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THE EFFECT OF RELATIONSHIP MARKETING ON CUSTOMER'S LOYALTY IN
COMMERCIAL BANK OF ETHIOPIA.

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE DEPARTMENT OF
MARKETING MANAGEMENT

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Acronyms

4Ps- Product, Price, Promotion, and Place or Distribution

CBE- Commercial Bank of Ethiopia

FMP- Frequency marketing programs

RM- Relationship Marketing

ABSTRACT

The purpose of this study was to examine the effect of relationship marketing on customer loyalty in the Ethiopian banking business, in case of commercial bank of Ethiopia. There are several determinants of relationship marketing like Trust, Commitment, communication, sharing values, Empathy and Conflict Handling. Here four dimensions of relationship marketing namely, Trust, Commitment, Empathy and Conflict Handling has been considered as predictor factors for the analysis of this study. A quantitative approach descriptive study designs was used in this research for the achievement of the objective of study. A structured questionnaire with five-point Likert scale has been used to collect the data. 250 structural questionnaires have been prepared to get information from 10 branches customers of commercial bank of Ethiopia. A theoretical context has been used as a standard to establish the relationships between the constructs examined in the study. The SPSS version 13.00 for windows is used to process both the primary data and secondary data which is has been collected through questionnaire has been distributed to customer of the bank through respective employee and the hypotheses were tested on these customers' responses. To investigate the relationship and effects of the variables Pearson correlation and multiple regression analysis has been done. The findings of the study show that there is positive significant effect of trust and empathy on customer loyalty whereas commitment and conflict handling didn't have significant effect on customer loyalty. Thus, to make this concluding a strategic orientation adding value to the bank, it has to develop customer relationship program that will help them build and support positive customer relationships. This finding contributes to theory and practice of building long term customer relationship and also providing recorded evidence.

Keywords: Relationship marketing; trust; empathy; commitment; customer loyalty

Declaration

I attest that this research paper entitled “The effect of relationship marketing on customer’s loyalty in Commercial bank of Ethiopia.” has not formerly been submitted for a degree nor has it been submitted as part of requirements for a Master of Arts degree.

I also certify that the thesis has been marked by me. Any help that I have received in my research work and the formulation of the thesis itself has been acknowledged. In addition, I certify that all evidence sources and literature used are indicated in the thesis.

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CHAPTER ONE

1. INTRODUCTION

1.1 Background of the study

The way a business handles its clients determines both its continued existence and financial success. Consumers are the sole source of revenue for for-profit businesses and the primary driver behind the functioning of not-for-profit institutions. Additionally, it is stated that without consumers, there would be no business at all, making customers the foundation and lifeblood of businesses. By influencing customers up a loyalty hierarchy from prospect customers to regular consumers, then to devoted supporters of the company's goods and services, and finally to advocates who not only buy the company's products but also recommend them to others, relationship marketing gives a business a new opportunity to gain an edge over its competition (Chaston, I., Badger, B., Mangles, T., and Sadler-Smith, E. 2003).

Relationship marketing is being viewed as a new marketing philosophy since it offers financial institutions and their clients the chance to form substantial and long-lasting relationships. This is particularly important for financial services marketing. 1998 S Worthington & S Horne inquiry about the use of a new relationship marketing approach. Additionally, Ferguson & Hlavinka's 2007 analysis of relationship marketing reveals that banks are tailoring their relationships by developing powerful techniques to produce value schemes that are unique to the businesses and clients they work with. Additionally, they make the point that when banks employ loyalty programs to foster a sense of confidence and trust in their brand, customer relationships will grow naturally, which will ultimately lead to profits. It is generally accepted that building enduring relationships with customers is the key to continued success, and bankers shouldn't doubt this.

According to research by Lacey and Morgan (2009), consumers that are more devoted are actually more willing to participate as customer advocates. Boone & Kurtz, 2005 also highlighted how relationship marketing, as opposed to earlier transaction-based marketing, which concentrated on a single transaction, represented an important shift in how buyers and sellers

interact. Building strategic alliances with consumers is essential to relationship marketing success

The method that consumers address an issue pertaining to the services that banks provide is crucial to understanding the influence of relationship marketing on customer loyalty results. According to a research by Ndubisi N (2006), relationship marketing has a specific focus on the particular results that trust, empathy, commitment, and conflict resolution are the outcomes that lead to consumer loyalty. The other studies covered by marketing literature regarding relationship marketing emphasizes four key dimensions as trust according to (Veloutsou et al., 2002; Morgan & Hunt, 1994), conflict handling according to (Ndubisi & Chan, 2005; Dwyer et al., 1987), commitment according to (Chan & Ndubisi, 2004; Grossman, 1998), and empathy according to (Ndubisi & Chan, 2005; Crosby et al., 1990) that have a direct consequence on customer loyalty. This finding highlights the impact of relationship marketing that incorporates other foundational factors, such as empathy, on customer loyalty. According to Aggarwal et al. (2005), empathy plays a significant role in affecting the preservation and improvement of trust. It can take the form of perspective-taking that is intellectual or emotional and facilitates the smooth exchange of information between a bank employee and a customer, reducing doubt and increasing trust at the affective and cognitive levels.

The purpose of this study is to examine the effect of the dimensions of relationship marketing on customer loyalty using a commercial bank of Ethiopia as a context. This issue is important because it helps in generalizing the knowledge that the effect of the scopes of relationship marketing on customer loyalty are the same regardless of the type of ownership of a financial institution.

1.2. BACKGROUND OF THE COMPANY

Commercial Bank of Ethiopia (CBE)

The founding of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942. In 1963 the CBE was legally established as a public limited company. CBE merged with the private Addis Ababa Bank in 1974. Since then, with a capital of more than one trillion, it has played an important role in the country's financial and development.

CBE has more than 30 million account holders and the number of mobile and internet banking users also reached more than 6, million in December.31, 2021 The number of active ATM card holders reached more than 6.4 million. CBE has a broad capital base with over 40,000 talented and dedicated permanent employees and over 22,000 outsourced jobs (as of June 30, 2020). The company has strong correspondent relationships with over 50 reputable foreign banks. For international transfers worldwide, there is a bilateral SWIFT agreement with more than 700 banks around the world.

1.3. STATEMENT OF THE PROBLEM

In this era when the rivalry in the setting is becoming more and more tempestuous, the biggest problem for sellers is no longer providing excellent and high-quality products or services, but also retaining loyal customers who have brought long-term profits to companies. To survive in such a saturated and interactive market, marketers are expected to look beyond the traditional 4Ps of marketing strategy.

An organization's ability to survive and grow is primarily dependent on its commercial relationships with its clients. The quality and dependability of a company's services have a direct impact on its development and profitability when it invests all of its resources and efforts into reaching its goals as effectively as possible. This might be accomplished by offering a service that raises the organization's level of customer experience acceptability.

In the banking sector, providing high-quality services is crucial to building stronger relationships with each and every client. Customer satisfaction may be generated by the quality of services provided. Poor service quality, on the other hand, causes customers to become dissatisfied and defect to rival businesses.

The goal of relationship marketing ought to be all bank clients. The majority of banks see themselves as having both lucrative and unsuccessful clients; the former serve to support the latter. It is getting harder and harder to maintain lucrative clientele in a competitive market when rival financial institutions concentrate on providing appealing services and rates to this satisfied market. Relationship marketing is frequently limited to the most lucrative markets, such as those classified by wealth and income (Leverin and Liljander, 2006).

An organization requires certain strategies that might improve client loyalty on a flexible and organized basis. Relationship marketing is one tool that may be used to provide this kind of advantage. connection marketing is the process via which businesses must ascertain what their clients like, dislike, and want in order to cater to their needs and establish a lasting connection (Kotler & Armstrong, 2010). In order to assist the business, satisfy the needs of its clients, relevant customer information is gathered in an orderly manner, analyzed, and interpreted. As we've seen, RM is focused on forging lasting bonds with clients, which makes cultivating and preserving client loyalty even more crucial. Customer loyalty programs implemented by many retailers are examples of how companies focus on customer loyalty, even if there are several factors for their initiation.

These days, relationship marketing's goal is quite important. The firm will suffer a great deal in many ways if it chooses not to participate in relationship marketing due to the effects of globalization and the heightened competition in the world. Falling behind industry leaders, losing out on potential clients and market share, losing out on customer knowledge that may be quite beneficial, and staff members' incapacity to comprehend customers well are all possible outcomes of this. The negative consequences included attractiveness among many others.

Consumer expectations and management perceptions differ, with studies indicating that company executives don't necessarily need to know exactly what customers want. A lack of understanding can be caused by a variety of factors, including insufficient marketing research and inadequate or nonexistent client-manager communication.

Thus, the primary motivation behind the researcher's decision to carry out this investigation is that there is key dimension like commitment and empathy that have a direct effect on customer loyalty is little included in other researches and has been conducted on this topic in detail to indicate the relationship marketing's effect on client loyalty specifically in Ethiopia banking industry and also there aren't many research on the impact of relationship marketing on loyalty that have been done on Commercial Bank of Ethiopia.

This study's main objective was to examine relationship marketing elements including trust, commitment, handling conflict, and empathy of the banks in order to determine whether or not these elements have had the desired lasting impact on client loyalty.

1.4 RESEARCH QUESTIONS

The following research questions are attempted to be addressed by the researcher.

- Is there an important connection between customer loyalty and relationship marketing dimensions?
- Does a customer's trust in a bank influence their loyalty?
- How much does commitment impact a customer's loyalty to a bank?
- What connection exists between managing conflicts and a customer's loyalty to a bank?
- Does a customer's empathy impact their loyalty to a bank?

1.5. OBJECTIVE OF THE STUDY

1.5.1. General objective

The main goal of this research is to explore the impact of relationship marketing on customer loyalty in commercial bank of Ethiopia

1.5.2. Specific objectives

In addition to the above general objective and for clear set, there are some specific objectives that has been assessed regarding of Commercial Bank of Ethiopia. These particular objectives are: -

- To figure out how a customer's trust affects their loyalty to the bank.
- To determine how a customer's commitment to a bank affects their loyalty.
- To figure out if empathy influences consumers' loyalty to the bank.
- To determine if resolving conflicts affects a customer's loyalty to the bank.

1.6. SIGNIFICANCE OF THE STUDY

For every firm looking to boost revenues, customer loyalty is crucial. RM is based on creating long-term relationships with consumers, which increases the importance of building and maintaining customer loyalty. Customer loyalty programs, which many stores use for different reasons, are examples of how companies are increasingly focusing on customer loyalty. To remain competitive in the market you need to provide an excellent service to all your customers. If companies fail to maintain and improve their services, it will be impossible for them to achieve their goals. However, it is really difficult to build customer loyalty. Therefore, it is important to know the key determinants of customer loyalty such as trust, commitment, conflict management and empathy, because all these factors that determine customer loyalty, by providing numerous services, satisfying all the needs of your customers, increase customer satisfaction and ultimately customer loyalty win.

This research offers up-to-date details on relationship marketing and how it affects Ethiopian Commercial Bank customers' loyalty. Additionally, it is assumed that the study has supplied fundamental information regarding relationship marketing and client loyalty. Furthermore, the study's conclusions have been used to further research projects of a similar nature. Therefore, it is anticipated that this research would significantly add to the body of information regarding the efforts Ethiopian banks took to engage in relationship marketing in order to win over new customers. for the advancement of client loyalty via providing the esteemed clients with appropriate service. As a recorded research in this field, it is also seen to be beneficial to academicians and other experts.

Hence, the results of the study have been helpful to financial service providers in understanding how to use tactics that would satisfy clients and ultimately gain their loyalty.

1.7. DELIMITATION AND LIMITATIONS

If the survey includes all Ethiopian bank branches, it will be valuable in gathering a wealth of data at a branch level. but, the scale of the study was only limited to branches found in Addis Ababa. It also not affects all the Ethiopian banks the private and public owned banks. However, due to funding limitations, it is not feasible or practicable to incorporate all Ethiopian banks. As

a result, the scope of this investigation was confined to the Addis Ababa branches. Only four relationship marketing foundations—trust, commitment, conflict resolution, and empathy—are examined in terms of the components displayed in the study framework, along with their effects on client loyalty. This study does not address other ancillary aspects of relationship marketing, such as values, communication, and collaboration, which may have an impact on client loyalty. The research has not included any additional components or foundational measurements related to relationship marketing.

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1.8. ORGANIZATION OF THE PAPER

The research has been organized into five definite chapters. The first chapter deals with the introduction of the topic and followed by the second chapter of related literature This provides a brief overview and discussion of relationship marketing and client loyalty. The study technique is covered in the third chapter, and the data analysis, conclusions, and discussion of the collected data are presented in the fourth chapter. The research summary, conclusion, and suggestions are presented in the fifth chapter.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Framework

An aspect of customer relationship management (CRM) titled relationship marketing prioritizes long-term client involvement and customer loyalty over immediate objectives like new customer acquisition and one-off purchases. Relationship marketing, also known as customer relationship marketing, aims to establish a deep, even emotional bond between a company and its consumers. This bond may result in recurring revenue, unpaid word-of-mouth advertising, and customer data that can provide leads.

Relationship marketing is a relatively new field of study, but the concept itself has a wealth of research because, as Hunt et al. (2006) noted, it can take many different forms. As a result, the theory of relationship marketing has the potential to improve understanding of many different phases of business strategy. Additionally, he contended that enhancing the relationship marketing theory's pedagogical underpinnings will address three Why questions:

- Why is relationship marketing so crucial in the modern era?
- Why do businesses and customers form bonds with other businesses and customers?
- Why do certain relationship marketing campaigns provide more results than others?

Though the field of relationship marketing is relatively new, research on the concept has shown that it is rich. According to Hunt et al. (2006), relationship marketing can take many different forms, and as such, relationship marketing theory has the potential to improve understanding of various stages of business strategy.

The responses to these queries Starting with a wide perspective on relationship marketing theory, it is advised that relationship marketing's significance may be attributed to the growth of strategic network rivalry as well as the emergence of services, technology, and information-oriented organizations. In order to effectively compete with other networks, independent owned and controlled enterprises must agree to become partners in a network. This is known as strategic network competition, and it highlights the significance of inter-firm collaboration. Businesses in

a strategic system need to master relationship marketing if they want to succeed. Relationship marketing theory also suggests that customers engage in relational exchanges with businesses when they think the advantages outweigh the disadvantages. Among the advantages are:

- The buyer believes there is less risk involved with the market offer.
- Individual customization is made possible via exchange, which improves consumer happiness by meeting their requirements, wants, tastes, and preferences.
- The customer's search expenses are decreased;
- They feel that the collaborating business shares their beliefs; ○ They think that a specific partner can be relied upon to skillfully and dependably deliver high-quality market offers;

The notion of relation marketing states that businesses utilize relationship marketing to increase their competitiveness. Customers act in this way, for instance, when the business uses their connections to efficiently and effectively develop market products that cater to a certain market niche. In other words, they act upon relationships turning into resources. A business's competitiveness and financial performance may both be enhanced by relational resources. Customer loyalty is influenced by relationship elements including trust, commitment, conflict resolution, and empathy, claims relationship marketing theory. According to Hunt et al. (2006), relationship marketing theory examines relationship traits and how they affect relationship marketing outcomes including client retention and recruitment.

2.2 Empirical Evidences

Recognizing that many interactions, especially in the service industry, were relational in character within a financial context, relationship marketing evolved in the 1980s as an alternative to the conventional view of marketing as a sequence of transactions (Berry, 1983). Relationship marketing, according to the author, is a tactic for drawing in, retaining, and enhancing client connections. Relationship marketing is a technique that involves managing networks, interactions, and relationships, according to Gummesson (1994). Establishing, preserving, and developing connections with clients and other partners as well as generating revenue to help all parties involved accomplish their objectives are the objectives of relationship marketing, according to Gummesson (1994). The author also emphasizes that the purpose of relationship marketing is to create and preserve mutually beneficial long-term connections between a

business and its clients. This suggests that cultivating client loyalty is relationship marketing's primary objective.

Relationship marketing is defined as all the activities required to identify, develop profitable relationships with customers both inside and outside the company and other interested parties. The parties involved get to know each other through mutual exchange and by making, facilitating, and keeping promises. This definition encapsulates the majority of the opinions expressed by the various authors (Payne et al., 1995).

Leverin and Liljander (2006) state that relationship marketing attempts to increase customer profitability while providing better services to customers. They said relationship marketing tactics should increase customers' perceptions of the benefits of building attractive relationships. Relationship marketing is said to have been suggested as a way for companies to create profitable, mutually beneficial long-term connections with their clients. When relationship marketing is used, it is thought that customers have a higher level of commitment to the product or service, a certain amount of personal devotion, and a willingness to participate in relationship-building activities. Customer-focused relationship marketing initiatives that enhance the flow of information between the bank and its clients lead to improved customer satisfaction and stronger relationships, which in turn boost consumers' positive perceptions of their bank (Leverin and Liljander, 2006).

According to research by Foster and Cadogan (2000), customers' perceptions of their relationship with a company are positively influenced by the quality of that relationship. In addition, they stated that Customers' willingness to pay a greater price for the company's goods or services, their chance of referring the company to others, and their inclination to conduct more business with the company Positive influences are possible for strength. its connection to staff members and the company overall.

Relationship marketing, contrary to traditional or transactional marketing, focuses more on fostering connections with clients in order to accomplish long-term gains that benefit both parties (Kotler & Armstrong, 2010). Additionally, they contended that relationship marketing differs from typical transactions in that it fundamentally entails treating clients as partners.

2.3 Relationship marketing dimensions

It would be impossible to comprehend relationship marketing without first identifying its dimensions and traits. Relationship success depends on recognizing and comprehending the relationship marketing characteristics, according to a number of writers (Rosen & Suprenant 1998; Rashid 2003; Theron & Terblanche 2010). Theron and Terblanche's research (2010: 384) states that "understanding the dimensions that contribute to establishing and maintaining the relationship is necessary for building long-term customer relationships."

There is presently no agreement on a general set of relationship marketing dimensions, despite the large number of relationship marketing characteristics that have been found and verified in the literature. Consequently, there is limited agreement among studies over whether type of relational mediator—individual or composite—best encapsulates the essential elements of a relationship that have the most impact on results (Palmatier et al. 2006).

However, the premise that trust, commitment, resolving conflict, and empathy are the key components of effective relationship marketing and that they apply to a wide range of businesses and relational techniques finds overwhelming support in the research.

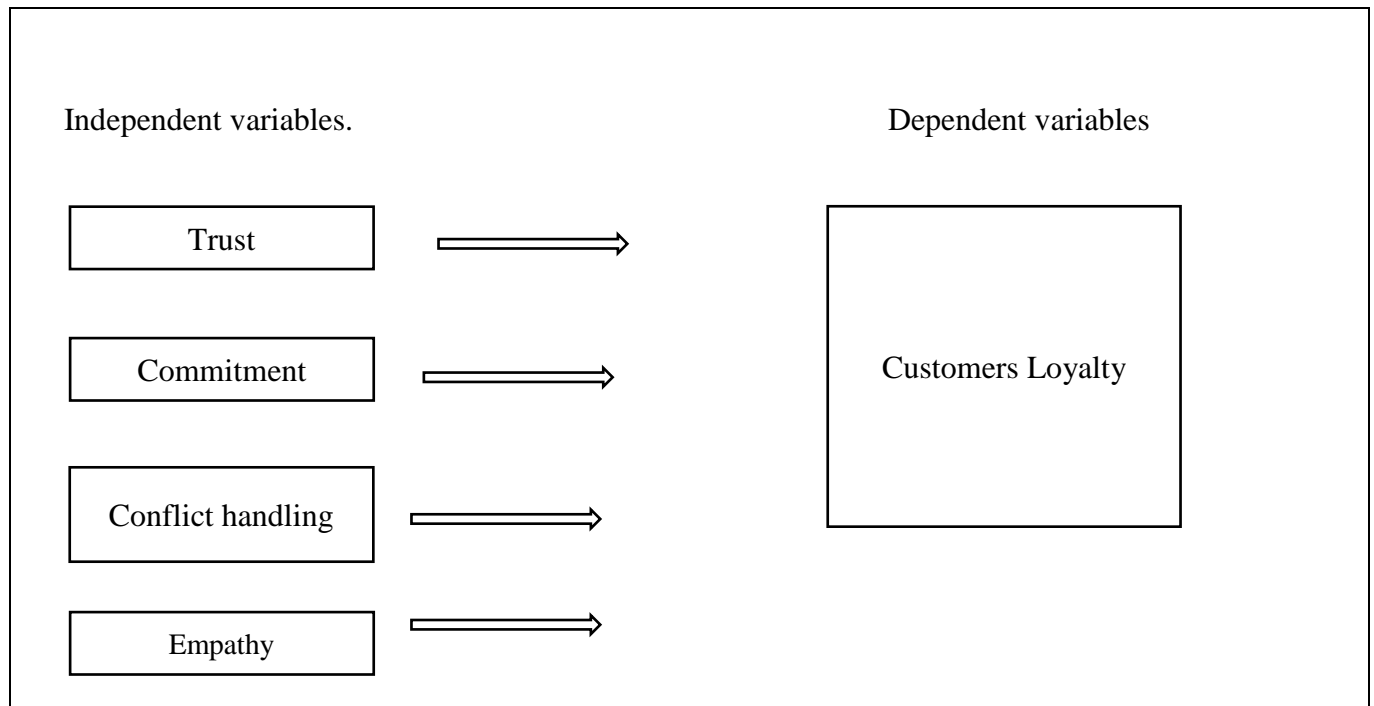


Table 1 Conceptual framework of customer relationship and customer loyalty by (Hunt et al., 2006)

According to Robert M. Morgan and Shelby D. hunt 1994, the following hypothesis were made:

2.3.1 Trust

A trust is an arrangement in which a trustee, who might be a person or an organization, manages affairs on behalf of beneficiaries. Research indicates that trust is the cornerstone upon which relationship marketing is based (Morgan and Hunt, 1994). According to their definition, trust is the capacity to place faith in a trade partner that inspires confidence. Because partners' intentions are undeniable, trust ensures that relationships are mutually beneficial. The presence and growth of trust is especially beneficial to clients purchasing services (Berry, 1983).

Relationships between businesses and their clients, and eventually the growth of loyalty, depend heavily on trust (Ndubisi, 2007). As a result, banks should work to gain the trust of their clients. This can be accomplished in a number of ways, such as by making and keeping promises to clients, demonstrating concern for transaction security, offering top-notch services, treating clients with respect via front-line employees, carrying out commitments, and acting to foster client confidence in the bank and its offerings.

As stated by Morgan and Hunt (1994), trust arises when one party believes that a trading partner is trustworthy and honest. According to them, trust is the widespread belief that one may trust the word of another. Their explanation emphasizes how crucial confidence is. According to the trust literature, the trusting party's confidence stems from their strong conviction that the honest party is trustworthy and has high integrity, which is connected to traits like consistency, competence, honesty, fairness, and responsibility. In relationship marketing, service firms place a great deal of emphasis on trust. It must be combined with commitment because the deliverability of commitment builds trust.

Ndubisi (2007) asserts that a key component of the relationship marketing strategy is the promise idea. According to Ndubisi, marketing's duties go beyond only promising things and getting clients to behave a specific way as passive competitors; they also entail keeping your word, which protects and strengthens growing connections. In order to ensure long-term success, maintain customer satisfaction, and retain clients, he also emphasized the need of honoring promises made to them.

Therefore, in real-world commercial operations, building trust is seen as an essential component of creating a successful, long-lasting connection between all parties. Customers often act and decide what to buy based on their prior consumer experiences when faced with complex service markets. Establishing enduring connections with clients fosters their trust and enhances the efficacious nature of a partnership to achieve shared objectives.

Different kinds of Trusts

Trusts come in a wide variety of forms, but they all fall into one or more of the following categories:

- I. Living or Testamentary: Also known as an Inter-Vivo Trust, this written arrangement places an individual's assets in trust for their use and benefit only while they are alive. After a person passes away, these assets are given to their beneficiaries. The task of transferring the assets falls to the person's successor trustee.
- II. A testamentary trust:- sometimes known as a will trust, outlines the distribution of a person's assets upon their passing.

- III. Revocable or Irrevocable: A revocable trust can be changed or ended by the trustor while they are living. As the name suggests, an irreversible trust is one that, once established, the trustor cannot change, or that becomes irrevocable upon their death.
- IV. Revocable or irrevocable living trusts are both possible. Only irrevocable testamentary trusts are permitted. Generally speaking, an irreversible trust is preferable. Because it is unchangeable and contains assets that have been transferred permanently out of the trustor's control, estate taxes can be reduced or completely avoided. W. H. Wicker (1975).

H1: Does Trust has a significant effect on customer loyalty in the commercial bank of Ethiopia.

2.3.2 Commitment

Another important factor influencing the effectiveness of marketing and advertising relationships is commitment, which also serves as a useful tool for forecasting future purchase frequency and gauging the likelihood of customer loyalty (Morgan and Hunt, 1994). According to the writers, commitment is the unwavering want to keep up a meaningful connection. This suggests a greater degree of responsibility to ensure the success of a relationship and its mutual satisfaction and benefit. They also suggested that highly committed clients should be prepared to exert effort on a company's behalf because of previous benefits received, and highly committed firms will continue to benefit from such reciprocity, since people's commitment is higher among those who believe they get more value from a relationship.

Berry (1983) states that in the field of service relationship marketing, relationships are formed based on mutual commitment. He also said that a recurring theme in the dating literature is that people believe the bond between alternative partners is important to achieving adequate results for themselves and that they find it difficult to build this crucial aspect of their relationships and to maintain.

Therefore, commitment is central to all the relational exchanges between the firm and its various partners. As for commitment as a critical factor in constructing customer loyalty, involving in the study of helpful to customer's needs, altering products to requirements, and being generally flexible in their customer relationships is needed according to Ndubisi (2007). He also indicated

that banks should recognize the influence of service commitment in keeping loyal customers, and act accordingly.

A devoted partner, according to Morgan and Hunt (1994), wants the relationship to last eternally and is prepared to put in the effort to keep it going. According to Lacey's (2009) research, loyal customers are expected to not only maintain their present purchasing habits, but also to grow the volume and proportion of their purchases over time. Customers who stay with a company are more likely to grow their business volume in the future, he claims. According to this study, the maximum spending consumers receive the best benefits based on their level of participation.

Devoted clients are unlikely to be swayed by rivals' attempts to win them over, and they are also more likely to be open to growing their business with the company and changing their affiliation with it over time (Rowley, 2005). To be more precise, they seldom ever think about other brands. Switching is often thought to be too dangerous, and finding information and making the decisions involved in it are seen as too demanding tasks. Such devoted consumers are highly susceptible to marketing messages from companies they support, and they have the ability to spread the messages included in those messages to other real or prospective consumers. It goes without saying that every company wants to turn as many of their clients into devoted, lifelong supporters. They are the real deal when it comes to brand loyalty; they enhance the seller's reputation and are nearly as eager to keep doing business with them as the seller is. Both parties recognize that their partnership minimizes risk to both of them.

H2: Does Commitment has a significant effect on customer loyalty in the commercial bank of Ethiopia.

2.3.3 Conflict handling

Conflict arises when one party believes that their goals, desires, or aspirations are irreconcilable with those of the other. People use a range of strategies to settle conflicts and accomplish their goals. Conflict handling, according to Dwyer (1987), is the ability of a provider to lessen the unfavorable consequences of apparent and possible problems. The supplier's conflict resolution skills demonstrate their ability to anticipate potential disputes, settle them swiftly before they become difficulties, and honestly discuss solutions when problems do arise. Exchange partners must act together while managing conflicts. In a negotiating situation, cooperative against competitive objectives has been proven to be connected with acceptable issue solution (Evans & Beltramini, 1987). In summary, effective conflict resolution will improve the value of

relationships. Resolving disputes well is crucial to building relationships. Even while it is challenging for service organizations, particularly those in the banking industry, to achieve zero service failure over an extended period of time, it is crucial that the specific banks have efficient dispute resolution or problem-solving procedures.

A large issue that has been properly treated may leave behind a satisfied and devoted consumer, while little ones that are not handled correctly may lead to desertion. A better strategy, like proactive planning and implementation, include spotting possible conflicts, resolving them before they arise, averting them, and preventing them. Through those efforts, the relationship with and loyalty to the specific bank or service provider may improve (Ndubisi, 2007). Through trust and perceived relationship quality, Ndubisi and Wah (2005) discovered a substantial link between handling conflicts and client loyalty. As was already established, a company's capacity for handling dispute positively will have a direct impact on how loyal its customers are. The four different categories of customer dispute were recognized and described by Clow and Kurtz in 2003.

1. Employee-Customer conflict: - If one party deviates from the expected role, conflict may arise between the two parties. If a customer does not treat the premises with the respect that the staff deems appropriate, conflict may also arise between the employee and the consumer. Consumers and service personnel are expected to act in accordance with their role. Conflicts arise when behavior deviates from scripts. Consumers and service providers must be aware of their responsibilities to avoid conflicts between employees and customers. Company employees must explain their responsibilities to new customers and may need to remind old customers from time to time. It may be helpful to train staff to deal with different consumer types and behaviors.

2. Customers role conflict: - Sometimes there are conflicts between consumers' expectations and their actual obligations. In these circumstances, the service provider must inform the customer of his obligations without minimizing them. When presenting information about the service offered, the service provider should also try to give the customer a sense of cognitive control.

3. Customer-Organization conflict: - It is usual for customers and businesses to disagree. The majority of these circumstances arise as a result of the service organization's policies. The individual's disagreement is typically with the organization rather than the service employees. Because most firms do not want to modify policies, dealing with customer-organization friction

is challenging. When a dispute arises, service providers should assess their policies and consider if it is appropriate to change or abolish them.

4. Customer-Customer conflict: - When many clients are served at once or when one customer is served in front of another, disputes can occasionally occur. Conflicts might also arise between clients who have various expectations. The consumer in front of him who wants to converse and receive individualized care may irritate the one who wants rapid, swift service. Customer dispute management is challenging. Employees of all service kinds should receive training on how to resolve client disputes amicably.

Consumers are devoted to businesses that appropriately handle their complaints and other challenges, which will inevitably come up (Ndubisi, 2007). Effective conflict resolution procedures must be both proactive and in place in order to identify potential conflict causes and address them before problems arise. Determinative and proactive planning is also necessary for successful reactive solutions to be implemented, protecting customers from avoidable losses. Sometimes, managing an issue rather than the problem itself is what causes a customer to leave. Customers handle issues in a different order, according to Clow and Kurtz (2003), The most common tactic is avoidance. They achieve this by doing business with another company. Along with the avoidance strategy, customers regularly use retribution in the form of negative word-of-mouth. Because they have nothing to lose, customers who want to transfer vendors will prefer direct confrontation. Customers only employ psychological retreat and automatic conduct when they are made to remain with the service provider. Managers can identify conflict early on and identify its source by learning these conflict resolution techniques. All individuals involved in the incident should be contacted for information, as well as anyone who are knowledgeable about the circumstances. Once the cause of the conflict has been located, measures may then be made to end or lessen it.

H3: Does Conflict handling has a significant effect on customer loyalty in the commercial bank of Ethiopia.

2.3.4 Empathy

The capacity to share and comprehend another person's mental or emotional state is empathy, according to Ndubisi (2004). According to this author, the fundamental concept of empathy should be described by seeing people's faces or body gestures or hearing their voice tone since

these cues would instantly convey how they are feeling. Empathy is frequently defined as the capacity to see oneself in another person's shoes or to somehow internalize the thoughts and feelings of another person. Since trading partners who are driven by empathy are more inclined to treat others as they would like to be treated, empathy also offers the added benefit of lowering reliance on legal regulation.

According to Clow and Kurtz (2003), empathy is the capacity to share another person's feelings or ideas. Because customer service representatives work as the organization's point of contact with its clients, they must possess this talent. Customers expect staff members to comprehend their difficulties or special requests from their point of view.

According to Parasuraman et al. Empathy is one of the crucial factors to be considered when assessing service levels in service sectors. (1988). The manager knows how important it is to find employees with the necessary social skills to build lasting customer relationships. In order to achieve high customer satisfaction, which is a prerequisite for sustainable competitive advantages, it is of utmost importance for banks to offer reliable services. They argued that service companies should treat their customers with consideration and give them their full attention, as well as have flexible business hours.

H4: Does Empathy has a significant effect on customer loyalty in the Commercial bank of Ethiopia.

2.4 Customer loyalty

When evaluating service levels in service industries, empathy is one of the most important variables to take into an account, according to Parasuraman et al. (1988). The manager is aware of how critical it is to identify staff members who possess the social skills needed to create enduring bonds with clients. Offering dependable services is crucial for banks to attain high client satisfaction, which is a requirement for long-term competitive advantages. They contended that service providers ought to have flexible work hours and serve their clients with decency and undivided attention.

After conducting research, Lacey (2009) concluded that consumers are the company's most important source of future revenue streams and marketing intelligence. Loyal customers also give businesses the chance to customize their offerings in terms of price, distribution methods, and marketing communications because they are willing to share their insights about needs. The author further stated that relational outcomes reflect the mix of marketing resources that help

create a more productive and successful marketing enterprise. These resources include personal recommendations, information sharing, participation in firm-sponsored marketing research projects, complaint feedback, being more receptive to company promotions, and an increase in purchasing activities. The findings of Pantouvakis and Lymperopoulos (2008) provide evidence that a focus on customer loyalty is necessary for service industry strategies and methods to achieve the intended outcomes.

2.4.1 Customer loyalty in the service provider organizations

Consumers stick with brands because they get value, not because of sales and marketing campaigns (Payne et al., 1995). Gee et al. (2008)'s primary findings emphasize the necessity for businesses to comprehend the factors that contribute to their clients' satisfaction and worth. A business may better understand its consumers, make them happy, and boost customer satisfaction by adopting a customer-centric viewpoint. fidelity. They also mentioned that different customers have different needs and are satisfied in different ways, and that proper customer tracking is crucial to prevent customer churn from being masked by getting clients. This is necessary for a company to grow sustainably. Analyzing churning consumers allows a company to identify at-risk customers so that appropriate preventative measures can be implemented to reduce customer churn (Gee et al., 2008).

Customers are seeking for banks that maintain their promises, give them trust in how they manage transactions, offer timely service, and have workers that are knowledgeable and constantly eager to assist them, according to a research by Huseyin et al. from 2005. Furthermore, they said that because staff-customer interactions are so involved, banks had to reevaluate what their customers expect from them in terms of goods and services. Consequently, offering services tailored to each client is essential.

According to Balakrishnan and Els (2008), customer relationship management initiatives often focus on four categories including satisfaction, customer retention, loyalty and lifetime profitability. Additionally, they recommend that companies evaluate future service plans in terms of costs and outcomes and ensure that customer perceived value is met, if not exceeded. This is an essential prerequisite for the success of customer initiatives. Furthermore, they found that from an organizational perspective, loyalty can lead to lower costs and higher revenues in a market where customers have a wide range of options and low switching costs. The necessity for

firms to retain clients is a crucial issue in today's global economy, claim Gee et al. (2008). They also recommended that in order to keep consumers, a company develop enduring bonds with its clients.

N. Dubisi's (2007) study found that customers are more likely to stick with a bank if they feel more dedicated to it, interact with it consistently and quickly, and effectively settle disputes. Effective communication affects a financial services provider's ability to retain customers. Loyalty may be developed by fast and accurate information provision, such as on the benefits and uses of new financial services or the status of transactions. It may also be reinforced by providing accurate information about the bank's proactive actions and current issue remedies.

2.4.2 Customer loyalty and customer retention

Today's businesses aim to strengthen their ties and increase consumer loyalty. Many businesses used to take their clients for granted. Either their clients had few other suppliers to choose from or the market was expanding so quickly that the business did not about completely delighting its customers. These businesses must pay greater attention to and take an action to lower their client churn rate. Companies today are making every effort to keep their clients. They are surprised by the possibility that acquiring new customers might cost up to five times as much as keeping existing ones satisfied (Kotler & Armstrong, 2010).

Client satisfaction results from effective customer relationship management. Clients who are pleased with a business's offerings typically use them again and refer others to them. According to studies, clients that are less happy, moderately content, and entirely satisfied exhibit quite different levels of loyalty (Kotler & Armstrong, 2010). A tiny departure from complete satisfaction might cause loyalty to significantly drop. Therefore, increasing customer happiness is just as important as increasing customer delight and loyalty in the context of customer relationship marketing. Businesses are beginning to realize that losing a customer means suffering losses beyond a single transaction. It means losing the whole stream of purchases the customer would have made throughout the course of their lifetime of support.

Companies will develop and support initiatives to keep their consumers returning, making larger purchases, and being devoted as they move from a transactional to a relationship-building perspective of their clientele. Developing a unique relationship with the company's top clients is a task that requires excellent two-way communication and a sense of entitlement to exclusive

benefits and incentives. Amongst the most promising programs are frequency marketing programs and club marketing programs (Kotler, 1994). Frequency marketing programs (FMP) are designed to reward customers who make frequent or large purchases. According to Kotler (1994), frequency marketing is the process of identifying, maintaining, and increasing the performance of excellent consumers through interactive, long-term, value-added interactions. Frequency marketing is based on the Pareto principle, which states that 20% of a company's consumers can account for 80% of its sales. Many companies have developed club ideas for club marketing initiatives around their products (Kotler, 1994). Automatic club membership may be available upon purchase or by pledging to spend a certain amount.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

The present investigation employed a quantitative approach to address the research inquiries concerning the state of CBE concerning relationship marketing and customer loyalty. This quantitative method was used to determine how relationship marketing affected client loyalty from general to specific. The relevant information from the survey would be compiled and examined. Through the use of CBE consumers as questionnaire responders, a quantitative, descriptive technique was employed in this study.

3.2 Target population and sampling

The goal of the study is to determine how relationship marketing affects CBE consumers' loyalty to the company. The publicly traded CBE bank is well-known for its many years of service as Ethiopia's top bank and for having had a major impact on the growth of the nation. At present, CBE boasts a substantial market share, with over 35 million account holders and surpassing one trillion Birr in capital.

The CBE has 1793 branches in Ethiopia with total client base of more than 35 million customers which 397 branches are found in Addis Ababa as of June 2022. The exact number of customers is unknown since customers have more than one account by different product or service but the researcher estimated with more than 750,000 customers in ten selected branches in Addis Ababa. The sample size is determined for the list advantageous scenario $p = q = 0.5$ when the population size is unknown and prior research is not available to assess the variability of an estimate over all feasible samples (Corbetta, 2003). In fact, it is simple to see that this index reaches its maximum value at $p = q = 0.50$ as the variability is expressed as \sqrt{pq} (Corbetta, 2003).

Since the study's entire population is unknown, the standard deviation, 95% confidence interval, and 5% sampling error are calculated using the following method, which is based on Corbetta's (2003) advice. This yields the sample size. $\frac{n=Z^2p*q}{e^2}$

Where:

n = required sample size

Z= Degree of confidence (*i. e.* 1.96)²,

P = Probability of positive response (0.5),

Q = Probability of negative response (0.5),

E= Tolerable error (0.05)²,

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.05)^2}$$

$$n = \frac{3.8416 \times 0.5 \times 0.5}{0.0025}$$

n = 250 Respondents

Consequently 250 customers were selected to represent the whole population. Commercial bank of Ethiopia customers can be divided in to two major groups namely - Current Account holders and Saving Account holders, and these groups or customers could then be divided into various sub groups based on their ownership, namely government accounts, private accounts, cooperatives and associations and public accounts.

Sample respondents were selected from each sub city branches by excluding, inactive customer accounts which are locked by the system for making no transactions within 6 months; accounts that are blocked through court order; and accounts which have debit, credit, or other posting restrictions. The researchers focus is on customers of the banks. Ten (10) branches was selected from Addis Ababa city branches by using cluster sampling technique. So as to respond the research questions of this study a sample of 250 customers has been selected from 10 branches to fill the questionnaire. The 10 branches taken and the 250 customers selected were considered to representative of the target population. The branches that has considered in this research are from different district specifically Bole, Piassa, Hayahuletmegenagna, Gulele, Megenagna, Addisugebeya, Arada, Amist kilo, Merkato, and Mexico branch.

3.3 Data source and types

The study has used both primary and secondary data as its source of information. Primary data has been collected based on structured questionnaire. The secondary data has been collected by reviewing books, previous research works, articles and journals related, and online information available.

3.4 Data collection instruments and variables

Based on the research objective, a questionnaire has been prepared to elicit customers experience and questionnaires' also prepared to get information about relationship marketing and customer loyalty of CBE. The questionnaire has consisted of two parts. Part one has prepared to gather general information about the respondent's gender, age, education, occupation, monthly income and for how many times the customer using the banks services. Part two has been prepared to ask respondents to answer relationship marketing and customer loyalty questions regarding impact of relationship marketing on customer loyalty which is divided in five dimensions. The banks business development or/and marketing division manager of the company has been interviewed.

Questions in part two were assessed by using a five-point Lickert scale. Each question of the questionnaire is assigned a number indicating strongly disagree measured as 1, disagree measured as 2, no opinion measured as 3, agree measured as 4, and strongly agree measured as 5. The independent variable is relationship marketing and measured by four dimensions such as trust, commitment, conflict handling, and empathy. The dependent variable is customer loyalty and measured by the feelings of customers loyalty towards their bank.

3.5 Reliability and validity

Alpha reliability is regarded as a measure of internal consistency of the mean of the items at the time of administration of the questionnaire. Cronbachs alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another (Bland, J. M., & Altman, D. G. (1997). Statistics notes: Cronbach's alpha. *Bmj*, 314(7080), 572). It is computed in terms of the average inter correlations among the items measuring the concept. Reliability has been calculated in such a way that it represents the reliability of the mean of the items, not the reliability of any single item. So, according to the alpha reliability the coefficient can hold a

value of 0 to 1. The result of 0.77 implies an acceptable level of internal reliability. For your reference please see annex.

3.6. ETHICAL CONSIDERATIONS

This study was ethically cleared from biased to the Banks in Ethiopia. Since the researcher has used the information from customers which was composed through questionnaire, before acquiring information, permission or willingness of the customer was obtained from the customers. To maintain the confidentiality of the information provided by the respondents, the respondents personal experience will not be disclosed to any one including to the general public and assured of that the responses will used only for academic purpose and kept confidential. The goal of research questions was described to the respondents in the introductory part of the questionnaire to assure secret and confidentiality of their answer.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Statistical procedures were carried out using SPSS 23.00 to analyze the acquired data in accordance with the overall goal of the research activity. The researcher has used a self-administered questionnaire to gather data for this section in order to pinpoint the main challenges and offer practical advice for issues relating to customer relationship marketing and customer loyalty. The study's results are given in this chapter. Customers received a total of 250 questionnaires during the study. 250 of the questionnaires that were created for the sample responders in total were given to customers at 10 (ten) CBE branches. The 250 issued surveys were returned. 250 completed surveys for each were used to establish the study.

The questionnaire was designed with five scores that range from strongly agree to fiercely disagreed, with five representing highly agree, four agree, three agree, two disagree, and one strongly disagree. The consumers of CBE completed every questionnaire. For demographic parameters, descriptive statistics were utilized, and scale-typed surveys underwent correlation and regression analysis. You may refer appendix A.

The character consumer, who is the direct user of services provided by banks, served as the analytical unit for the research. The current study concurred with the literature that relationship advertising is acceptable from the perspective of the client and that, often, it is the clients of services who are able to judge whether or not the connection with service providers is lovely or not. Since their expectations and opinions of relationship marketing and services provided by banks should be documented, utilizing customers as the unit of evaluation is considered as suitable.

4.1 Descriptive analysis

Descriptive analysis is used to look over and describe the data that were acquired. It is employed to elucidate the demographic features in order to offer greater clarity. It is more often necessary to make some broad observations on the data collected for general or demographic queries. The demographic factors taken into an account in this inquiry include gender, age, level of education

attained, employment, monthly income, and the duration of time respondents have used the bank's services. In the past, respondents' replies were suggested or averaged using scaled questionnaires for every variable. An answer of 4 is regarded as "agree" when it comes to the dependent variable and the mean answer across all independent factors.

4.1.1 Gender of respondents

Table 4.1 displays the respondents' genders. According to the table, 46.4% of those surveyed are women and 53.6% of respondents are men.

Table 4.1: Gender of respondents

	Frequency	Percent
MALE	134	53.6
FEMALE	116	46.4
Total	250	100.0

4.1.2 Age of respondents

The following table displays the age of the responders. Table 4.2 reveals that 67.2% of respondents are between the ages of 20 and 39, while 22% of respondents are between the ages of 40 and 59, and 7.6% of respondents are younger than 20. 3.2% of the remaining respondents were 60 years of age or older.

Age category	Frequency	Percent
BELOW 20 YEARS	19	7.6
20-39 YEARS	168	67.2
40-59 YEARS	55	22.0
60 YEARS AND ABOVE	8	3.2
Total	250	100.0

Table 4.2: Age of respondents

4.1.3 The respondents' level of education

The education qualifications of respondents are shown in table 4.3. As it is indicated in the table 4.3, is 0.8% hold a first degree. the other is, 34.8% which is diploma owner, while 20.4% of the respondents achieved secondary education. 2.8% only hold a postgraduate degree and 1.2% achieved primary education

Table 4.3 The respondents' level of education

	Frequency	Percent
PRIMARY	3	1.2
SECONDARY	51	20.4
DIPLOMA	87	34.8
DEGREE	102	40.8
POST GRADUATE	7	2.8
Total	250	100.0

4.1.4 Occupation of the respondents

Table 4.4 displays the occupation findings of the respondents. According to the CBE table, 38.8% of respondents work in the private sector, 23.2% own their own company, 28.4% are employed by the government, and 9.6% said they are students.

Table 4.4: Occupation of respondents

sector	Frequency	Percent
GOVERNMENT SECTOR	71	28.4
PRIVATE SECTOR	97	38.8
STUDENT	24	9.6
OWN BUSINESS	58	23.2
Total	250	100.0

4.1.5 Monthly income of respondents

Table 4.5: Monthly income of respondents

Income	Frequency	Percent
BELOW 1,000	18	7.2
1,000 - 9,999	101	40.4
10,000 - 49,999	115	46.0
50,000 AND ABOVE	16	6.4
Total	250	100.0

Table 4.5 presents the respondents' monthly income figures. According to the data, 40.4% of respondents made between 1,000 and 9,999 birr per month, while 46.0% of respondents made between 10,000 and 49,999 birr. Rather, 7.2% of respondents reported monthly incomes of less than 1,000 birrs, while the remaining 6.4% reported monthly incomes of more over 50,000 birrs.

4.1.6 How long the responders have been using the bank's services

According to the data, 28.4% of respondents had utilized CBE financial services for one to five years, 27.6% for six to ten years, 14.4% for eleven to twenty years, and the remaining 10.4% for more than twenty-one years.

Table 4.6: Length of time the respondents uses the banks services

Relation experience	Frequency	Percent
BELOW 1 YEAR	71	28.4
1 - 5 YEARS	48	19.2
6 - 10 years	69	27.6
11 - 20 YEARS	36	14.4
ABOVE 21 YEARS	26	10.4
Total	250	100.0

4.2. Descriptive Analyses of Variables

The SPSS program, version 23.00, was used to insert the scaled questionnaire together with the demographic parameters, to run correlation analysis. The following correlation study of each variables was performed using data from a questionnaire completed by CBE customers.

4.2.1 Descriptive Analyses of trust

Table 4.7 Descriptive Analyses of trust

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	mean	Std. Deviation
	N%	N%	N%	N%	N%		
The security of my transactions is a top priority for the bank.	6.0	12.0	20.0	41.2	18.8	3.55	1.108
The bank's assurances are trustworthy	7.2	14.4	24.8	38.0	15.6	3.40	1.130
The bank consistently offers high-quality services.	6.0	12.8	33.6	38.4	9.2	3.32	1.011
Bank employees treat clients with respect	9.2	13.6	31.6	30.0	15.6	3.29	1.161
The bank fulfills its commitment to clients.	11.2	16.0	29.2	27.2	16.4	3.22	1.223
I trust the services provided by the banks.	8.4	17.6	31.2	32.0	10.8	3.19	1.110
Given my experience, the bank can be trusted completely	9.2	16.8	28.0	32.0	14.0	3.25	1.166
Based on my own experience, the bank is fully trustworthy.	6.8	7.2	34.4	31.6	20.0	3.51	1.099
You can always trust my bank.	3.2	12.4	33.6	33.6	17.2	3.49	1.019
My bank is able to fulfill its commitments.	1.6	10.0	28.0	42.8	17.6	3.65	0.938
I never question my bank's ability to fulfill its commitments.	6.8	10.8	34.8	35.2	12.4	3.36	1.052
Valid N (listwise)	250						

Source own survey 2024

Table 4.7 indicated that the majority (34.73%) were agreed and (29.93%) of the respondents are neither concurred nor disagreed (responding in a neutral manner) that they trust the bank, (15.24%) is strongly agree with the idea of trust on their bank while (13.5%) and (6.87%) respondents are dis agree and strongly disagree respectively. therefore, based on the mean and standard deviation result the respondent agreed on they trust the bank.

4.2.2 Descriptive Analyses of commitment

Table 4.8 Descriptive Analyses of commitment

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	mean	Std. Deviation
	N%	N%	N%	N%	N%		
The bank modifies to meet my demands.	20	27.2	24.4	20.8	7.6	2.69	1.222
The bank provides individualized services to satisfy client needs.	25.6	18.4	24	25.6	6.4	2.69	1.276
When its services alter, the bank is adaptable.	12.4	24.4	31.2	26	6	2.89	1.11
The bank is accommodating to my demands.	22.8	15.2	32.8	24.8	4.4	2.73	1.192
I'm really devoted to keeping up my relationship with the bank.	20.8	21.2	26.4	24.8	6.8	2.76	1.229
I place great importance on my connection with the bank.	14	24	26.8	28	7.2	2.9	1.168
I truly care about the relationship I have with the bank.	14.4	18	26	29.6	12	3.07	1.238
My efforts to preserve our connection with the bank are worthwhile.	13.6	15.6	32.8	32.4	5.6	3.01	1.119
Valid N (listwise)	250						

Source own survey 2024

Table 4.8 indicated that the majority (28.05%) were neither concurred nor disagreed (responding in a neutral manner) (26.50%) of the respondents are agreed to the bank commitment, (17.95%) is strongly agree with the idea of commitment on their bank while (20.50%) and (7.00%)

respondents are strongly dis agree and strongly agree respectively. therefore, based on the mean and standard deviation result the respondent agreed on their commitment of the bank.

4.2.3 Descriptive Analyses of Empathy

Table 4.9 Descriptive Analyses of Empathy

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	mean	Std. Deviation
	N%	N%	N%	N%	N%		
Bank staff members treat clients with compassion.	15.6	12	27.2	22.8	22.4	3.24	1.347
Bank personnel provide each customer with personalized care.	14	16.8	15.6	32.8	20.8	3.3	1.344
The bank staff is aware of your unique demands.	13.6	17.2	16.4	32	20.8	3.29	1.338
Bank personnel always consider the interests of their clients.	2.8	8.8	42.8	30.8	14.8	3.46	0.944
The bank's hours of operation are suitable for all of its clients.	14	16.8	15.6	32.8	20.8	3.3	1.344
Valid N (listwise)	250						

Table 4.9 indicated that the majority (30.24%) were agreed (23.52%) neither agreed nor disagreed (having neutral response) and (19.92%) of the respondents are strongly agreed to the bank commitment, (14.32%) were dis agree with the idea of commitment on their bank while the rest of respondents (12.00%) respondents are strongly dis agree. therefore, based on the mean and standard deviation result the respondent agreed on their commitment of the bank.

4.2.4 Descriptive Analyses of conflict handling

Table 4.10 Descriptive Analyses of conflict handling

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	mean	Std. Deviation
	N%	N%	N%	N%	N%		
The bank tries to avert such disputes.	9.6	20.4	28.8	35.2	6.0	3.08	1.086
The bank attempts to resolve obvious	16.8	18.4	28	26.8	10.0	2.95	1.236

disputes before clients bring up issues.							
When issues develop, the bank may explore solutions in an open manner.	7.6	20.4	31.2	32.8	8.0	3.13	1.069
The bank responds to my grievances.	13.2	14.4	30.0	29.6	12.8	3.14	1.21
The bank has a genuine interest in resolving client issues.	16.0	16.8	26.4	28.4	12.4	3.04	1.262
The bank pays attention to client concerns.						3.18	1.235
	12.0	18.4	22.8	32.8	14.0		
The bank informs its clients in a straightforward and understandable manner about each policy (regarding customers right, duty, and other relevant concerns)	6.4	14.0	27.2	34.4	18.0	3.44	1.129
If there is an issue, the bank makes it apparent to you where and how to file a complaint.	16.0	16.8	26.4	28.4	12.4	3.04	1.262
The bank responds to your problems right away.	14.4	16.8	28.0	28.0	12.8	3.08	1.239
The bank inquires what your impressions of their handling of your concerns.	16.0	16.8	26.4	28.4	12.4	3.04	1.262
Valid N (listwise)	250						

Table 4.10 indicated that the majority (30.48%) were agreed followed by (27.52%) neither agreed nor disagreed (having neutral response) and (12.80%) of the respondents are strongly disagreed to the bank commitment, (17.32%) were disagree with the idea of commitment on their bank while the rest of respondents (11.88%) respondents are strongly agree. therefore, based on the mean and standard deviation result the respondent agreed on their commitment of the bank.

4.3 Normality test

Table 4.11 Normality test

Tests of Normality

		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.

Table 4.12: Correlations between trust dimension and customers loyalty

CUSTOMER TRUST ON THE BANK	.059	250	.000	.992	250	.000
CUSTOMER COMMITMENT	.085	250	.000	.983	250	.000
EMPATHY	.113	250	.000	.966	250	.000
CONFLICT HANDLING	.130	250	.000	.951	250	.000

a. Lilliefors Significance Correction

The above table shows that the variables customer trust, bank commitment, employee empathy and conflict handling described by normality test by using kolmogorov- smirnova and shapiro-wilk.

4.4 Correlation analysis

4.3.1 Correlation analysis between trust and customers' loyalty

To determine the degree of link between the independent variable trust and the dependent variable customer loyalty a Pearson correlation test was also performed. There is a positive association between client loyalty and trust, as the table below illustrates. Stated otherwise, there exists a positive but weak correlation between the characteristics of trust and client loyalty, with a correlation value of (r=0.191). Additionally, the results demonstrate a significant connection between the dimensions of trust and client loyalty, indicating a favorable association between the two.

		CUSTOMER LOYALTY	CUSTOMER TRUST ON THE BANK
CUSTOMER LOYALTY	Pearson Correlation	1	.191**
	Sig. (2-tailed)		.000
	N	250	250
CUSTOMER TRUST ON THE BANK	Pearson Correlation	.191**	1
	Sig. (2-tailed)	.000	
	N	250	250

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

4.3.2 Correlation analysis between commitment and customers' loyalty

A Pearson correlation test was performed for these variables, and table 4.9 displays the findings. The table indicates a strong association between the commitment component and client loyalty. Put differently, the commitment component and customer loyalty have a weak positive association, as indicated by the r value of (r=0.227).

Table 4.13: Correlations between commitment dimension and customer loyalty

		CUSTOMER LOYALTY	CUSTOMER COMMITMENT
CUSTOMER LOYALTY	Pearson Correlation	1	.227**
	Sig. (2-tailed)		.000
	N	250	250
CUSTOMER COMMITMENT	Pearson Correlation	.227**	1
	Sig. (2-tailed)	.000	
	N	250	250

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

4.3.3 Correlation analysis between conflict handling and customers' loyalty

A Pearson correlation test was also performed for these variables, and the results are displayed in table 4.10. Customer loyalty and dispute resolution have a strong positive association, as the data makes abundantly evident. Put another way, there is a strong positive association ($r=0.73$) between the customer loyalty and the conflict handling component.

Table 4.14: Correlation analysis between conflict handling and customers' loyalty

		CUSTOMER LOYALTY	CONFLICT HANDLING
CUSTOMER LOYALTY	Pearson Correlation	1	.073
	Sig. (2-tailed)		.000
	N	250	250
CONFLICTHANDLING	Pearson Correlation	.073	1
	Sig. (2-tailed)	.000	
	N	250	250

**.

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

4.3.4 Correlation analysis between empath and customers' loyalty

To determine the degree of link between the independent variable, empathy, and the dependent variable, customer loyalty, a Pearson correlation test was also performed. The table below shows that there is a positive relationship between consumer loyalty and empathy. Stated differently, there is a positive but comparatively significant correlation ($r=0.008$) between the empathy characteristics and client loyalty.

Table 4.15: Correlation analysis between conflict handling and customers' loyalty

		CUSTOMER LOYALTY	EMPATHY	
CUSTOMER LOYALTY	Pearson	1	.008	
	Correlation			
	Sig. (2-tailed)			.000
	N			250
CUSTOMERS EMPATHY	Pearson	.008	1	
	Correlation			
	Sig. (2-tailed)			.000
	N			250

Regression analysis

The purpose of this multiple regression study was to determine the extent to which relationship marketing, the independent variable, explains the dependent variable, or client loyalty. Additionally, it's utilized to determine the extent to which each independent variable—trust, commitment, empathy, and conflict resolution—explains the dependent variable, which is the loyalty of consumers.

4.4.1 Regression analysis of relationship marketing and customers' loyalty

Table 4.16 displays the findings of the regression analysis conducted against customer loyalty. The outcome suggests that client loyalty may be explained by relationship marketing. The R Square result (0.037) is taken into an account in this instance. According to the summary of the regression analysis model, relationship marketing which is included in the regression model on SPSS has a correlation coefficient of 0.739 with customer loyalty.

Table 4.16: Model summary of relationship marketing and customer loyalty

Model	R	R Square	Durbin-Watson
1	.191 ^a	.037	.739

- a. Predictors: (Constant), Trust, Commitment, Empathy and Conflict handling
- b. Dependent variable: Customer loyalty

The square of the multiple R (0.37²) is the R square, which is the explained variance. Consequently, it is shown that the dependent variable, customer loyalty, may be explained by relationship marketing to the extent of 37.00 percent. Table 4.16 shows that overall relationship marketing was found to have a high degree of significance (p<0.01) when it came to predicting consumers' loyalty. Additionally, the R square value of 0.037 indicates that relationship marketing accounts for 3.7% of the variation in client loyalty. Because the p-value is less than 0.01, relationship marketing was determined to be strongly associated to customer loyalty when utilized as a predictive tool.

Table 4.17: Anova s result of customer relationship on customer loyalty

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.166	4	2.542	5.614	.000 ^b
	Residual	110.914	245	.453		
	Total	121.080	249			

- a. Dependent Variable: Customer loyalty
- b. Predictors: (Constant), Conflict Handling, Empathy, Commitment, Trust

The 4.17 The above-mentioned ANOVA table demonstrates the significance of the multiple linear regression model as a whole. A value of p=.000, which is smaller than p<0.05, is displayed using F statistics. this shows that the model fits the data well, with a substantial model fit at p=0.000, F=5.614, and 250 degrees of freedom.

Table 4.18 Combined Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.857	.355		5.225	.000		
TRUST ON THE BANK	.508	.238	.294	2.130	.000	.197	5.071
COMMITMENT	.121	.079	.125	1.541	.125	.569	1.759
EMPATHY	.169	.085	.159	1.989	.000	.589	1.699
CONFLICT HANDLING	.073	.104	.077	.696	.487	.308	3.251

a. Dependent Variable: customer loyalty

Table 4.18 Indicated that trust and empathy were highly significant at $p=0.000$, $p=0.000$, respectively. However, commitment and conflict handling at $p=0.125$, $p=0.487$ respectively not significant on customer loyalty. The fitted model was $Y=1.857+0.0508(X1) + 0.121(X2) + 0.169(X3) + 0.073 (X4)$.

Where $Y=$ Customer loyalty
 $X1=$ Trust $X2=$ Commitment $X3=$ Empathy $X4=$ conflict handling

Hypothesis Testing

So as to test the four hypotheses that aim to see if there is relationship between the independent variables (Trust, commitment, empathy and conflict handling) and customer loyalty. The test is summarized as follows:

H1: there is positive significant impact between trust and customer relationship

Referring from the results of multiple regression trust has positive and significant impact to customer loyalty, ($B=.294$, $t=2.130$, $p<0.05$) so it is Accepted.

H2: there is no significant impact commitment and customer loyalty.

Referring from the results of multiple regression commitment has no effect between commitment and customer loyalty, ($B=.125$, $t=1.541$, $p<0.05$) so it is not Accepted.

H3: there is no significant impact between conflict handling and customer loyalty.

Referring from the results of multiple regression conflict handling has no effect between conflict handling and customer loyalty, ($B=.077$, $t=.696$, $p<0.05$) so it is not Accepted.

H4: there is significant positive impact between empathy and customer loyalty

Referring from the results of multiple regression empathy has positive and significant impact to customer loyalty, ($B=.252$, $t=1.898$, $p<0.05$) so it is Accepted.

CHAPTER FIVE

Summary, Conclusion and Recommendations

This chapter summarizes the principal conclusions drawn from this research, presents the appropriate conclusion and makes recommendation for practice and future research based on the findings of the study. The study aimed to investigate the effect of customer relationship on customer loyalty in CBE Addis Ababa.

5.1 Summary of Major Findings

The purpose of the study was to determine the effect of relationship marketing on customer loyalty in CBE Addis Ababa. The study specific objective was to determine whether trust, empathy, commitment and conflict handling influences customers loyalty towards bank. The study used a descriptive research design that included quantitative methods.

The collected data was analyzed using quantitative methods. Pearson correlation result revealed that trust has the greatest influence on customer loyalty at 0.191, followed by job empathy at 0.008, commitment and conflict handling has not significant relationship with the result correlation 0.227 and 0.73 respectively. The study was found trust and empathy has significant relationship with customer loyalty in other side commitment and conflict handling does not have positive significant on customer loyalty.

Multiple linear regression models were used to determine whether trust, empathy, commitment and conflict handling effect on customer loyalty. Trust was discovered to have a significant relationship with customer loyalty. as all of the identified factor are predictor of customer loyalty $r^2=0.037$.

5.2. Conclusion

The relationship between customer relationship and customer royalty was discovered to be positively significant but there are varying degrees depending on the result of multiple linear regression analysis result from independent variables such as commitment and conflict handling has not Significant relation with customer loyalty and the other independent variable trust and empathy has significant positive relation with customer royalty. As result the scope of this

research expands in terms of finding strategy that will improve in the variables such as trust, empathy, commitment and conflict handling.

Finally, the data discussed above shows that trust has a major effect on customer loyalty. Based on the findings of this study, it can be concluded that the bank of CBE trust and employee empathy has a substantial impact on customer loyalty and there is positive relation with commitment and with customer loyalty with not significant effect.

5.3. Recommendation

The research's conclusions provide crucial support for managers overseeing relationship marketing. It is beneficial for marketers to comprehend relationship marketing's efficacy from the viewpoint of the consumer.

The CBE may find the following suggestions useful in enhancing relationship marketing efforts to ensure client loyalty, given the above-mentioned results and conclusions.

- CBE has to create a customer connection program that will enable them to cultivate and maintain a favorable client base. Since the bank serves its clients, it is essential to place a high priority on positive interactions. Employees, particularly those working on the front lines, may enhance customer relations by letting them know how valuable each client is to the company. The lower the customer attrition rate, the more staff collaborate to maintain the satisfaction of current clients.
- The bank must be dependable, demonstrate commitment, provide each customer personalized attention, and settle disputes in a way that minimizes minimal loss and annoyance to its clients in order to cultivate and maintain a loyal customer base. The banking business in Ethiopia is becoming more competitive due to the increasing number of banks. As a result, the bank has to be fully cognizant of what its clients want and need. Consumers now have higher expectations for both the services they get and how they are handled. When they are happy with the services they received from the banks, they will tell other consumers about the bank and its offerings.
- CBE needs to work harder to draw in more clients, particularly in areas like trust, empathy, dedication, and dispute resolution. The bank has to understand that while many of the fundamental features of its products are important, they are not enough to foster and sustain customer loyalty. On the other hand, building and sustaining a solid

relationship with consumers is essential to fostering customer loyalty. It is feasible to prevent clients from moving to a rival by maintaining good relationships with them.

- In order to inspire front-line staff to provide the greatest customer service possible, CBE should invest in them. Frontline staff members ought to be taught how to treat consumers with respect and as valued assets. The bank should provide workers with exciting work and a competitive remuneration that acknowledges their contribution to the company's overall performance in order to inspire motivation and win their loyalty. In addition to this, employee motivation is greatly influenced by initiatives that include people in decision-making, provide them the chance to grow and learn, and recognize and reward their contributions.
- CBE has to develop more effective and efficient processes for managing complaints and let its clients know about them. Additionally, management should notify clients well in advance of any changes that occur inside the organization rather than relying on word-of-mouth.
- CBE could use relationship marketing as a strategy in its advertisements and other promotional efforts to focus more on attracting new clients as well as keeping hold of its current clientele. It is also advised that the bank implement a mechanism that allows consumers to provide written, verbal, or phone feedback on their satisfaction with the service. Gathering feedback is not a goal in and of itself; the bank needs to use it to identify problems and evaluate it on a regular basis.
- CBE should consider an applicant's aptitude and desire to build and nurture enduring relationships with clients and other staff members when employing new staff members. Prospective applicants should be given consideration if they exhibit strong behaviors related to trust, the capacity to resolve conflicts, a strong dedication to the responsibilities allocated to them, and empathy. To improve consumer perceptions of trust, commitment, dispute resolution, and empathy, marketers should work to effectively use relationship marketing. The bank must also understand how crucial loyal clients and strong relationships are to doing business in the real world. Higher levels of relationship quality may result in more customer loyalty, which boosts vendor profits. If issues develop, the bank should designate a responsible party to monitor relationship marketing efforts and promptly provide remedies.

Generally speaking, CBE ought to design the entire system to operate alongside consumers rather than against them. It is common knowledge that the bank exists because of its clients. It follows that the bank should increase its efforts to draw in new business and keep hold of its current clientele. It is imperative for the bank to acknowledge the significance of relationship marketing in cultivating devoted clientele and execute it suitably.

This study specifically focuses on the aspects of relationship marketing and how they affect client loyalty in the banking industry, especially CBE. By including other relationship marketing aspects like value, communication, cooperation, and others that may have an impact on customer loyalty, this research may be further investigated. The sociodemographic characteristics that may have an impact on the link between relationship marketing dimensions and customer loyalty have not been examined in the study presented here. Subsequent investigations might yield valuable insights into these moderating factors. Subsequent studies may also employ a longitudinal approach and a larger sample size in their surveys.

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SCHOOL OF COMMERCE MARKETING MANAGEMENT UNIT DEPARTMENT
OF MARKETING MANAGEMENT

The questionnaire is prepared by Master of Art (MA) graduate student for the purpose of writing thesis on the impact of relationship marketing on customer's loyalty. Your honest response is very much important input to my thesis. I want assure you that your privacy for responding to this questionnaire is completely kept in secret.

I know that your time is valuable, and I hope that you will take the time (an estimated 15-20 minutes) to complete the questionnaire. Please attempt to answer all the questions and click one appropriate box that best suits your perspective for each statement. Thank you very much for your time and assistance.

Sincerely yours,

Girum Wondimu

Addis Ababa University

Part II

Please, indicate your opinion by circling the appropriate number on the five-point scale where:

1 = Strongly Disagree 2= Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

Trust					
1. The bank is very concern with security for my transactions	1	2	3	4	5
2. The banks promises are reliable		1	2	3	4 5
3. The bank is consistent in providing quality service	1	2	3	4	5
4. Employee of the bank show respect to customers	1	2	3	4	5
5. The bank fulfils its obligation to customers	1	2	3	4	5
6. I have confidence in the banks service		1	2	3	4 5
7. Given my experience, the bank can be trusted completely	1	2	3	4	5
8. Given my experience, the bank can be counted on todo what is right		1	2	3	4 5
9. My bank is always honest to me		1	2	3	4 5
10. My bank has the ability to meet its promises	1	2	3	4	5
11. I never doubt that my bank will not keep its promises	1	2	3	4	5

Commitment					
12. The bank makes adjustment to suit my needs	1	2	3	4	5
13. The bank offers personalized services to meet customers need		1	2	3	4 5
14. The bank is flexible when its services are changed	1	2	3	4	5
15. The bank is flexible in serving my needs		1	2	3	4 5
16. My relationship with the bank is one that I am very committed to continuing it		1	2	3	4 5
17. My relationship with the bank is very important to me		1	2	3	4 5
18. My relationship with the bank is one that I really care about.	1	2	3	4	5

19. My relationship with the bank is worth my effort to maintain	1	2	3	4	5	
Empathy						
20. Employees of the bank deal with customers in a caring fashion	1	2	3	4	5	
21. Bank employees give the individualized attention to customers	1	2	3	4	5	
22. The employees of the bank understand your specific needs	1	2	3	4	5	
23. Bank employees have the customers best interest at heart	1	2	3	4	5	
24. Bank has operating hours convenient to all its customers	1	2	3	4	5	
Conflict Handling						
25. The bank tries to avoid potential conflict	1	2	3	4	5	
26. The bank tries to solve manifest conflicts before the customers create problems	1	2	3	4	5	
27. The bank has the ability to openly discuss solutions when problems arise		1	2	3	4	5
28. The bank is responsive to my complaints	1	2	3	4	5	
29. The bank shows a sincere interest in solving customer problem	1	2	3	4	5	
30. The bank listens customers problem		1	2	3	4	5
31. The bank clearly communicates about each banks policy to their customers (about customers right, responsibility, and other related issues)		1	2	3	4	5
32. The bank clearly communicates to you about how and where to complain in case of a problem		1	2	3	4	5
33. The bank gives prompt response for your complaints		1	2	3	4	5
34. The bank asks you about your feeling toward their responses for your complaints		1	2	3	4	5

Customer Loyalty					
35. Considering the bank as first choice among other banks in the area; and the bank that first comes to my mind when making purchases decision on bank services	1	2	3	4	5
36. If I had to do it over again, I would still choose to use the bank	1	2	3	4	5
37. I do not like to change to another bank because I value the bank	1	2	3	4	5
38. I am a loyal customer to the bank	1	2	3	4	5
39. I would always recommend the bank to someone who seeks my advice	1	2	3	4	5
40. It would difficult to change my beliefs about the bank	1	2	3	4	5
41. I would always use this banks services	1	2	3	4	5
42. Even if your close friends recommended another bank, your preference for this bank would not change	1	2	3	4	5
43. My intention to use the services of this bank would not be changed	1	2	3	4	5
44. I do not like to change to another bank because this bank sees my needs	1	2	3	4	5

Thanks for your assistance!!

APPENDIX

RELIABILITY

/VARIABLES=VAR01 VAR02 VAR03 VAR04 VAR05 VAR06 VAR07 VAR08 VAR09 VAR10 VAR11
VAR12 VAR13 VAR14

VAR15 VAR16 VAR17 VAR18 VAR19 VAR20 VAR21 VAR22 VAR23 VAR24 VAR25 VAR26 VAR27
VAR28 VAR29 VAR30

VAR31 VAR32 VAR33 VAR34 VAR35 VAR36 VAR37 VAR38 VAR39 VAR40 VAR41 VAR42 VAR43
VAR44

/SCALE('ALL VARIABLES') ALL

/MODEL=ALPHA

/STATISTICS=DESCRIPTIVE

/SUMMARY=TOTAL.

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	.0
	Total	250	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.770	44

Item Statistics

	Mean	Std. Deviation	N
1. The bank is very concern with security for my transactions	3.55	1.108	250
2. The banks promises are reliable	3.40	1.130	250
3. The bank is consistent in providing quality service	3.32	1.011	250
4. Employee of the bank show respect to customers	3.29	1.161	250
5. The bank fulfils its obligation to customers	3.22	1.223	250
6. I have confidence in the banks service	3.19	1.110	250
7. Given my experience, the bank can be trusted completely	3.25	1.166	250
8. Given my experience, the bank can be counted on to do what is right	3.51	1.099	250
9. My bank is always honest to me	3.49	1.019	250
10. My bank has the ability to meet its promises	3.65	.938	250
11. I never doubt that my bank will not keep its promises	3.36	1.052	250
12. The bank makes adjustment to suit my needs	2.69	1.222	250
13. The bank offers personalized services to meet customers need	2.69	1.276	250
14. The bank is flexible when its services are changed	2.88	1.098	250
15. The bank is flexible in serving my needs	2.71	1.161	250
16. My relationship with the bank is one that I am very committed to continuing it	2.74	1.212	250
17. My relationship with the bank is very important to me	2.90	1.160	250
18. My relationship with the bank is one that I really care about.	3.07	1.238	250
19. My relationship with the bank is worth my effort to maintain	3.01	1.119	250
20. Employees of the bank deal with customers in a caring fashion	3.24	1.347	250
21. Bank employees give the individualized attention to customers	3.30	1.344	250
22. The employees of the bank understand your specific needs	3.29	1.338	250
23. Bank employees have the customers best interest at heart	3.46	.944	250
24. Bank has operating hours convenient to all its customers	3.30	1.344	250
25. The bank tries to avoid potential conflict	3.08	1.086	250
26. The bank tries to solve manifest conflicts before the customers create problems	2.95	1.236	250
27. The bank has the ability to openly discuss solutions when problems arise	3.13	1.069	250
28. The bank is responsive to my complaints	3.14	1.210	250
29. The bank shows a sincere interest in solving customer problem	3.04	1.262	250
30. The bank listens customers problem	3.18	1.235	250
31. The bank clearly communicates about each banks policy to their customers (about customers right, responsibility, and other related issues)	3.44	1.129	250
32. The bank clearly communicates to you about how and where to complain in case of a problem	3.04	1.262	250

33. The bank gives prompt response for your complaints	3.08	1.239	250
34. The bank asks you about your feeling toward their responses for your complaints	3.04	1.262	250
35. Considering the bank as first choice among other banks in the area; and the bank that first comes to my mind when making purchases decision on bank services	2.96	1.267	250
36. If I had to do it over again, I would still choose to use the bank	2.86	1.250	250
37. I do not like to change to another bank because I value the bank	3.00	1.194	250
38. I am a loyal customer to the bank	3.00	1.184	250
39. I would always recommend the bank to someone who seeks my advice	2.90	1.197	250
40. It would difficult to change my beliefs about the bank	3.15	1.199	250
41. I would always use this banks services	3.16	1.218	250
42. Even if your close friends recommended another bank, your preference for this bank would not change	3.13	1.222	250
43. My intention to use the services of this bank would not be changed	3.29	1.144	250
44. I do not like to change to another bank because this bank sees my needs	2.96	1.267	250

Correlations

	1. The bank is very concerned with security for my transactions	2. The banks promises are reliable	3. The bank is consistent in providing quality service	4. Employees of the bank show respect to customers	5. The bank fulfills its obligation to customers	6. I have confidence in the banks service	7. Given my experience, the bank can be trusted completely	8. Given my experience, the bank can be counted on to do what is right	9. My bank is always honest to me	10. My bank has the ability to meet its promises	11. I never doubt that my bank will keep its promises
Spearman's rho	1.000	.481**	.446**	.310**	.303**	.239**	.164**	.081	.062	.023	.063
Correlation Coefficient		.000	.000	.000	.000	.000	.010	.201	.329	.722	.321
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
1. The banks promises are reliable	.481**	1.000	.317**	.263**	.281**	.221**	.164**	.120	.095	.027	.057
Correlation Coefficient		.000	.000	.000	.000	.000	.009	.058	.134	.675	.371
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
3. The bank is consistent in providing quality service	.446**	.317**	1.000	.272**	.245**	.157**	.158**	.176**	.027	.083	.083
Correlation Coefficient		.000	.000	.000	.000	.013	.012	.005	.668	.190	.191
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
4. Employees of the bank show respect to customers	.310**	.263**	.272**	1.000	.302**	.098	.234**	.222**	.165**	.061	.000
Correlation Coefficient		.000	.000	.000	.000	.121	.000	.000	.009	.334	.996
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
5. The bank fulfills its obligation to customers	.303**	.281**	.245**	.302**	1.000	.476**	.308**	.328**	.191**	.200**	.014
Correlation Coefficient		.000	.000	.000	.000	.000	.000	.000	.002	.001	.828
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
6. I have confidence in the banks service	.239**	.221**	.157**	.098	.478**	1.000	.376**	.037	.192**	.158**	.019
Correlation Coefficient		.000	.013	.121	.000	.000	.000	.559	.002	.012	.769
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
7. Given my experience, the bank can be trusted completely	.164**	.164**	.158**	.234**	.308**	.376**	1.000	.129*	.242**	.104	.064
Correlation Coefficient		.010	.012	.000	.000	.000	.000	.042	.000	.100	.317
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
8. Given my experience, the bank can be counted on to do what is right	.081	.120	.176**	.222**	.328**	.037	.129*	1.000	.246**	-.021	.138
Correlation Coefficient		.068	.005	.000	.000	.559	.042	.000	.000	.740	.030
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
9. My bank is always honest to me	.062	.095	.027	.165**	.191**	.192**	.242**	.246**	1.000	.104	.044
Correlation Coefficient		.134	.688	.009	.002	.002	.000	.000	.000	.100	.489
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
10. My bank has the ability to meet its promises	.023	.027	.083	.061	.200**	.158**	.104	-.021	.104	1.000	-.059
Correlation Coefficient		.722	.190	.334	.001	.012	.100	.740	.100	.000	.351
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250
11. I never doubt that my bank will not keep its promises	.063	.057	.083	.000	.014	.019	.064	.138	.044	-.059	1.000
Correlation Coefficient		.371	.191	.996	.828	.769	.317	.030	.489	.351	.000
Sig. (2-tailed)		250	250	250	250	250	250	250	250	250	250
N		250	250	250	250	250	250	250	250	250	250

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

* Correlation is significant at the 0.05 level (2-tailed).

Correlations

	12. The bank makes adjustment to suit my needs	13. The bank offers personalized services to meet customers need	14. The bank is flexible when its services are changed	15. The bank is flexible in serving my needs	16. My relationship with the bank is one that I am very committed to continuing it	17. My relationship with the bank is very important to me	18. My relationship with the bank is one that I really care about.	19. My relationship with the bank is worth my effort to maintain
Spearman's rho	1.000	.417**	.488**	.195**	.260**	.184**	.076	.005
			.000	.002	.000	.003	.231	.938
	250	250	250	250	250	250	250	250
	.417**	1.000	.554**	.305**	.261**	.273**	.124	.108
	.000		.000	.000	.000	.000	.050	.090
	250	250	250	250	250	250	250	250
	.488**	.554**	1.000	.452**	.318**	.140**	.177**	.174**
	.000	.000		.000	.000	.026	.005	.006
	250	250	250	250	250	250	250	250
	.195**	.305**	.452**	1.000	.352**	.058	.082	.183**
	.002	.000	.000		.000	.362	.196	.004
	250	250	250	250	250	250	250	250
	.260**	.261**	.318**	.352**	1.000	.449**	.284**	.222**
	.000	.000	.000	.000		.000	.000	.000
	250	250	250	250	250	250	250	250
	.184**	.273**	.140**	.058	.449**	1.000	.502**	.359**
	.003	.000	.026	.362	.000		.000	.000
	250	250	250	250	250	250	250	250
	.076	.124	.177**	.082	.284**	.502**	1.000	.395**
	.231	.050	.005	.196	.000	.000		.000
	250	250	250	250	250	250	250	250
	.005	.108	.174**	.183**	.222**	.359**	.395**	1.000
	.938	.090	.006	.004	.000	.000	.000	
	250	250	250	250	250	250	250	250

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

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations

	20. Employees of the bank deal with customers in a caring fashion	21. Bank employees give the individualized attention to customers	22. The employees of the bank understand your specific needs	23. Bank employees have the customers best interest at heart	24. Bank has operating hours convenient to all its customers
Spearman's rho					
20. Employees of the bank deal with customers in a caring fashion	1.000	.714**	.707**	.381**	.714**
		.000	.000	.000	.000
	250	250	250	250	250
21. Bank employees give the individualized attention to customers	.714**	1.000	.995**	.374**	1.000**
		.000	.000	.000	.
	250	250	250	250	250
22. The employees of the bank understand your specific needs	.707**	.995**	1.000	.375**	.995**
		.000	.000	.000	.000
	250	250	250	250	250
23. Bank employees have the customers best interest at heart	.381**	.374**	.375**	1.000	.374**
		.000	.000	.000	.000
	250	250	250	250	250
24. Bank has operating hours convenient to all its customers	.714**	1.000**	.995**	.374**	1.000
		.000	.000	.000	.
	250	250	250	250	250

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

Correlations

	25. The bank tries to avoid potential conflict	26. The bank tries to solve manifest conflicts before the customers create problems	27. The bank has the ability to openly discuss solutions when problems arise	28. The bank is responsive to my complaints	29. The bank shows a sincere interest in solving customer problem	30. The bank listens to customers problem	31. The bank clearly communicates about each banks policy to their customers (about customers right, responsibility, and other related issues)	32. The bank clearly communicates to you about how and where to complain in case of a problem	33. The bank gives prompt response for your complaints	34. The bank asks you about your feeling toward their responses for your complaints
Spearman's rho	1.000	.356**	.207**	.200**	.345**	.197**	.154**	.345**	.081	.345**
Correlation Coefficient		.000	.001	.002	.000	.002	.015	.000	.202	.000
Sig. (2-tailed)		.250	.250	.250	.250	.250	.250	.250	.250	.250
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.356**	1.000	.373**	.309**	.284**	.226**	.126**	.284**	.038	.284**
Sig. (2-tailed)	.000		.000	.000	.000	.000	.046	.000	.563	.000
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.207**	.373**	1.000	.367**	.288**	.263**	.038	.288**	.140	.288**
Sig. (2-tailed)	.001	.000		.000	.000	.000	.547	.000	.027	.000
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.200**	.309**	.367**	1.000	.292**	.178**	.097	.292**	.218**	.292**
Sig. (2-tailed)	.002	.000	.000		.005	.005	.126	.000	.001	.000
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.345**	.284**	.288**	.292**	1.000	.448**	.217**	1.000**	.140	1.000**
Sig. (2-tailed)	.000	.000	.000	.000		.000	.001	.000	.026	.000
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.197**	.226**	.263**	.178**	.448**	1.000	.383**	.448**	.188**	.448**
Sig. (2-tailed)	.002	.000	.000	.005	.000		.000	.000	.003	.000
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.154*	.126*	.038	.097	.217**	.383**	1.000	.217**	.109	.217**
Sig. (2-tailed)	.015	.046	.547	.126	.001	.000		.001	.086	.001
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.345**	.284**	.288**	.292**	1.000**	.448**	.217**	1.000	.140	1.000**
Sig. (2-tailed)	.000	.000	.000	.000		.000	.001	.000	.026	.000
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.081	.038	.140	.218**	.140	.188**	.109	.140	1.000	.140
Sig. (2-tailed)	.202	.563	.027	.001	.026	.003	.086	.026	.026	.026
N	250	250	250	250	250	250	250	250	250	250
Correlation Coefficient	.345**	.284**	.288**	.292**	1.000**	.448**	.217**	1.000**	.140	1.000**
Sig. (2-tailed)	.000	.000	.000	.000		.000	.001	.000	.026	.000
N	250	250	250	250	250	250	250	250	250	250

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

* Correlation is significant at the 0.05 level (2-tailed).

Correlations

	35. Considering the bank as first choice among other banks in the area; and the bank that first comes to my mind when making purchases decision on bank services	36. If I had to do it over again, I would still choose to use the bank	37. I do not like to change to another bank because I value the bank	38. I am a loyal customer to the bank	39. I would always recommend the bank to someone who seeks my advice	40. It would be difficult to change my beliefs about the bank	41. I would always use this bank's services	42. Even if your close friends recommended another bank, your preference for this bank would not change	43. My intention to use the services of this bank would not be changed	44. I do not like to change to another bank because this bank sees my needs
Spearman's rho	1.000	.521**	.461**	.233**	.269**	.049	.143*	.191**	.205**	1.000**
		Correlation Coefficient	Correlation Coefficient	Correlation Coefficient	Correlation Coefficient	Correlation Coefficient	Correlation Coefficient	Correlation Coefficient	Correlation Coefficient	Correlation Coefficient
		Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)
	250	250	250	250	250	250	250	250	250	250
	.521**	1.000	.526**	.325**	.273**	.041	.095	.094	.137**	.521**
	.000	.000	.000	.000	.000	.522	.136	.137	.031	.000
	250	250	250	250	250	250	250	250	250	250
	.461**	.526**	1.000	.427**	.365**	.052	.109	.097	.113	.461**
	.000	.000	.000	.000	.000	.415	.086	.125	.074	.000
	250	250	250	250	250	250	250	250	250	250
	.233**	.325**	.427**	1.000	.320**	-.042	.028	.165**	.137**	.233**
	.000	.000	.000	.000	.000	.507	.662	.009	.030	.000
	250	250	250	250	250	250	250	250	250	250
	.269**	.273**	.365**	.320**	1.000	.176**	.160**	.050	.072	.269**
	.000	.000	.000	.000	.000	.005	.011	.433	.257	.000
	250	250	250	250	250	250	250	250	250	250
	.049	.041	.052	-.042	.176**	1.000	.758**	.269**	.134*	.049
	.441	.522	.415	.507	.005	.000	.000	.000	.035	.441
	250	250	250	250	250	250	250	250	250	250
	.143*	.095	.109	.028	.160**	.758**	1.000	.361**	.224**	.143*
	.024	.136	.086	.662	.011	.000	.000	.000	.000	.024
	250	250	250	250	250	250	250	250	250	250
	.191**	.094	.097	.165**	.050	.269**	.361**	1.000	.439**	.191**
	.002	.137	.125	.009	.433	.000	.000	.000	.000	.002
	250	250	250	250	250	250	250	250	250	250
	.205**	.137	.113	.137	.072	.134*	.224**	.439**	1.000	.205**
	.001	.031	.074	.030	.257	.035	.000	.000	.000	.001
	250	250	250	250	250	250	250	250	250	250
	1.000**	.521**	.461**	.233**	.269**	.049	.143*	.191**	.205**	1.000**
	.000	.000	.000	.000	.000	.441	.024	.002	.001	.000
	250	250	250	250	250	250	250	250	250	250

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

* Correlation is significant at the 0.05 level (2-tailed).