number of customers through advertisement and promotional activities through different ways like Television, internet, radio and other media by using the banks relationship marketing strategy. It also recommended that the bank should have a system to collect customers' idea either verbally, orally and phones about customers' service and their satisfaction and the service that the bank provides. The bank should analyze the feedback continuous and uses as a means of problem identification to conduct research on the bank.
- When the bank hires employees knowing customer relationship marketing such as trust, commitment, conflict handling, communication and technology should consider as specified criteria. The bank should look new employee's ability how they preserve strong relationship with bank customers and other employees.
- Marketing department should put their techniques into implementing relationship marketing to foster customer aliened trust, commitment, conflict handling, communication and technology. Higher quality of relationship marketing leads to higher level of customers' loyalty which increases profit.
- The bank should put a department to follow relationship marketing activities and give remedies when challenges arise.

#### **5.4. Limitation**

This research can be further studied by adding more relationship marketing dimensions like competency, value, cooperation, and others which could affect customer loyalty. The research is not asses the possible influences of socio-demographic factors on the relationship between relationship marketing dimensions and customer loyalty. Future research studies might abundantly explore such moderating influences. Future researches also can study by applying longitudinal design and increasing the sample size.

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#### Websites

<https://www.bankofabyssinia.com/index.php/profile/company-profile.html>

# Appendix 1

Addis Ababa University School of Commerce

Master of Business leadership

Questionnaire to be filled by customers of Abyssinia Bank.

Dear Respondent:

As partial fulfillment towards the completion of my postgraduate degree, the research titled “The Effect of Customer Relationship Marketing on Customer Loyalty: The case of Abyssinia Bank is undertaken. Hence, I kindly request you to fill this questionnaire while assuring you that the information that you provide will be treated with confidentiality and shall only be used for the purpose of this academic research.

Your honest response and due attention is very much important to complete the questionnaire.

Please attempt to answer all the questions and tick one appropriate box that best suits your perspective for each statement.

Thank you very much for your time and assistance.

Blen Tesfu

## Part one: Demographic or General information

1. State your gender

1. Male
2. Female

2. In what age group below do you belong?

1. Under 20 years
2. 21 – 39 years
3. 40 - 59 years

4. 60 years and above

3. Indicate your educational qualification below:

1. Primary

2. Secondary

3. Diploma

4. Degree

5. Postgraduate

6. Others

4. Occupation

1. Government sector

2. Private sectors

3. Own business

4. Student

5. Others

5. Monthly income

1. Below Birr 2000

2. Birr 2001-3999

3. Birr 4000-5999

4. Birr 6000 and above

6. Length of years as a customer of BOA?

1. Below 1 year

2. 1-3 year

3. 3-5 year

4. 5-7 year

**Part two: Basic Information**

Please indicate your opinion by marking the appropriate box on the five point scale where: 1= strongly disagree, 2=Disagree, 3= Neutral, 4= Agree and 5= strongly Agree.

Components of relationship marketing	Strongly agree(1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly disagree (5)
<b>1. Trust dimension</b>					
1.1. The bank is very concern with security for my trans-Actions					
1.2. The bank's promises are reliable					
1.3. The Bank is consistent in providing quality service					
1.4. Employee of the Bank show respect to customers					
1.5. The Bank fulfils its obligation to customers					
1.6. I have confidence in the Banks service					
1.7. My bank has the ability to meet its promises					
<b>2. Commitment dimension</b>					
2.1. The Bank offers personalized services to meet customers need					
2.2. The Bank is flexible when its service are changed					
2.3. The Bank is flexible in serving my needs					
2.4. Employees of the Bank are always willing					
2.5. Contact person of the Bank strives to know and understand my needs					
<b>3. Communication dimension</b>					
3.1. The Bank provides timely and trustworthy 92 infor-Mation					
3.2. The Bank provides information when there is new					

banking services					
3.3. The Bank makes and fulfils promises					
3.4. Information provided by the Bank is always accurate					
3.5. My Bank provides information when there is a problem with my transaction					
<b>4. Conflict handling dimension</b>					
4.1. The Bank tries to avoid potential conflict					
4.2. The Bank tries to solve manifest conflicts before they create problems					
4.3. The Bank has the ability to openly discuss solutions when problems arise					
4.4. The Bank values and uses customer feedback to improve service delivery					
4.5. The Bank frequently asks for customer opinion and suggestions					
4.6. The Bank accepts criticism and complaints					
<b>5. Technology</b>					
5.1. Easy accessibility of banks products and services system has improved the level of loyalty in the bank					
5.2. There is high usage of the banks services and products by the customers hence enhancing customer loyalty					
5.3. Technology has shortened the services processing duration hence customer loyalty					
5.4. Customers who can easily access information are much more satisfied and thus improve their loyalty					
<b>6.Customer Loyalty</b>					
6.1. I consider the bank as my first choice					
6.2 I will say positive things about this bank to other people					

6.3 I will definitely continue using this bank					
6.4 I will encourage my friends and relatives to choose this bank					
6.5 I will recommend this bank to anyone who seeks my advice.					

Please indicate the degree to which you agree with the following relationship marketing under pings that have a direct influence on customer loyalty?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. Trust					
2 Commitment					
3 Communication					
4 Conflict Handling					
5 technology					

**አዲስ አበባ ዩኒቨርሲቲ ንግድ ትምህርት ቤት የቢዝነስ  
አሜሪካ ማህጸን  
ማጠቃለያ በአባላት ላይ ደንበኞች ይጻፋል።**

ወደ ተጠሪ፡ -

የደህረ ምረቃ ደግሪዬን ለማጠናቀቅ ከፊል ማጽረፍ፣ "የደንበኞች ግንኙነት ግብይት በደንበኛ ታማኝነት ላይ ያለው ተጽእኖ፣ የአባላት ላይ ጉዳይ ተካሂዷል። ስለሆነም የምታቀርቡት ሚዲያ በሚጠቀሙ እንደሚታዩም እና ለዚህ አካዳሚካል ምርምር ዓላማ ብቻ እንደሚሆን እያረጋግጥላችሁ ይህንን ማጠቃለያ እንድትጻፉ በትህትና እጠይቃለሁ።

ማጠቃለያን ለመጻፍ የእርስዎ ታማኝ ምላሽ እና ተገቢ ትኩረት በጣም አስፈላጊ ነው። እባክዎን

ሁሉንም ጥያቄዎች ለመመለስ ይጻፉ እና ለእያንዳንዱ መግለጫ ከእርስዎ አመለካከት ጋር የሚስማማውን አንድ ተስማሚ ሰነድ ላይ ምልክት ያድርጉ።

ለጊዜዎ እና ለእርዳታዎ በጣም እናመሰግናለን።

**ብሌን ተስፋ**

ክፍል አንድ፡ የሰነድ ሕዝብ አወቃቀር ወይም አጠቃላይ ሚዲያ

1. ጽታዎን ይግለጹ

ሀ. ወንድ

ለ. ሴት

2. በየትኛው የዕድሜ ቦታ ውስጥ ነዎት?

ሀ. ከ 20 ዓመት በታች ለ.

21 - 39 ዓመታት

ሐ. 40 - 59 ዓመታት

መ. 60 ዓመት እና ከዚያ በላይ

3. የትምህርት መዝገብዎን ከዚህ በታች ያመልክቱ፡ -ሀ.

ዋና

ለ. ሀላቲኛ ደረጃ

ሐ. ዲፕሎማ መ.

ዲግሪ

ሰ. የደህረ ምረቃ

ረ. ሌሎች

4. ሥራ

ሀ. የመንግስት ዘርፍ

ለ. የግል ዘርፎች

ሐ. የራሱ ንግድ መ.

ተማሪ

ሰ. ሌሎች

5. ወርሃዊ ገቢ

ሀ. ከብር 2000 በታች

ለ. ብር 2001-3999

ሐ. ብር 4000-5999

መ. ብር 6000 እና በላይ

6. እንደ የ BOA ደንበኛ የዓመታት ርዝመት?

ሀ. ከ 1 ዓመት በታች

ለ. 1-3 ዓመት

ሐ. 3-5 ዓመት

መ. 5-7 አመት

ክፍል ሀላት: መሰረታዊ መረጃ

እባክዎን ሀሳብዎን በአምስት ነጥብ ማን ላይ ምልክት ያደርጉበት: 1= አልሰማምም፣ 3= ገለልተኛ፣ 4= እስማማለሁ እና 5= በጣም እስማማለሁ።

የግንኙነቶች ግብይት አካላት	በጣም እስማማለሁ(1)	እስማማለሁ(2)	ገለልተኛ(3)	አልሰማምም(4)	በጣም አልሰማምም(5)
<b>1. የመተማመን ማጠን</b>					
1.1. ባንኩ ለኔ ግብይቶች ደህንነት በጣም ያሳስበዋል።					
1.2. የባንኩ ተስፋዎች አስተማማኝ ናቸው።					
1.3. ባንኩ ጥራት ያለው አገልግሎት በመስጠት ላይ ይገኛል።					
1.4. የባንኩ ሰራተኛ ለደንበኞች አክብሮት ያሳያል					
1.5. ባንኩ የደንበኞችን ግዴታ ይወጣል።					
1.6. በባንኮች አገልግሎት ላይ እምነት አለኝ					
1.7. የእኔ ባንክ የገባውን ቃል የሚጸም አቅም አለው።					
<b>2. የቁርጠኝነት ማጠን</b>					
2.1. ባንኩ የደንበኞችን ፍላጎት ለማሟላት ግላዊ አገልግሎቶችን ይሰጣል					
2.2. ባንኩ አገልግሎቱ ሲቀየር ተለዋዋጭነት ወይም					
2.3. ፍላጎቶቼን ለማሟላት ባንኩ ተለዋዋጭነት ወይም					
2.4. የባንኩ ሰራተኞች ሁል ጊዜ ፈቃደኛ ናቸው					
2.5. የባንኩ ተጠሪ የእኔን ፍላጎት ለማሟላት እና ለመረዳት ይጥራል።					
<b>3. የመገናኛ ልኬት</b>					
3.1. ባንኩ ወቅታዊ እና ታማኝ የሆኑ 92 መረጃዎችን ይሰጣል					
3.2. ባንኩ አዲስ የባንክ አገልግሎት ሲኖር መረጃ ይሰጣል					
3.3. ባንኩ ቃል ገብቷል እና ያሟላል።					
3.4. ባንኩ የሚቀርበው መረጃ ሁልጊዜ ትክክለኛ ነው።					
3.5. የእኔ ባንክ በኔ ግብይት ላይ ችግር ሲፈጠር መረጃ ይሰጣል					
<b>4. የግጭት አያያዝ ልኬት</b>					
4.1. ባንኩ ለፈጠራ የሚሻለውን ግጭት ለማስወገድ ይሞክራል።					
4.2. ባንኩ ችግሮች ከመፍጠራቸው በፊት ግልጽ የሆኑ ግጭቶችን ለመፍታት ይሞክራል።					
4.3. ባንኩ ችግሮች ሲፈጠሩ የመፍትሄ ሃሳቦችን በግልፅ የመወያየት አቅም አለው።					

4.4. ባንኩ የአገልግሎት አሰጣጠቱ ለማሻሻል የደንበኞችን አስተያየት ዋጋ ሰጥቶ ይጠቀማል					
4.5. ባንኩ በተደጋጋሚ የደንበኞችን አስተያየት እና አስተያየት ይጠይቃል					
4.6. ባንኩ ትችቶችን እና ቅሬታዎችን ይቀበላል					
<b>5. ቴክኖሎጂ</b>					
5.1. የባንኮች ምርቶች እና አገልግሎቶች ስርዓት በቀላሉ ተደራሽነት በባንኩ ውስጥ ያለውን የታማኝነት ደረጃ አሻሽሏል።					
5.2. የባንኮች አገልግሎቶች እና ምርቶች በደንበኞች ጠቀም ጠቅም ላይ ስለሚውሉ የደንበኞችን ታማኝነት ያሳድጋል					
5.3. ቴክኖሎጂ የአገልግሎቶቹን ሂደት የቆይታ ጊዜ አሳጥሯል ስለዚህም የደንበኛ ታማኝነት					
5.4. መረጃን በቀላሉ ማግኘት የሚችሉ ደንበኞች የበለጠ ረክተዋል ስለዚህም ታማኝነታቸውን ያሻሽላሉ					
<b>6. የደንበኛ ታማኝነት</b>					
6.1. ባንኩን እንደ መጀመሪያ ምርጫ እቆጥረዋለሁ					
6.2 ስለዚህ ባንክ አዎንታዊ ነገሮችን ለሌሎች ሰዎች እናገራለሁ					
6.3 በአርግጠኝነት ይህንን ባንክ ማጠቃለያ እቀጥላለሁ።					
6.4 ጓደኞቼ እና ዘመዶቼ ይህንን ባንክ እንዲመርጡ አበረታታለሁ።					
6.5 ይህን ባንክ ምክራን ለሚደረግ ለማንኛውም ሰው እመክራለሁ.					

## Appendix 2

### Reliability

Notes		
Output Created		03-JUL-2022 08:08:15
Comments		
Input	Data	C:\Users\user\Desktop\btt101\final\Blen3 - Copy.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	330
	Matrix Input	C:\Users\user\Desktop\btt101\final\BBT3 - Copy.sav
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on all cases with valid data for all variables in the procedure.
Syntax		RELIABILITY /VARIABLES=II11.1 II11.2 II11.3 II11.4 II11.5 II11.6 II11.7 II22.1 II22.2 II22.3 II22.4 II22.5 II33.1 II33.2 II33.3 II33.4 II33.5 II44.1 II44.2 II44.3 II44.4 II44.5 II44.6 II55.1 II55.2 II55.3 II55.4 II66.1 II66.2 II66.3 II66.4 II66.5 /SCALE('ALL VARIABLES') ALL /MODEL=ALPHA /STATISTICS=DESCRIPTIVE SCALE CORR /SUMMARY=TOTAL MEANS CORR.
Resources	Processor Time	00:00:00.02
	Elapsed Time	00:00:00.05

[DataSet1] C:\Users\user\Desktop\btt101\final\Blen - Copy.sav

### Warnings

The determinant of the covariance matrix is zero or approximately zero. Statistics based on its inverse matrix cannot be computed and they are displayed as system missing values.

### Scale: ALL VARIABLES

#### Case Processing Summary

		N	%
Cases	Valid	330	100.0
	Excluded <sup>a</sup>	0	.0
	Total	330	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.938	.940	32

#### Item Statistics

	Mean	Std. Deviation	N
T1	1.82	.717	330
T2	1.82	.797	330
T3	1.67	.683	330
T4	1.52	.501	330
T5	1.79	.687	330

T6	1.55	.608	330
T7	1.67	.767	330
CMT1	1.91	.713	330
CMT2	1.91	.867	330
CMT3	1.97	.628	330
CMT4	1.82	.834	330
CMT5	1.85	.745	330
CN1	2.06	.737	330
CN2	1.73	.665	330
CN3	2.15	.610	330
CN4	2.00	.652	330
CN5	1.79	.592	330
CH1	1.97	.628	330
CH2	2.03	.628	330
CH3	1.94	.695	330
CH4	1.91	.794	330
CH5	2.00	.697	330
CH6	1.97	.577	330
TC1	1.88	.641	330
TC2	1.76	.741	330
TC3	1.79	.687	330
TC4	1.64	.644	330
CL1	1.52	.501	330
CL2	1.58	.553	330
CL3	1.42	.495	330
CL4	1.52	.558	330
CL5	1.48	.558	330

**Inter-Item Correlation Matrix**

	CMT2	CMT3	CMT4	CMT5	CN1	CN2	CN3	CN4
T1	.169	.258	.249	.176	.021	-.041	.133	.390
T2	.108	.353	.042	.312	.226	.250	.494	.643
T3	.411	.047	.427	.438	.342	.402	.414	.478
T4	.038	.340	.152	.292	.492	.149	.341	.372
T5	.019	.267	.092	.472	.506	.206	.657	.475
T6	.094	.282	.196	.384	.468	.143	.514	.383
T7	.137	.421	.190	.390	.466	.179	.563	.547
CMT1	.183	.401	-.028	.260	.531	.140	.451	.196

CMT2	1.000	-.005	.523	.591	.389	.695	.199	.269
CMT3	-.005	1.000	.105	.055	.332	-.020	.091	.445
CMT4	.523	.105	1.000	.591	.216	.513	.114	.335
CMT5	.591	.055	.591	1.000	.515	.653	.385	.438
CN1	.389	.332	.216	.515	1.000	.468	.453	.253
CN2	.695	-.020	.513	.653	.468	1.000	.402	.420
CN3	.199	.091	.114	.385	.453	.402	1.000	.382
CN4	.269	.445	.335	.438	.253	.420	.382	1.000
CN5	.318	.310	.414	.479	.517	.393	.258	.551
CH1	.218	.229	.280	.250	.529	.126	.171	.223
CH2	.173	.311	.301	.205	.390	-.053	.385	.297
CH3	.395	.344	.348	.335	.363	.162	.309	.335
CH4	.297	.177	.572	.388	.113	.183	.217	.470
CH5	.251	.555	.418	.410	.414	.131	.214	.401
CH6	.298	.333	.304	.484	.361	.137	.445	.323
TC1	.363	.142	.072	.407	.530	.350	.203	.218
TC2	.439	.180	.174	.374	.305	.112	.351	.189
TC3	.478	.126	.198	.234	.326	.206	.150	.204
TC4	.213	.198	.159	.138	.175	-.090	.063	.362
CL1	.178	-.047	.152	.129	.327	.241	.241	.093
CL2	.427	.225	.293	.286	.436	.263	.461	.253
CL3	.373	.139	.040	.175	.512	.168	.592	.188
CL4	.537	.131	.136	.262	.367	.380	.395	.251
CL5	.343	.302	-.006	.251	.593	.194	.498	.167

	CN5	CH1	CH2	CH3	CH4	CH5	CH6	TC1
T1	.195	.325	.282	.466	.558	.304	.354	.018
T2	.240	.232	.315	.090	.262	.437	.450	.254
T3	.577	.402	.378	.214	.561	.447	.360	.533
T4	.575	.340	.240	.177	.348	.348	.265	.385
T5	.413	.408	.438	.292	.355	.381	.520	.356
T6	.322	.362	.434	.150	.481	.501	.653	.404
T7	.514	.421	.526	.419	.350	.455	.526	.289
CMT1	.170	.265	.414	.296	.200	.367	.436	.308
CMT2	.318	.218	.173	.395	.297	.251	.298	.363
CMT3	.310	.229	.311	.344	.177	.555	.333	.142
CMT4	.414	.280	.301	.348	.572	.418	.304	.072
CMT5	.479	.250	.205	.335	.388	.410	.484	.407
CN1	.517	.529	.390	.363	.113	.414	.361	.530
CN2	.393	.126	-.053	.162	.183	.131	.137	.350
CN3	.258	.171	.385	.309	.217	.214	.445	.203

CN4	.551	.223	.297	.335	.470	.401	.323	.218
CN5	1.000	.474	.181	.264	.477	.516	.337	.573
CH1	.474	1.000	.388	.414	.360	.486	.165	.217
CH2	.181	.388	1.000	.562	.371	.417	.506	.236
CH3	.264	.414	.562	1.000	.266	.251	.223	.052
CH4	.477	.360	.371	.266	1.000	.494	.525	.277
CH5	.516	.486	.417	.251	.494	1.000	.679	.476
CH6	.337	.165	.506	.223	.525	.679	1.000	.565
TC1	.573	.217	.236	.052	.277	.476	.565	1.000
TC2	.160	.311	.277	.208	.428	.647	.622	.386
TC3	.188	.408	.226	.100	.578	.444	.520	.356
TC4	.196	.574	.403	.426	.589	.406	.297	.114
CL1	.267	.533	.144	.265	.195	.174	.054	.100
CL2	.096	.313	.387	.487	.258	.315	.340	.026
CL3	.308	.433	.448	.340	.253	.264	.364	.163
CL4	.148	.305	.129	.394	.243	.156	.143	.175
CL5	.405	.476	.305	.233	.237	.391	.329	.335

**Inter-Item Correlation Matrix**

	TC2	TC3	TC4	CL1	CL2	CL3	CL4	CL5
T1	.317	.415	.515	.008	.188	.304	.235	.221
T2	.440	.374	.285	.007	.169	.350	.143	.335
T3	.320	.238	.207	.148	.268	.330	.213	.266
T4	.174	.142	.111	-.092	.243	.219	.244	.300
T5	.377	.291	.306	.319	.243	.444	.207	.507
T6	.362	.350	.197	.073	.509	.440	.334	.383
T7	.339	.212	.308	.449	.454	.614	.190	.450
CMT1	.418	.395	.259	.217	.364	.540	.271	.570
CMT2	.439	.478	.213	.178	.427	.373	.537	.343
CMT3	.180	.126	.198	-.047	.225	.139	.131	.302
CMT4	.174	.198	.159	.152	.293	.040	.136	-.006
CMT5	.374	.234	.138	.129	.286	.175	.262	.251
CN1	.305	.326	.175	.327	.436	.512	.367	.593
CN2	.112	.206	-.090	.241	.263	.168	.380	.194
CN3	.351	.150	.063	.241	.461	.592	.395	.498
CN4	.189	.204	.362	.093	.253	.188	.251	.167
CN5	.160	.188	.196	.267	.096	.308	.148	.405
CH1	.311	.408	.574	.533	.313	.433	.305	.476
CH2	.277	.226	.403	.144	.387	.448	.129	.305
CH3	.208	.100	.426	.265	.487	.340	.394	.233
CH4	.428	.578	.589	.195	.258	.253	.243	.237

CH5	.647	.444	.406	.174	.315	.264	.156	.391
CH6	.622	.520	.297	.054	.340	.364	.143	.329
TC1	.386	.356	.114	.100	.026	.163	.175	.335
TC2	1.000	.735	.579	.174	.416	.447	.450	.506
TC3	.735	1.000	.719	.319	.323	.444	.445	.507
TC4	.579	.719	1.000	.394	.248	.295	.354	.323
CL1	.174	.319	.394	1.000	.463	.465	.353	.409
CL2	.416	.323	.248	.463	1.000	.660	.710	.472
CL3	.447	.444	.295	.465	.660	1.000	.527	.794
CL4	.450	.445	.354	.353	.710	.527	1.000	.660
CL5	.506	.507	.323	.409	.472	.794	.660	1.000

**Summary Item Statistics**

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	
Item Means	1.794	1.424	2.152	.727	1.511	.037	
Inter-Item Correlations	.327	-.092	.794	.886	-8.636	.024	

**Summary Item Statistics**

	N of Items
Item Means	32
Inter-Item Correlations	32

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
T1	55.58	148.756	.440	.	.937
T2	55.58	145.959	.538	.	.936
T3	55.73	146.764	.588	.	.936
T4	55.88	151.049	.460	.	.937
T5	55.61	145.711	.650	.	.935
T6	55.85	147.181	.637	.	.935
T7	55.73	143.846	.681	.	.935
CMT1	55.48	147.120	.539	.	.936
CMT2	55.48	145.722	.501	.	.937

CMT3	55.42	150.701	.380	.	.938
CMT4	55.58	147.661	.424	.	.938
CMT5	55.55	145.537	.605	.	.936
CN1	55.33	145.025	.641	.	.935
CN2	55.67	149.706	.418	.	.938
CN3	55.24	148.148	.568	.	.936
CN4	55.39	147.230	.588	.	.936
CN5	55.61	148.021	.596	.	.936
CH1	55.42	147.783	.575	.	.936
CH2	55.36	148.196	.547	.	.936
CH3	55.45	148.030	.500	.	.937
CH4	55.48	144.627	.613	.	.935
CH5	55.39	145.163	.673	.	.935
CH6	55.42	147.297	.665	.	.935
TC1	55.52	148.944	.486	.	.937
TC2	55.64	145.399	.616	.	.935
TC3	55.61	146.744	.585	.	.936
TC4	55.76	148.512	.512	.	.937
CL1	55.88	152.265	.360	.	.938
CL2	55.82	148.964	.569	.	.936
CL3	55.97	149.148	.626	.	.936
CL4	55.88	149.712	.508	.	.937
CL5	55.91	148.107	.629	.	.936

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
57.39	156.957	12.528	32