

COLLEGE OF BUSINESS AND ECONOMICS

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FACTORS AFFECTING CUSTOMER RETENTION IN DEBUB GLOBAL BANK S.C.

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Addis Ababa, Ethiopia

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Advisor: Dr. Getie Andualem

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DECLARATION

I, Tsega Habtegebriel Gizan, declare that this thesis "FACTORS AFFECTING CUSTOMER RETENTION IN DEBUB GLOBAL BANK S.C." is my original work, prepared under the guidance of Getie Andualem (Ph.D.). All materials used in this thesis have been properly credited. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution to earn any degree.

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STATEMENT OF CERTIFICATION

This is to certify that Tsega Habtegebriel Gizan has carried out his research work on the topic entitled **"FACTORS AFFECTING CUSTOMER RETENTION IN DEBUB GLOBAL BANK S.C."** is his unique work and appropriate for submission for the award of a Masters degree in Marketing Management.

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This is to certify that Tsega Habtegebriel's thesis, FACTORS AFFECTING CUSTOMER RETENTION IN DEBUB GLOBAL BANK S.C., submitted to the Master of Arts in Marketing Management, meets the required quality and originality standards.

APPROVED BY BOARD OF EXAMINERS

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External Examiner	**Signature & Date**

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Abstract

Customers are the key focus of all businesses without them banks have no resources and no earnings. As a result, customer has the potential to be an effective instrument that banks can utilize to acquire a strategic edge in today's ever-increasingly competitive banking business, and retaining them is very important because obtaining new customer incur more cost than retaining the current. Therefore, this study aimed to investigate factors affecting customer retention in Debub Global Bank. To achieve the research objective, explanatory research designs were employed. In addition, proportionate stratified and convenience sampling were applied. Subsequently, each of the branches under a different Grade level is treated as a separate stratum and convenience sampling was used to select respondents. To collect primary data a questionnaire and interview were used. Consequently, the study distributed 384 questionnaires and the analysis was made based on 337 successfully responded questionnaires. A multiple regression model was constructed for the dependent variable (customer retention) and six independent variables (i.e., service quality, customer satisfaction, price perception, customer trust, brand image, and technology). SPSS was used to perform data analysis. As result, the regression test showed that at a five percent significant level customer satisfaction and customer trust have the highest positive and significant effect on customer retention followed by service quality, price perception, brand image, and technology. Finally, among others, the researcher recommends that management must continuously survey to assess the level of satisfaction, empowerment, and capacity development of employees, embrace financial technologies and customize the product and service. Further, it concludes that all the variables are significant so the banks give more effort to the improvement of customer retention determinants to enhance the level of customer retention.

Keywords: Service Quality, Customer Trust, Customer Satisfaction, Price Perception, Technology, Brand Image

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Acronym

AA- Addis Ababa

ANOVA- Analysis of Variance

BI- Brand Image

CBE- Commercial Bank of Ethiopia

CR - Customer Retention

CS - Customer Satisfaction

CT- Customer Trust

DGB- Debub Global Bank Share Company

NBE- National Bank of Ethiopia

PP- Price Perception

SERVQUAL - Service Quality

SPSS - Statistical Package for The Social Sciences

TE- Technology

VIF- Variance Inflation Factor

CHAPTER ONE

1.1. Introduction

This chapter provided a comprehensive understanding of the study's background, statement of the problem, objective of the investigation, research question, significance of the study, hypothesis of the study, and delimitation/scope of the study, and definition of terminology.

1.2. Background of the Study

A strong banking system that promotes the mobilization of financial resources and channels them toward productive objectives, resulting in a higher degree of economic growth, is critical to a nation's economic development (Jyoti and Saini, 2014). In a country like Ethiopia, banks are an important industry that plays a critical role in enhancing the economy's efficiency and the lives of its citizens (Tefere, 2013). The banking industry's role is dependent on a strong customer connection.

Hence, customers are the key focus of all businesses, and banks are no exception. so, customer satisfaction is a significant issue for banks because pleased customers contribute to increased profitability and market share (Shah et al, 2006). On the other, if a consumer is dissatisfied with banking services, they will spread a damaging word of mouth. This may have a damaging effect on the bank's reputation (Anwer, 2018). This demonstrates that without customers, banks would have no resources, no earnings, and thus no market goodwill.

In today’s highly competitive world, many top performing organizations have identified the importance of customer retention and have taken strategic approaches to encourage and enhance customer retention (Gupta,2006). As a result, customer retention has the potential to be an effective instrument that banks can utilize to acquire a strategic edge in today's ever-increasingly competitive banking business (Cohen et al., 2006). This is because firms' capacity to retain existing consumers is becoming increasingly more essential than their ability to acquire new ones (Safwan et al., 2010).

Furthermore, Ramakrishnan (2006) characterized customer retention as the marketing goal of keeping consumers from defecting to a competitor. Even though customer retention takes a significant amount of time, effort, and money, once achieved, it is much easier to maintain them by ensuring that they are satisfied through superior products/services (Payne, 2006).

According to James (2012), customer retention is very important to businesses because the cost of obtaining a new customer is significantly more than the cost of sustaining a current customer. Similarly, Ouma et al. (2013), state that the costs of recruiting consumers to "replace" those who have been lost are significant because the expense of obtaining customers is only spent at the beginning of the commercial relationship. As a result, organizations must focus on existing customers to ensure business continuity (Herbst F., Berndt, A., and Roux, L., 2005).

Subsequently, companies have different ways of ensuring customer retention depending on the actual functions of each organization. Chuani (2017), for example, explained that banks develop credit policies based on customer needs and expectations, review their customer retention and customer attraction policies, improve the availability of multiple product distribution channels, and accessibility of technologies such as internet banking, mobile banking, ATMs, and Agent banking to increase retention or decreasing customer switching.

As one of the private banks in Ethiopia Debub global bank has been implementing the five-year strategic road map of the bank (2020-2025) with the grand vision of being the *first rated bank by the end of 2025.* In the view of attaining the vision, the bank stipulated a mission “by providing excellent service to its customers using modern technology. The bank has been providing homogeneous products/services with small differences in terms of the interest paid for deposits and gains from loans. This result of customer acquisition and retention with providing excellent customer service is one of a few comparative advantages left for differentiation. Consequently, in today’s fast-moving and dynamic market conditions understanding customer retention factors for Debub Global Bank is a more critical issue than ever.

Therefore, this study focused on identifying factors that affect customer retention in Debub Global Bank Share Company.

1.3. Background of the company

Debub Global Bank is a relatively new private bank, having been established in 2012 with a paid-up capital and subscribed capital of Birr 138.9 million and 266.9 million respectively. Under Proclamation No-592/2000, the business has a legal entity registered with the licensing and supervision department of the NBE.

Due to the faith of its shareholders and its focus on capital expansion, the bank's Paid-Up Capital has increased swiftly in recent years. The bank's stock is still available for purchase. Moreover, the bank's paid-up capital increased to Birr 1.5 billion, and the subscribed capital now stands at Birr 1.8 billion.

Within a short amount of time, the bank's branch expansion exploded from 30 to 131 in both capital and regional cities, and the bank now has over 500K clients across the nation. The company's total assets have surpassed Birr 11.6 billion. This phenomenal expansion was fueled in large part by the active engagement of its important consumers, workers, shareholders, and other essential stakeholders.

Vision Statement

"To be the first rated bank through operational excellence"

Mission Statement

"Debub Global Bank S.C. (DGB) increases the value of its stakeholders by offering great banking services to its clients utilizing current technology, professional leadership, and hiring capable, disciplined, and happy staff via effective recruiting, training, and development."

1.4. Statement of the Problem

Sometimes, some businesses overlook the importance of maintaining a strong relationship with their current customers in favor of emphasizing new prospects. However, this is unreasonable because retaining customers is less expensive than obtaining new ones., which is why retaining customer is so crucial (Ganiyu A. R., Elizabeth, and A Uche, I. I., 2012).

As a result, customer retention is a critical component of growth and long-term profit for a service organization such as banking.

If customer retention improves greatly, the banking industry's success improves significantly (Reichheld, et al., 2011). Customer retention benefits most businesses in the form of profit, fewer costs, and long-term benefits. In support of this, Reichheld & Sasser (1990) noted that a five percent change in customer retention would yield 25% to 85% profit swings across industries. Furthermore, replacing defected consumers costs more than preventing them from defecting. (Zeithaml et al., 1985). So, it is critical to discover the elements that impact customers' decisions to remain with the bank. This allows banks to focus on establishing customer retention initiatives, resulting in lower customer switching.

As of June 30, 2020/21, there were 19 banks in operation, with 17 of them being private banks (NBE, 2021). Furthermore, new entrants are on the verge of entering the banking industry. Due to this reason, Ethiopia’s banking sector has become a highly competitive environment. Furthermore, a larger number of competitors provide identical products that are easily duplicated in terms of name, feature, and others (Munyiri, 2014; Ogongo, 2014; Msoka and Msoka, 2014). This condition intensifies Ethiopia's banking sector's current competitiveness.

Even though technology advancements are critical in the banking business for creating value and retaining consumers (Gardachew, 2010). Currently, Debub Global Bank only provides ATM/POS services and does not offer alternative digital channels such as online banking, mobile banking, and agent banking. In addition, nowadays customers prefer banks that connect with them online and through their mobile devices at any time and from any location. In terms of digital service channels, it is clear that the bank falls short of customer expectations. as a result of this, customers that require better services may want to switch to other banks.

Furthermore, as per the preliminary interview conducted with Debub global bank's strategic division manager, the number of customer attrition in 2018/19 was 792, by the year 2019/20 it doubles to 1,581 and further reach 3,546 in 2020/21. This shows that for the last three years the number of customers switching in DGB has increased from year to year.

Consequently, the need to know the factors that affect customer retention is relevant for DGB.

Various studies have been undertaken on the topic of customer retention using different methods and areas in connection with Ethiopian banks. Some of the areas include; "the effect of relationship marketing on credit customer retention in selected commercial banks in Ethiopia" (Kassa, 2017), "the effect of relationship marketing on customer retention in CBE and Dashen Bank" (Teklehaimanot, 2017), and "determinants of customer retention in selected private banks using customer satisfaction as mediating variable" (Mekonnen, 2016).

However, to the knowledge of the researcher, two studies (Negus; 2015, and Yilma; 2019) were undertaken directly on the factors influencing customer retention in private commercial banks. Negus (2015) examined "determinants of customer retention in private banks" which was conducted six years ago and mainly incorporated CBO, OIB, and Abay Bank. Also, Yilma (2019) investigate "factors influencing customer retention in private commercial banks" which only targeted customers of private banks. However, this study intended to fill the methodological gap of other studies on factors influencing customer retention from both the customers and management side a time. Moreover, both studies were not considered use of technology as one dimension even if it has a great role in organizational competitive advantage and is an important factor in customer retention (Kwashie, 2012).

Furthermore, previous studies were rarely focused on factors influencing customer retention in the context of Ethiopian private banks, and no study on the case of DGB has been encountered so far. Therefore, this study seeks to identify the factors that affect customer retention in DGB by considering the use of technology as one dimension.

1.5. Research Questions

1. What effect does service quality have on customer retention in Debub Global Bank branches located in A.A.?
2. What effect does customer satisfaction have on customer retention in Debub Global Bank branches located in A.A.?

3. What effect does customer trust have on customer retention in Debub Global Bank branches located in A.A.?

4. What effect does price perception have on customer retention in Debub Global Bank branches located in A.A.?

5. What effect does a brand image have on customer retention in Debub Global Bank branches in A.A.?

6. What effect does technology have on customer retention in Debub Global Bank branches located in A.A.?

1.6. Objectives of the Study

1.6.1. General Objective of the Study

The main objective of the study is to investigate the factors that affect customer retention in Debub Global Bank Share Company.

1.6.2. Specific Objectives of the Study

The specific objective of the study includes;

- To identify the effect of service quality on customer retention in Debub Global Bank located in A.A. branches.
- To identify the effect of customer satisfaction on customer retention in Debub Global Bank located in A.A. branches.
- To identify the effect of customer trust on customer retention in Debub Global Bank located in A.A. branches.
- To identify the effect of price perception on customer retention in Debub Global Bank located in A.A. branches.
- To identify the effect of brand image on customer retention in Debub Global Bank located in A.A. branches.
- To identify the effect of technology on customer retention in DGB located in A.A. branches.

1.7. Definition of Terms

Customer retention- The likelihood that a consumer will continue to use the service provider in the future (Prabhu & Ranaweera, 2003).

Service Quality- is concerned with providing service excellence that adds customer value and meets or exceeds customers' expectations (Brotherton & Wood, 2008).

Customer Satisfaction- Satisfaction is someone's feeling of delight or disappointment through evaluating a product's overall performance (final results) together with his/her expectation (Kotler& Keller, 2006).

Customer Trust- is defined as existing when one party has faith in the other party's dependability and honesty (Prabhu & Ranaweera, 2003).

Brand Image- Understanding and beliefs are imprinted in the client's memory as a reflection of the associations that exist in the client's mind (Kotler & Keller, 2016).

Price perception: the term price perception is described as "the process through which customers evaluate a product's or service's pricing and assign value to it.". (Malik, Yaqoob & Aslam, 2012).

Technology- A human-made system that employs knowledge and structure to build items and processes to achieve certain objectives (Volti 2009).

1.8. Significance of the Study

The study's findings provide significant information to the bank's management on the factors influencing customer retention, allowing them to develop relevant strategies. Additionally, this study provides insight to all DGB branch managers, the marketing and resource mobilization department, and other staff to identify the current essential aspects driving customer retention. As a result of this, it can help them to keep their customers and reduce customer switching to rival banks. Furthermore, the study's findings can serve as a

springboard for other researchers interested in doing additional research on factors affecting customer retention in the context of the Ethiopian public/private banking sector.

1.9. Scope of the Study

This study focused on the factors that affect customer retention in Debub Global Bank Share Company. There are many factors which are influence customer retention however this study considered customer retention factors such as (customer trust, quality of service, technology, customer satisfaction, brand image, and price perception).

Methodologically, the study employed explanatory design. Besides, the study used a questionnaire and structured interviews to gather the required data from the sampled respondents who are the most in touch with the bank.

Geographically, this research was conducted on 15 sample branches located in Addis Ababa city. These are Megenagna, Wossen, Aratkilo, CMC, Saris, Sengatera, Hayahulet, Teklehaymanot, Lideta, Atlas, Churchill, Bole Medhanialem, Bole, Stadium, and Beklobet branches.

1.10. Limitation of the study

As with any research study, there are potential limitations or weakness that should be addressed. The major constraint of the study is in primary data collection since DGB is a young bank compared to other banks customers are small in number and were not willing and easy to get for filling out the questionnaire. The study had covered only DGB in the capital city so the result might not transfer to other parts of the country and private/public banks

1.11. Organization of the Paper

The research was divided into five sections. The study's introduction, statement of the problem, research question, objective, significance, delimitation, and definition of terms were all presented in the first chapter. The study's theoretical foundation and empirical evidence are presented in Chapter two, providing the theoretical foundation of the study and empirical evidence followed by a description of research gaps and a conceptual framework. The methodology utilized in the study was then discussed in the third chapter. The fourth chapter focuses on the analysis results and examines them. Finally, in chapter five, the findings, conclusions, and recommendations are summarized.

CHAPTER TWO

2.1. Review Of Related Literature

This portion of the review of the literature covers prior studies on banks' systematic practices for maintaining existing clients. Accordingly, the review investigates the idea of customer retention also the recommended elements that influence retaining customers in the banking industry, namely quality, satisfaction, customer trust, pricing, image, and technological use. Thus, the impact of each variable proposed by various authors is explored in this chapter. Then, an empirical review of numerous studies of different sectors is carried out.

2.2. Theoretical Review

2.1.1. The concept of Customer Retention

Customer retention discusses the efforts made to maintain the association with the customer and the profitability of the customer (Peppers & Rogers, 2011). Furthermore, in today's favorable economic climate, retaining a customer is a viable commercial approach. Customer retention is well-defined as the activity taken by a corporation to keep customers from switching sides to competitors. To create a long-lasting relationship the first connection is where to start Effective customer retention (Mbithi, 2013).

In addition, Customer retention emphasizes how loyal your customers are to your product or service. There has always been a link between customer loyalty and satisfaction. This is not a linear relationship, and each customer's behavior is determined by his attitude toward the service provided. Managers all over the world we're constantly looking for new ways to measure customer satisfaction, but this was a worthwhile pursuit for all marketing communities (Ganiyu et al., 2012).

Furthermore, the results of returning customers could contribute significantly to the company's financial growth. Customers' retention, according to researchers, has a major influence on profit margins (Le-Hui L., Kee K.C., and Ronng, 2017). When the indisputable

cost-effectiveness of client retention over customer acquisition is considered, this becomes a stronger pillar (Omkar, 2017).

According to Ladhari et al. (2011), there's a significant amount of study on service quality in the banking sector. Delivering better service in the banking industry, as in other service diligence, promotes customer satisfaction, which leads to client reliability (Lassar et al., 2000). lowers client abandonment, increases client fidelity, provides openings for cross-selling, increases word-of-mouth recommendation, and improves commercial image Baumann et al., (2007) and Mehtap-smadi et al. (2005).

Customer retention, as opposed to customer satisfaction, refers to the continuity of interactions between the firm and the customer (Ibojo &Asabi, 2015).

2.1.2. Theories on Customer Retention

According to Ranaweera & Prabhu (2003), as cited in Mengesha (2015), most previous research on the factors impacting customer retention has focused on retention from the customers' perspective. This is mostly because several researchers define customer retention as the tendency for customers to stay with their service providers, and it is thus considered a behavioral element. As a result, frameworks and models describing the elements impacting customer retention from the perspective of customers were detailed in this portion of the study. Based on that, the author analyzed the data and compare it with how Debub global Bank perceives these factors as influencing customer retention.

Four main theories have been selected including Richard's (1996) conversion model, Ranaweera & Prabu's (2003) holistic approach, Sharma and Patterson's (1999) relationship commitment model, along with Ranaweera & Neely"s (2003) holistic approach.

2.1.2.1 Conversion Model

This is Richards' (1996) model, which is predicated on the idea that just satisfying a client does not predict consumer behavior. Richards (1996) argues pleased customers can leave and dissatisfied customers can remain, therefore firms should concentrate on other factors such as customer commitment. In addition, Payne (2006) argues that Client pleasure contributes to customer loyalty but loyal ones need more than just being satisfied. In his

approach, Richards (1996) cites three elements as drivers of commitment. The driver includes a level of involvement, the attraction of alternatives, and extends ambivalence.

This model tries to figure out that factors such as the level of involvement, the extent of ambivalence, and the attraction of alternatives lead to the customer being committed to the organization leading to the retention of the customer. How each driver leads to customer commitment and retention is explained below.

Factors in the conversion model

This model explains how commitment influences customer retention through the extent of ambivalence, level of involvement, and the attraction of alternatives.

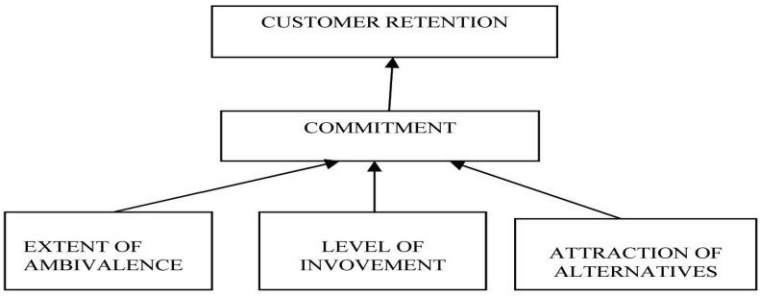
The extent of ambivalence; this driver tries to explain the insecurity caused by the range of choices. This is a situation whereby customers will be in a state of wavering whether to stay or to leave. Ambivalence makes the customer less committed, although conversion is delayed as neither choice offers obvious advantages (Richards 1996).

Level of involvement; This driver leads to a readiness to put up with disappointment. When there are more individuals engaged in a decision, they will make it more thoroughly, and they will frequently stick to their decisions after they have made them. Therefore, Even if the consumer is unsatisfied but still involved, he or she will attempt to restore the connection rather than seek other options (Richards 1996).

Beckett (2000) also pointed out that customer involvement in the buyer-seller interchange integrates several subsets such as customer control, customer participation, and level of contact. The more a customer is involved, the more he/she has confidence in the service provider and also in the service provided.

The attraction of alternatives; Richards, (1996) argues that The more options available, the more dissatisfied customers will speak up and switch service providers. If the alternatives available are less attractive than the current provider it means the conversion may then be delayed despite the dissatisfaction. However, if the available alternatives are more attractive, the customers quickly converse spite the satisfaction.

Sharma and Patterson (2000) state the customer stays with the service provider if he/she does not know about the available substitutes or other alternatives even if the service provider is poor. On the other hand, customers tend to switch to another provider when they know there are some substitutes even if they are satisfied. Therefore, this factor explains that the hotel should make some advertisements regularly so that they position their brand in the minds of the customers.

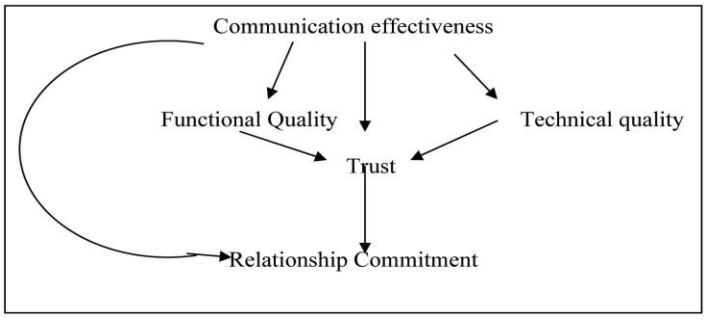


Source: Richards, (1996)

Figure 2.2.1. Richard's conversion model;

Relationship Commitment Model

Sharma & Patterson (2000) developed this model to highlight the factors that influence relationship commitment. The model includes three factors which are communication effectiveness, functional quality, and technical quality all affected by trust which then affects relationship commitment.



Source: Sharma & Patterson, (2000)

Figure 2.2.2. Model of the factors that influence relationship commitment;

Trust: Sharma & Patterson (2000), defined trust as "the notion that the services provider can be trusted to act in the buyer's long-term interests." Mascareigne (2009), The deeper the relationship commitment, the higher the level of trust.

Service quality: Sharma & Patterson (2000) define service quality into two categories: technical quality and functional quality. The customer's perception of technical quality is linked to the real outcomes or core service. Jansson & Letmark (2005) as cited in Boohene et al, (2013), It is hypothesized that the experts' skill in delivering the highest return on investment for their customers at acceptable risk levels is evaluated, and technical quality is important to the promised service. Sharma & Patterson (2000), The 'what' and 'how' of the service are both considered in functional quality. It is a very subjective assessment that is concerned with the relationship between the service provider and the service receiver.

Communication effectiveness: is the formal and informal exchange of important and timely information between a client and an adviser in an empathic way. The purpose is to educate and keep clients informed about their investments in a way they can understand. Clients must have strong communication skills in order to comprehend investments and have confidence in their capacity to analyze financial risks and results. Customers can also benefit from effective communications throughout the inevitable ups and downs of variable investment performance. (Sharma & Patterson, 2000).

A Holistic Approach to Customer Satisfaction, Switching barriers Trust, and

Ranaweera & Prabhu (2003) proposed a holistic approach to customer retention that considers the combined impacts of satisfaction, switching obstacles, and trust. According to the authors, "customer retention is the tendency for consumers to stay with their service suppliers." The framework has two purposes: the first is to look at the major impacts of the three variables on customer retention separately, and the second is to look at the interaction effects of switching barriers and trust on customer retention when satisfaction is present (ibid).

Customer satisfaction: - customer satisfaction is conceptualized by the authors as the evaluation of emotion and proclaims that the higher the satisfaction, the higher the level of retention (Prabhu & Ranaweera, 2003). According to several studies, the more satisfied a company's consumers are, the more loyal they are to the company (Fornell, 1992). Hence, firms have devoted lots of effort to increasing and managing customer satisfaction (Ranaweera & Prabhu, 2003).

Ranaweera & Neely (2003) state in their article, that it has been common earlier for research on service quality to be focused on measures of customer satisfaction. However, as simple contentment no longer guarantees customer retention, contemporary research has moved its focus from analyzing customer satisfaction drivers to examining drivers of consumer behaviors such as repurchase patterns. (ibid).

Trust: - trust is conceptualized as existing when one party has confidence in the other party's reliability and integrity. They argue that several studies have found that even when businesses successfully please their consumers, they may be unable to keep them. Hence, to secure long-term customer loyalty to a single provider, satisfaction alone is insufficient (Ranaweera & Prabhu, 2003).

Perceived switching barriers: - The perceived switching walls are conceptualized as the consumers' evaluation of the coffers and openings demanded to perform the act of switching as well as the constraints precluding it (Prabhu & Ranaweera, 2003).

A Holistic approach Quality, Price, Indifference, and Inertia

Ranaweera & Neely (2003) drafted a holistic approach to customer retention incorporating customer indifference, service quality, price perceptions, and inertia.

Service quality: - a direct relationship between service quality and customer repurchasing intentions was mentioned by different authors (Zeithalm, 1988, Reichheld; 1996; Ranaweera & Neely, 2003; Zeithalm & Bitner, 1996;). When defining service quality, Ranaweera & Neely (2003) cite the definition of Zeithaml (1988) "that quality of service is a consumer's appraisal of a service's overall excellence or superiority". They further conclude that

customers may place greater importance on the servqual rather than on the cost of acquiring that service.

Price: - Ranaweera & Neely (2003) holds the theory that the higher the degree of repurchase intents, the better the perceived price is. However, they say that more study is needed in this area because little research has been done on the relationship between pricing perceptions and customer retention. In their study, they found that there was a direct relationship between price perceptions and customer behavioral intentions. (ibid)

Inertia: - Ranaweera & Neely (2003) argues that the bigger the inertia, the higher the likelihood of repurchase. Ranaweera & Neely (2003) base their definition of inertia in their study on the one of Huang and Yu (1999), a non-conscious form of retention. Huang and Yu (1999) According to Ranaweera & Neely, the amount of cognition involved in the choice to continue purchasing from the same vendor distinguishes inertia from loyalty. Therefore, they argue that consumer research should not be limited to researching conscious decisions but also non-conscious ones or involuntary customer relationships.

Customer indifference: - Eventually, the authors propose that the more advanced the position of client incuriosity, the lesser the position of repurchase intentions. Ranaweera & Neely (2003) argue that those who have positive comprehension of the service and also show a certain position of incuriosity, are the least likely to leave as their service prospects are fulfilled, and at the same time, they see no earnings from switching. The author further states that literature on measuring client incuriosity is rather scarce and has occasionally been used in the marketing literature concerning consumers' stations towards advertising, described as neither positive nor negative (ibid).

2.1.3. Customer retention strategy

DeSouza (1992) as cited in Mengesha (2015), there are four steps for customer retention strategy. These are Measure Customer Retention, Interview Former Customers, analyzing complaints and Service Data, and Identify Switching Barriers.

Measure Customer Retention DeSouza, (1992) as cited in Mengesha (2015), if companies do not manage customer retention, then it is impossible to measure customer retention. For

measuring customer retention, they should maintain a feedback data system from the CR rate that measures the percentage of customers who are retained.

Interview Former Customers Normally, there is a negligence of firms that they do not care about customers data who left them; it is a great chance for learning from lost customers directly or by expert. This data can be helpful for the market research, which assists the firm to act for customers retaining DeSouza, (1992) as cited by Muhammad, (2013). Accordingly, there are many reasons for customers' defects which are described below:

A. Price defectors are defined as customers switching because of the low- price offered by competitors.
B. Product defectors mean customers switch to other competitors because of the quality of a product. This defect can be permanent.
C. Service defectors are being caused by poor customer service.
D. Market defectors are those customers who left products not by the competitors but because transferred out of the market area or stop business.
E. Technological defectors lead to those customers who left the product due to substitution products.

Analyze Complaint and Service Data DeSouza, (1992) as cited in Muhammad (2013), for marketing analysis, customer complaints and feedback are very important for pointing out problems that are the reason for customers leaving.

Identify Switching Barriers DeSouza, (1992) as cited in Muhammad (2013), a good retention strategy should identify the obstacles and resolve the problems which remained existing customers to transfer to other market competitors; it should not be a matter of low price and product quality offered by competitors.

2.1.4. The Benefits of Customer Retention

Customer retention is critical when loyalty is diminishing and sales cycles are making the business climate more difficult. In these conditions, losing a key customer to a competitor would have a major influence on the organization's profitability and growth (Motshedisi, 2014).

As stated by Rouholamini and Venkatesh (2011), several types of research demonstrate that customer acquisition costs are 5 to 7 times greater than customer retention costs. Similarly, (Ouma et al., 2013) claim that the costs of recruiting consumers to "replace" those who have been lost are significant because the expense of obtaining clients is only spent early in the commercial relationship. As a result, retaining existing customers is more advantageous to the firm than acquiring new ones. Parker et al. (2009), as mentioned by Mengstu (2020), asserted unequivocally the five customer retention advantages outlined below. These advantages are:

The first advantage is that customer retention costs less than customer acquisition.

Second, the expenses of servicing long-term clients are lower than those of serving new consumers.

Third, repeat consumers boost the company's reputation and bring in new customers through word-of-mouth promotion.

Fourth, long-term customers are less price-sensitive than new customers, and hence are enthusiastic to pay extra in some instances.

Finally, repeat consumers are more likely to buy more from the company, allowing it to raise its share of the wallet through up-selling and cross-selling. Therefore, the benefits illustrate those long-term clients are a profitable source of revenue for the company and can attract new consumers.

2.1.5. Factors Affecting Customer Retention

Numerous factors influence customer retention. However, six factors are discussed below by the research's objective and research questions.

2.1.5.1. Service Quality

The term "service quality" refers to the difference between consumers' expectations and perceptions; in other words, SERVQUAL is scored well when the service supplied surpasses customers' expectations and low when it falls short of customers' expectations. If the performance outperforms expectations, the customer is tremendously satisfied (Kotler,

1999). He also added one of the most popular and significant ways for a service company to differentiate itself is to constantly give better service than competitors (Kotler, 1999).

The consumer evaluates the service encounter based on the service quality. It has been a focus since the late 1970s because it has a substantial impact on business performance. The most important thing is that service providers understand both customer expectations and the factors. A successful business relies heavily on the high quality of its services. (Lkhamtseden, B., and Z. Altanchimeg, 2017).

The customer always searches for quality regardless of how much they will pay. As a result, much work needs to be done to improve service quality to attain targeted client loyalty. Increased loyalty and recurring client retention are the results of increased overall catch the attention. (Rungting, 2004).

As a result, the level of service excellence provided by banks to customers has been improved, and it is possibly used as a foundation for achieving service excellence to compete, where distinguished service has become the basis for differentiation between banks. The concept of service quality is to match and adapt to the requirements, which means that service institutions such as banks must have specific requirements and specifications for the services they provide to customers (Sulieman, 2011).

Parasuraman et al. (1985) created the SERVQUAL tool that is frequently used by researchers to quantify the parameters of service quality. It is made up of 22 pieces that are organized into five dimensions: tangibility, reliability, responsiveness, assurance, and empathy.

Reliability: This dimension demonstrates the consistency of services in terms of performance and dependability.

Tangibles: It depicts the physical characteristics of services, such as physical premises, personnel appearance, and tools and equipment needed to perform services.

Responsiveness: It reflects employees' willingness or readiness to provide quick services to customers.

Assurance: Employees' knowledge, respect, and capacity to instill trust and confidence are reflected in this dimension.

Empathy: This dimension demonstrates how well a consumer is cared for and given individual attention.

2.1.5.2. Customer satisfaction

Early ideas of satisfaction often described satisfaction as a post utility evaluation and judgment regarding a specific purchasing transaction (Sauprenant and Churchill 1992 & Oliver, 1980). Furthermore, the majority of academics agree that consumer satisfaction is a state of mind or judgment generated by comparing what customers expect to find out their subjective opinions of the fulfillment they have received (Oliver, 1997).

Customer satisfaction has been characterized in a variety of ways by various authors.: As stated by Lovelock & Wirtz (2007), CS is defined as "an attitude-like assessment coming from a purchase act or a sequence of consumer goods encounters."; "Satisfaction is someone's feeling of delight or disappointment employing evaluating a product's overall performance (final results) together with his or her expectation." (Kotler & Keller, 2006);

In Principles of Marketing, Kotler and Armstrong (2012) define CS as the degree to which a product's perceived performance fits a buyer's expectations. They said that if the goods fail to meet expectations, the buyer would be disappointed, but if it meets or surpasses expectations, the customer will be satisfied or extremely satisfied.

Kotler & Keller (2006) again defined customer satisfaction once, this time by describing the characteristics of a highly satisfied consumer. According to him, a satisfied customer is a loyal customer, buys more, talks favorably about the company and its products, ignores competitor brands and is not as much of price-sensitive, provides service or product ideas to the organization, and serving him costs less than serving new consumers because transactions are routine.; and

According to Giese and Cote (2000), Satisfaction is a cognitive or emotional reaction to a certain topic, such as expectations, a product, or consumer experience, and the answer occurs at a specific time after consumption or accumulated experience. Customers' satisfaction with banks is influenced by their expectations, interactions, and experiences with them.

CS is an ill-defined notion. The actual expression of a satisfied state will change from one individual to the next, from one product to the next, and from a single service to the next. Several elements influence one's degree of satisfaction, which can be characterized as psychological, economic, or physical. Customer happiness is heavily influenced by service quality, which can be improved by employing available ICT. (Vijay M. K., 2011)

According to Anwyll (2005), Customer satisfaction and service are the factors that lead to retention. Furthermore, understanding the variables that lead to satisfaction, which leads to loyalty, is crucial in the banking business. Banking service rivalry is increasing daily (Jun and Cai, 2001).

Consumer retention is an essential sign of customer satisfaction. Customer satisfaction has conventionally been viewed as a major long-term determinant of customer behavior, according to the literature review (Yi, 1990 & Oliver, 1980). Thus, choices, convenience, cost, and income are all factors influencing customer retention (Negus, 2015).

In general, the significance of satisfaction in predicting customer retention and forthcoming financial performance is so widely acknowledged that some major economies measure satisfaction at the industry level to predict customer retention and forthcoming financial performance (Fornell, Ittner, & Larcker, 1995).

2.1.5.3. Customer Trust

The description of trust is "the degree to which an individual has faith in-and is willing to act based on others' words, conduct, and judgments" (McAllister, 1995). In addition, it's defined in the consumer-brand sector as guests' willingness to calculate the brand's capacity to deliver on the pledges it has made (Holbrook and Chaudhuri 2001).

According to Chinomona and Sandada, (2013), customer trust is made up of emotive and cognitive trust. Cognitive trust consumers sense that the service provider is competent and reliable in maintaining commitments, whereas emotional trust consumers believe that while service providers want to maximize profits, they also have a genuine concern for client requirements.

Customers would not put their money in a bank if they do not trust it, hence trust is a crucial aspect that must be fostered in the banking industry. Building trust between a corporation and its consumers is critical for a long-term relationship. Customers that have a high level of trust in the organization are more inclined to stick around. (Elly et al., 2018)

As a result, trust has the potential to develop long-term loyalty and enhance buyer-seller relationships. Trust is recognized as a vital characteristic that precedes secure and collaborative partnerships in the corporate sector. When one side has faith in the dependability and integrity of the trade partner, confidence is formed (Morgan and Hunt, 1994).

Furthermore, if a bank is located in an area renowned for criminal activity, for example, customers are terrified and dissatisfied (Sasraku, 2007). Of course, internal security is vital to clients who want to do business with people who have integrity and moral principles, especially in financial institutions (Lovelock & Wirtz. J 2007).

According to Jobber (2007), Customer retention is primarily predicated on trust. This is specifically true for service businesses because it is impossible to compare and appraise services before purchasing. Furthermore, the strength and quality of a company's brand and image indicate its trustworthiness. According to Harwood (2002), branding is crucial in the banking business as a technique for image building because all banks offer roughly the same types of products.

2.1.5.4. Price Perception

It is described as "the process through which customers evaluate a good or service's pricing and assign value to it." Price and quality are two well-known value variables that any business leads to customer satisfaction and retention, plus an increase the profits (Malik, Yaqoob & Aslam 2012).

Price is another factor for customers to be retained or not retained with companies. Due to competition, companies are playing with the prices of products and services. Clients always required products at the cheapest price. The main issue for a customer to switch is price, for instance, unfair or deceptive pricing practices (Peng and Wang, 2006).

Voss et al. (1998) as cited in Sharmeela et al (2012), found out that customers' happiness and retention are influenced by the price of a company's services. They also stated setting a fair price will determine satisfaction subsequently the customer return and stay with the firm for a longer period.

Price, in its most basic form, is the price of a product/service is the monetary amount charged for it. In a larger sense, price is the total of all the values. those consumers exchange for the advantages of having or utilizing the product or service. Historically, the most crucial element determining buyer decisions has been price. Non-price considerations have been increasingly important in recent decades. However, one of the utmost crucial factors impacting a company's profitability is the price (Kotler, Wong, Saunders, and Armstrong 2005).

Customers who are enthusiastic to pay a higher price for a product/service are likely to be brand- and prestige-conscious. They also feel that price accurately predicts quality or prestige, Malik et al., 2012). They went on to define it as "the process through which customers understand price and attribute value to a good or service." For many years, it has captivated the interest of scientists. Price and quality are widely recognized as two significant drivers of value. They both lead to increased customer satisfaction and retention, which helps any business boost profitability (ibid).

Furthermore, the only aspect in the market mix that raises funds is pricing. Price is also one of the utmost adjustable parts of the marketing mix (price can be changed quickly). Simultaneously, many marketing executives rank pricing as their top priority, and many organizations struggle with pricing. Pricing that is too cost-centric rather than customer-value-centered is a common blunder, as is pricing that ignores the rest of the marketing mix (Kotler & Armstrong, 2008).

According to Abrat and Russell (1999), as quoted in Getinet (2016), customers' perception of the pricing of the company's products or services is a crucial criterion for customers to continue utilizing the existing service providers. Price-conscious customers, therefore, customers are usually unwilling to pay the price for a service or product if they consider it is

not reasonable Martin et al. (2007). Due to this, customers routinely switch service providers owing to pricing difficulties Peng and Wang (2006).

2.1.5.5. Brand Image

The image is well-defined as the sum of people's experiences, impressions, beliefs, feelings, and information about the firm (Worcester, 1997). The company image also reflects the overall public perception of the company (Barich and Kotler, 1991).

Branding, as a technique for image building, is crucial in the banking industry, as all banks offer roughly the same types of products, according to Harwood (2002). As a result, banks must have a deep awareness of their customers' values, attitudes, demands, and views of the many services they offer, as well as the bank's image (Kaynak, 1986a, 1986b). Consequently, bankers must be able to create and manage their institution's image to differentiate themselves from competitors (Elly et al, 2018).

According to various experts, brand image has recently been an attractive issue of discussion in the marketing literature (Lee & Lim, 2020; Park & Park, 2019). So, brand image has become a significant factor in distinguishing organizations and utilizing effective marketing platforms. Rahi and Ghani (2016) define a brand as product identity and an image that reveals whether or not the brand is acknowledged. Brand image is also depicted as understanding and beliefs that are embedded in the customer's memory as a replication of the associations that the client has in his or her mind (Kotler & Keller, 2016).

According to Egan (2014), a company's brand image is also critical for the products or services given. The majority of business organizations believe a brand image to be a valuable asset to their company's success. A trusted and acknowledged brand identity offers customers the confidence to use the business's products. As a result, successful businesses always work hard to develop powerful brands and display them consistently and clearly.

Ghani and Rahi (2016) explained that “brand image research stresses product identity; when an item has a unique quality, it creates an image in the eyes of buyers and forms a proper brand image”. As a result, it is critical to maintain consistency in quality and service to keep the brand's character.

Further, Schulz and Omweri (2012) contend that business image focuses on being nice, attractive, and knowledgeable. This will aid in the creation and maintenance of the type of business image that makes a good first impression, generates positive word-of-mouth, and establishes credibility. Consequently, this has an important influence on customer satisfaction and, so as it influences customer retention.

2.1.5.6. Technology

The notion of technology is related not only to the technology that is included in the product, but also to the knowledge/information about its usage, application, and the process of generating the outcome (Lovell, 1998)

The word "technology" has been defined in a variety of ways in the past. The early thought of technology as information states that technology is widely applicable and easily replicated and reused (Arrow, 1969). However, the early notion of technology, according to Reddy and Zhoa (1990), contradicts an aspect of literature on universal technology transfer that holds that "Information about the characteristics and performance properties of the manufacturing process and product design is conceived as firm-specific information."

Moreover, they argue that the manufacturing process or operation technology is embedded in the equipment or methods to generate a specific product. The product design or product technology, on the other hand, is that which is demonstrated in the finished product. According to Pavitt (1985), technology is primarily tacit knowledge about specific applications that is typically uncodified and largely cumulative inside businesses.

Thus, per this argument, technology is viewed as the firm's 'intangible assets' or 'firm-specific,' which constitute the foundation of a firm's competitiveness and will generally be released under unique circumstances (Dunning, 1981). Tihanyi and Roath (2002), state technology might incorporate the knowledge that is difficult to reproduce and convey. Rendering to this reasoning, technology is "tacit information or firm-specific secrets or information known by one organization" (Nonaka, 1994).

According to Rogers (1995), technological innovation is defined as "an enhanced technique, fresh idea, or improved service or good that has been commercialized for the facility of better services and goods."

Similarly, technological innovation is recognized as a fundamental indicator of organizational competitive advantage, as well as an important component in boosting consumer loyalty, satisfaction, and retention to (Kwashie, 2012). The same can be said for the banking sector.

Banks in Ethiopia are changing their operations to make use of sophisticated technologies to compete with customers' evolving tastes and preferences. Accordingly, the bank's customers will benefit from shorter wait times and an extensive range of banking channels and services.

As a result, banking innovation technology has been crucial in increasing financial institution service delivery standards. In its most basic form, automated teller machines (ATMs), point-of-sale (POS), credit cards, mobile banking, and other deposit devices now allow consumers to undertake financial transactions outside of banking hours (Dessie, 2020).

The bank's service delivery technology could be a source of consumer happiness. Transaction processing times are reduced when electronic equipment, such as computers are employed. Satisfaction is not just the result of systems and processes. Customers are likewise anxious about the security of their assets and accounts. When customers are assured of protection from external risks, they feel secure and joyful (ibid).

2.3. Empirical Review

Usman et al. (2014) study the effect of perception on price, brand image, customer satisfaction, switching barriers, and trust (attractiveness of alternative, switching cost, and interpersonal relationship) on retaining customers in the telecom business in Pakistan. Multiple regression is employed to analyze the data out of the all variables tested price perception, switching barriers (interpersonal relationship and switching cost), customer

satisfaction, brand image, and trust affect customer retention. Alternatively, customer satisfaction has little to do to increase retention.

Similarly, Rizwan et al. (2015) conducted a study on determinants of customer retention in Pakistan's telecom market. customer satisfaction, trust, emotional and calculative commitment, company image, switching, cost behavior, loyalty, and attitudinal loyalty were all aspects included in the study. To examine the outcome of the factors, the study used multiple regression modeling. According to the findings, all of the independent had a substantial effect on customer retention. Furthermore, with the exemption of switching costs, all independent factors exhibit a positive effect on customer retention.

According to Gunasekara (2015), in a study named "Factors Influencing Customer Retention Toward XYZ Airlines," the study intended to determine the influencing factors of XYZ. The problem was investigated using a survey questionnaire and a quantitative method. Moreover, correlation and exploratory data analysis were used. Accordingly, the study discovered that all six categories studied, namely switching cost, customer satisfaction, customer loyalty, price perception, customer service, and perceived service quality were significantly and positively associated with customer retention.

Furthermore, Salama et al (2020) conducted a methodical review titled Factors Influencing Customer Retention. The study emphasizes customer retention concerns and elements that can positively influence it. The study examines and evaluates thirty research publications published between 2005 and 2019. Based on the findings, the most mutual factors affecting customer retention are contentment, service quality, trust, and dedication. Furthermore, the study concentrated on the financial sector, followed by the retail industry.

Dr. S.N. Mahapatra (2017) investigates how customer retention determinants affect customer retention banks found in India. The researcher classified them into four major categories: tangible, trustworthiness, responsiveness, assurance, and empathetic Factors. Furthermore, multiple regression analysis was utilized to assess customer retention characteristics and their influence on customer retention decisions. Consequently, the study, the most essential elements influencing customer retention are 'Within Time Service

Delivery,' 'Sincere Efforts in Solving Customer Problems,' and 'Accepting & Resolving Faults.'

Izedin, 2020 was investigating the factors that influence customer retention in the case of Ethio-telecom. Customer satisfaction, customer service, loyalty, value, and customer expectation were being used as independent variables in the study, with customer retention as the dependent variable. The Correlation result indicated that there is a positive and significant relationship between all determinant factors and customer retention. Using correlation and multiple regression, the results showed that, with the exemption of loyalty, all dimensions had a positive and substantial effect on customer retention. Furthermore, in Ethio Telecom, Consumer retention is most influenced by customer expectations.

Mengesha, (2015) investigated the association between customer happiness, service quality, price perception, customer trust, and brand image with customer retention in the hotel sector." In addition, correlation, and multiple regression were employed in the investigation. So, the study showed moderate to high relationships between customer happiness, service quality, pricing perception, customer trust, brand image, and customer retention. Customer satisfaction, service quality, and pricing perception, alternatively, all have a significant positive impact on customer retention, according to multiple regression results.

Similarly, Shiferaw (2018) investigated the factors that influence customer retention in hotels. Quality of Object, Quality of Infrastructure, Quality of Interaction, Trust, Commitment, Quality of Atmosphere, Communication, Quality of Processes, and Conflict Handling were employed as independent variables. apart from object quality, the regression findings show that each one of the indicated drivers has a positive and significant impact on customer retention.

According to (Aweke 2016), in a study titled "factors influencing customer retention in the non-life insurance industry in Addis Ababa Ethiopia," this study attempted to determine the influencing factors of non-life insurance by using satisfaction, trust, pricing, and switching obstacles as independent variables. The researcher looked into three different insurances that are chosen randomly. Multiple regression and Pearson correlation were used to evaluate the association between the dependent variables and independent variables. After that, while all

characteristics contributed to positively explaining customer retention, pricing had the biggest impact on customer retention when compared to others.

Furthermore, Dagne (2014) investigated in what are the factors in Nyala insurance that led to customer retention. As independent variables, the study used satisfaction, trust, premium, switching obstacles, and customer retention employed as a dependent variable. Pearson correlation analysis was utilized to compute bivariate analysis, while binary logistic regression was employed to compute multivariate analysis. As a consequence, only trust and customer pleasure were found to be significant factors in determining client retention.

Mekonene (2016) conducted research into the factors that influence customer happiness and retention. The study includes three independent variables: service quality, image, and price, as well as customer satisfaction as mediating variables between the dimensions. To investigate the mediating effect, multiple and hierarchical regression model tests were utilized. As a result, a significant positive association between service quality/customer satisfaction/customer retention has been discovered.

Elly et al., (2018) study is to analyze also explains the relationship between loyalty, service quality, trust, corporate image, customer satisfaction, and customer retention The results provide that quality of service has a significant and positive effect on corporate image and customer satisfaction but not on customer retention. Client satisfaction influences customer retention and trust. Loyalty has a positive significant effect on customer retention. Corporate image has a positive and significant effect on customer retention. Also, Customer retention is significantly influenced by trust.

Yilma (2019), sought to understand the elements influencing customer retention in Addis Ababa's private commercial banks. This study takes into account six factors: excellent customer service, trust, switching cost, customer satisfaction, customer relationship, and bank pricing. A regression analysis was used to analyze the data, and it was discovered that the independent variable explained 76 percent of the variation in customer retention. Aside from that, all of the independent variables mentioned above have a positive and significant correlation with customer retention. Furthermore, among the dimension's quality of

customer service, customer satisfaction, and bank price were more significant forecasters of customer retention than the other three independent variables.

Moreover, Negus (2015) tries to investigate what determines customer retention in the three private commercial banks in AA. Specifically, the study focused on the three banks around Marcato. The researcher employed a multiple regression analysis. Moreover, out of the variables i.e., quality, CRM, corporate image, pricing, services, and customer satisfaction the study found out tangibility, responsiveness, customer satisfaction, and CRM have a significant effect on customer retention.

Finally, Teklehaimanot (2017) investigates the impact of relationship marketing i.e., trust, bonding, empathy, reciprocity, and competitiveness on customer retention in CBE and Dashen bank. Multiple regression is used to analyze the data. As a result, CRM aspects like trust, bonding, empathy, reciprocity, and competitiveness. Similarly, Aboset (2017) investigates the effects of commitment, trust, communication, conflict resolution, and satisfaction on credit customer retention at selected Ethiopian commercial banks. The findings indicate that all dimensions have a considerable impact on customer retention.

2.4. Research Gap

Several types of research have been conducted to identify what are the factors affecting customer retention in different industries in many countries around the world (Usman, et al., 2014; Gunasekara, 2015; Izedin, 2020; Slama et al.; 2020; Negesu, 2015; Yilma, 2019 Mekonnen,2016; Dange, 2014; Dr. S.N. Mahapatra, 2017 and Rizwan; 2015). Despite the availability of several studies across different portions of the world, the factor affecting customer retention in banks has been debated due to dynamisms from market competition and customer behavior.

Some studies were undertaken on the factor affecting customer retention in Ethiopian commercial banks. Negesu, (2015) conducted a study in Addis Ababa on the factors that influence customer retention in three private commercial banks. Similarly, Yilma, (2019) on the factors influencing customer retention in Addis Ababa's Private Commercial Banks.

Another study by Mekonnen, (2016) analyzed the determinant of customer retention and satisfaction (mediating variable) in CBE.

Accordingly, the previous studies carried out on factors affecting customer retention in Ethiopian banks have research gaps. Some of the previous studies did not reflect the direct effect of the independent variable on customer retention in Ethiopian banking since they use a mediating variable between the independent and dependent variables. Besides, they were not considering the use of technology as one factor. So, it still demands more studies conceptualize purely by identifying different factors and examining them without a mediating factor.

To the knowledge of the researcher; an empirical study on the factor affecting customer retention focusing on DGB was not done. Hence, this study adds to the existing literature by offering further empirical information on the factors that influence customer retention.

To sum up, in prior studies some researchers use factors that affect customer retention from different service sectors' perspectives. Therefore, Table 2.4.1. represents author, study about, and variables they used in the study.

Table 2.4.1. Summary of Literature Review

Author	The study about	Variables
Usman Ahmad Qadri and Mahmood Shah Khan (2014)	Factors Affecting Customer Retention: A Case Study of Cellular Industry of Pakistan	Brand Image, Price, Switching Barriers, CS, and Trust
Gunasekara, Nilani (2015)	A Study on Factors Influencing Customer Retention towards XYZ Airlines	Price Perception, Customer Loyalty, Switching Cost, Perceived Service Quality CS, and Customer Service
Izedin, Nebat (2020)	Determinants of Customer Retention in Case of Ethio Telecom	Customer Satisfaction, Service of customer, Value, Loyalty, and Customer Expectation
Negesu, Mulugeta (2015)	A Study on The Determinants of Customer Retention in Three Private Commercial Banks in AA	Quality, Corporate Image, CRM, bank price, Services, and Customer Satisfaction.
Yilma, Daniel (2019)	Factors Affecting Customer Retention in Private Commercial Banks in AA.	Customer Service, Customer Satisfaction, Bank Pricing Switching Cost, Customer

		Relationship, Trust and
Mekonnen, Melat (2016)	The determinant of customer satisfaction and retention in CBE	Customer satisfaction as Mediating variable; and independent Service Quality, Image, Price, and Reputation
Dange, Hanna (2014)	Determinants of Customer Retention in Nyala Insurance S.C.	Satisfaction, Premium, Switching Barriers, and Trust
Dr. S.N. Mahapatra and Parveen Kuma (2017)	Customer Retention in Indian banks	Tangible, Responsiveness, Reliability, Assurance & Empathy
Salama, S. A., Muhammad, A., Barween, A., & Said, A. S. (2020)	Factors Affect Customer Retention: A Systematic Review	Systematically reviews and analyses customer retention and its related factors previous research studies

2.5. Research Hypothesis

The study hypotheses are as follows:

H_1: Service quality has a positive and significant effect on customer retention in Debub Global Bank located in A.A. branches.

H_2: Customer satisfaction has a positive and significant effect on customer retention in Debub Global Bank located in A.A. branches.

H_3: Customer Trust has a positive and significant effect on customer retention in Debub Global Bank located in A.A. branches.

H_4: Price Perception has a positive and significant effect on customer retention in Debub Global Bank located in A.A. branches.

H_5: Brand Image has a positive and significant effect on customer retention in Debub Global Bank located in A.A. branches.

H6: Technology has a positive and significant effect on customer retention in Debub Global Bank located in A.A. branches

2.6. Conceptual framework

According to Moskal and Leydens (2000), a conceptual framework is a written or visual presentation that explains either graphically or narratively. The above-mentioned section,

indicates there are many factors affecting customer retention.

Accordingly, the dependent variable (customer retention), which is the variable of major interest, and the variance is attempted to be explained by the six independent factors of service quality, customer trust, customer satisfaction, brand image, technology, and price perception are all important considerations for this study. The independent variables for this study were taken from different articles and the authors are listed below

Table 2.6.1. Contributing Authors of the independent Variables

Service quality	Ranaweera & Neely (2003), Sharma & Patterson
Customer trust	Ranaweera & Prabhu (2003), Sharma & Patterson (1999), Gounaris (2003)
Customer satisfaction	Fornell (1992); Ranaweera & Prabhu (2003), Patterson et al. (1997)
Brand image	Schulz & Omweri, (2012) & Negus, (2015), & Krishnan & Govindarajan, (2013)
Technology	Kwashie, (2012) & Dessie, 2020
Price Perception	Ranaweera & Neely (2003)

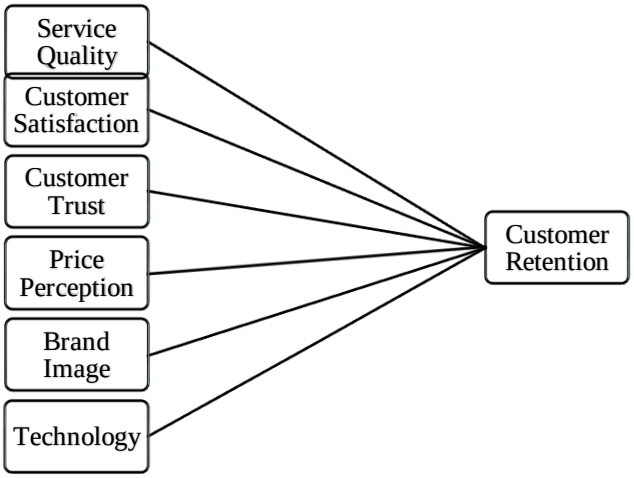


Figure 2.6.1. Conceptual Framework of Study

Source: Adapted from Ranaweera & Prabu (2003), Ranaweera & Neely (2003), and Sharma & Patterson (2000)

CHAPTER THREE

3.1. Research Design and Methodology

This chapter deals with the methodology of the study where the research approach, the research design, sample size, sampling techniques, source of data, data collection instruments, reliability and validity test, and the method of data analysis were discussed.

3.2. Research Paradigm

Knipe and Mackenzie (2006) state that it is the paradigm and the research question should determine which collection of data and analysis methods (quantitative/qualitative or mixed) would be the most appropriate for research. In addition, the paradigms are classified into four; Positivism, Post positivism, Pragmatism, and Interpretivism.

Positivism builds formal explanatory theory using empirical methods, intensive quantitative analysis, or logical calculi (Rehman & Alharthi, 2016).

Post positivism implies that there is a reality independent of human thoughts and beliefs. (Saunders et al., 2009). It promotes the triangulation of mixed (qualitative/quantitative) methodologies to investigate the diversity of facts researchable through various types of inquiries while respecting and valuing all findings as key components for knowledge creation. (McEvoy & Richards, 2006).

Because it is not tied to a specific philosophy, pragmatism is not often referred to as a paradigm or science philosophy. It is more focused on the most practical method of responding to a study topic. Additionally, Mixed methods research is typically connected with pragmatism. (O'Neil & Koekemoer, 2016).

Interpretivism, A business research philosophy that requires the researcher to subjectively understand how people interpret/experience situations" (Rehman & Alharthi, 2016). The Interpretivism philosophical paradigm is associated with the qualitative research approach

Therefore, the study adopted a pragmatism paradigm to investigate the factors affecting customer retention in DGB the reason behind using this paradigm is that the mixed method

is the preferred technique/method of post positivists to test a hypothesis or find the strength of relationships between variables or a cause-and-effect relationship.

3.3. Research Approach

To achieve the above-mentioned objective this research employed a mixed research approach. According to Creswell (2005), mixed-method research refers to the type of data being collected as multi-data (quantitative and qualitative data) and analyzed using multi-type analysis using quantitative and qualitative techniques. This provides a broader perspective of the overall issue or research problem.

A quantitative method was applied to identify the factors that have a significant effect on customer retention. Creswell (2005) confirmed that quantitative analysis is the best approach for developing cause-effect relationships between variables that yield statistical data through running statistical tools to check whether the study hypothesized relationships of the variables hold or not. While the qualitative approach was used to elaborate on the regression results and to give an explanation of the interview feedback.

3.4. Research Design

For purpose of this study, the researcher employed explanatory research design. An explanatory cross-sectional research design was also used for this study. Cross-sectional analysis is a form of observational research that analyses data of variables collected across a sample population at one point in time. Explanatory analysis, also known as analytical research, aims to find some causal relationships between the factors or variables that are relevant to the research issue. With all of this in mind, the research examines factors that affect customer retention in DGB.

3.5. Sampling Design

3.5.1. Target Population

According to Kothari (2004), the target population describes the aggregate of individuals sharing common characteristics for a given study. As per the data obtained planning and research department at the end of November 30, 2021, the number of customers of the Bank

under Addis Ababa city reached 263,235 which represents 51.6% of the total bank customers.

3.5.2. Sampling Frame

A sampling frame is a list/directory/index of cases from which a sample is selected (Mugenda & Mugenda 2003). The sampling frame of this study was a customer who is at a legal age (18 and above) and uses the banking services at DGB in Addis Ababa branches.

3.5.3. Sampling Technique

There are different types of sampling techniques to select real representatives of the population of the study. It depends on the nature of the study and the target population. First, from one of the probability sampling techniques, the researcher employed a stratified sampling technique. According to Kombo et al., (2006) stratified sampling entails separating the population into homogenous subgroups. Then, take a random sample in each subgroup. In this case, the bank categorized branches located in A.A. based on grade level. Therefore, stratified random sampling methods were applied to select branches from each grade level.

Next, among non-probability sampling convenience sampling technique was applied to select sampled respondents from the sampling frame because all of the population of the bank cannot be available at the same time. According to Battaglia (2008), inconvenience sampling technique elements of the samples have been selected from the population based on their accessibility to the researcher.

Finally, a non-probabilistic purposive sampling technique was used to select the interviewee. Therefore, managers of the resource mobilization and marketing departments were selected. This is because the researcher believes they play a particularly important role with customers.

3.5.4. Sample Size

According to Saunders et al. (2009), sample size determines the total number of sampling units needed to represent the defined target population. The total population of the study is 263,235. from this finite population of the study, the following sample size was drawn using the following (Kothari, 2004:179) formula.

$$n = \frac{Z^2.p.\ q\ N}{e^2\ (N-1) + Z^2 pq}$$

Where: n: sample size; N = Total Population; P =population reliability (or frequency estimated for a sample size); q= 1-p; e= the desired level of margin or precision of error (5% error or 0.05); and Z =Z denotes for the value corresponding to the level of 95% confidence level found in statistical table i.e., 1.96

$$n = \frac{3.8416(0.25)\ 263{,}235}{0.0025(263{,}235) + 3.8416(0.25)}$$

$$n = 383.60 \approx \mathbf{384}$$

As a result, based on the formula this study used a sample of 384 customers of DGB under A.A. Branches.

3.5.5. Sampling Procedure

The sampling design that was applied for the research is two-level sampling. Initially, stratified sampling was used to group the bank branches. As per the information obtained from the Branch banking department, based on the volume of transactions, performance, the number of staff, banking products/service ranges, customer service delivery facility and technology the Bank grouped all of its branches into three branches Grade levels. These are Grade I branches, Grade II branches, and Grade III branches. Presently, DGB has 71 branches in Addis Ababa. From these branches. The bank has 1 branch under Grade I, 5 branches under Grade II, and 63 under Grade III. Thus, the researcher used the bank's branch gradings as strata. To make homogeneous primary data collection from the sample.

Due to resource constraints, the researcher was only taking 15 branches of DGB located in Addis Ababa city. To address all branch grade levels, the researcher selected all Grade I and Grade II branches as well as randomly select the remaining sample branches from Grade III branches.

To select the sampled respondents (bank customers) from the selected branches, a convenience sampling technique was applied. Finally, the sample size was distributed for selected branches through the proportionate stratified sampling technique based on their number of customers.

3.5.5. Proportionate stratified sampling

No.	Grade	Branch	Number of Customers	Percentage share	Sample to be distributed
1.	I	Megenagna	4,587	6.8%	26
2.	I	Wossen	4,312	6.4%	25
3.	I	Aratkilo	2,213	3.3%	13
4.	I	CMC	1,659	2.5%	9
5.	I	Saris	6,262	9.3%	36
6.	I	Sengatera	5,579	8.3%	32
7.	I	Hayahulet	4,947	7.3%	28
8.	I	Teklehaymanot	5,428	8.0%	31
9.	I	Lideta	4,289	6.4%	24
10.	II	Atlas	6,027	8.9%	34
11.	II	Churchill	1,467	2.2%	8
12.	II	Bole Medhanialem	3,323	4.9%	19
13.	II	Bole	1,081	1.6%	7
14.	II	Stadium	9,898	14.7%	56
15.	III	Beklobet	6,364	9.4%	36
Total			67,436	100%	384

3.6. Sources of Data

For this study, both primary and secondary sources of data were employed. Primary data were collected by questionnaire from the customers. In addition, to triangulate the data obtained from the questionnaire; an interview was made with the resource mobilization and marketing department. Besides, unpublished and published theses were used to elaborate the research findings.

3.7. Data collection Method and Instrument

In this study, the researcher gathered the required data from customers' and managers' DGB through questionnaires and interviews. Moreover, the interview was designed to conduct a structured interview with resource mobilization and marketing managers of DGB. The use

of questionnaires is the most appropriate tool for collecting primary data. Given this, the questionnaire is organized in tandem with the study objectives and it comprises two sections.

The first section of the survey questionnaire portrayed the general demographic information of the sampled respondents. The second part and third parts were containing the main questions which are linked directly with the research objectives. These questions have a Likert scale rating format ranging from 1 to 5 where; Strongly Agree (SA) = 5, Agree (A) = 4, Neutral (N) = 3, Disagree (D) = 2, and Strongly Disagree (SD)= 1. and the questionnaire prepared in both Amharic and English language.

According to Bougie and Sekaran (2009), the purpose of the pre-test activity is to ensure that the questionnaires are meaningful, and easily understood and to achieve face validity. They also pointed out the minimum number for a pilot study is 15-30. To determine the degree of validity and reliability of the instrument a pilot survey was conducted by taking 15 respondents. Thus, the researcher gained modified various weaknesses of the questions and correct those before the questionnaire was distributed.

Furthermore, the study performs data coding, entry, editing, and cleaning activities then after the statistical package for the social sciences (SPSS) version 24.0 was applied for processing and analysis of the results. Finally, various empirical evidence was used for triangulation to support the primary data results. whereas, the data collected through the interview was presented and discussed in words (qualitatively).

3.8. Data Analysis Methods

In this study, two types of statistical analysis were used to test the proposed hypotheses. These are inferential statistics and descriptive statistics. Descriptive statistics such as standard deviation and mean were employed to understand the subject matter clearly. Then, correlation analyses between Dependent Variable and Independent Variable were made to measure the strength of association. Besides, multiple regression analysis was applied to investigate the factors that affect customer retention in DGB.

The result of the mean was analyzed by Zaidatol and Bagheri, (2009) developed interval classification for Likert Scale. This one is the most widely used in many academic researches. According to this classification, for a five-point Likert Scale, a mean score of greater than 3.8 is considered as high, between 3.4 to 3.79 is considered as moderate and, finally a mean score of less than 3.39 is considered as low.

More importantly, before the regression analysis and hypothesis testing, basic assumptions such as heteroskedasticity, multicollinearity, and normality were be tested to know if the assumptions of CLRM violated or not. Accordingly, the study intends to apply scatterplot and P-P plot to check assumptions of normality and heteroskedasticity respectively. Also, the study was undertaken multicollinearity using VIF to check whether there is a correlation or not among the independent variables. If the assumptions are violated then interpreting the results from running multiple regressions becomes false.

3.9. Model Specifications

Multiple regressions are an extension of simple linear regression. It is used to forecast a variable value depending on the value of two or more variables. Multiple regression is used to create an equation that may predict a dependent variable as a function of numerous independent variables. (Cohelho-Barros et al., 2008)

In general, the multiple regression equation model of this study; Y = X1, X2… Xk is given by: $CR = \alpha+\beta_1 (SQ) + \beta_2 (CS) + \beta_3 (CT)+ \beta_4 (PP)+ \beta_5 (BI) +\beta_6(Tech)+\varepsilon$:

Where: - CR= Customer Retention; **SQ**= Service Quality; **CS**= Customer Satisfaction **TR**= Customer Trust **PR**= Price Perception **BI**= Brand Image **Tech**= Technology

β_1.....β_6= Coefficients/Slops of an independent variable.
α: Intercept, where the regression line crosses the y axis
e_x**:** Error term

3.10. Validity and Reliability

3.10.1. Validity

The correctness and meaningfulness of conclusions drawn from study findings are referred to as validity. (Mugenda & Mugenda, 2003). The researcher employed content validity i.e., by consulting advisor and bank experts to improve the instruments and interview. As a

result, Ambiguous items were discarded or modified, based on the pilot results, advisor, and bank experts.

3.10.2. Reliability

Reliability is a measurement of how consistent a research instrument's outcomes or data are after several trials. (Mugenda & Mugenda, 2003). For this study, internal consistency reliability was determined by Cronbach's alpha. Zikmund et al. (2010) stated that scales with coefficient Cronbach's alpha greater than 0.7 are considered adequate to determine reliability.

Accordingly, for overall reliability test is 0.915 which is higher than the cutoff point This indicates that the items have a high degree of internal consistency.

Table 3.10.1. Reliability Test Results

Measurement	Number of items	Cronbach's alpha
Service Quality	5	.824
Customer Satisfaction	7	.891
Customer Trust	5	.821
Price Perception	5	.828
Brand Image	4	.758
Technology	4	.719
Customer Retention	5	.732
	35	.915

Source: Own Survey, 2022

3.11. Research Ethics

The data gathered were used solely to understand the factors affecting customer retention. Furthermore, the researcher is solely responsible for conducting the whole research process and shall abide by all the policies regarding the organization as well as Addis Ababa University. The research was done accordingly to the guidelines, rules, and regulations of the university. The four stages of ethics in doing research are followed by the way of good design, method of data collection, analysis of data, and proper dissemination. There shall no misinterpretation or misuse of the data collected from the organization.

CHAPTER FOUR

4.1. Data Analysis and Discussion

This chapter discusses the research findings' data analysis and interpretation. It also included a detailed description of the interviewee and the questionnaire survey. Statistical Package for Social Science (SPSS v. 24.0) was used to conduct the data analysis. Furthermore, the questionnaire employed a quantitative approach, with results given in terms of mean, correlation, and regression, followed by a discussion of the results' potential implications for the research topic.

4.2. Response Rate

Three hundred and eighty-four questionnaires were distributed across fifteen branches for this investigation. Three hundred fifty (350) questionnaires, or 91.1%, were successfully returned. The gathered surveys were then reviewed for missing data and other inconsistencies, and 337(87.7) valid and useable questionnaires for statistical analysis were found. According to Mugenda & Mugenda (2003), the response rate must be representative to proceed to the data analysis phase; a response rate of 50% is satisfactory, 60% is good, and 70% and above is great. As a result, the analysis was based on 337 responses.

4.3. Socio-Demographic Characteristics of Respondents

Some background information, such as demographic data, is useful before beginning the data analysis to make the analysis more meaningful for the readers. The samples in this study were categorized based on a variety of background data gathered via a supplementary questionnaire survey. The goal of the demographic analysis in this study is to characterize the sample's characteristics, such as the number of respondents, the proportion of males and females in the sample, the age range, occupation status, and educational level, which are all detailed below.

Table 4.3.1. Respondents Profile

Profile of Respondents	Category	Frequency	Percentage
Gender	Male	206	61.1
	Female	131	38.9
	Total	337	100
Age Group	18-30	127	37.7
	31-45	165	49.0
	46-60	34	10.1
	>60	11	3.3
	Total	337	100
Education Level	Primary Education	17	5.0
	Secondary Education	39	11.6
	TVET/Diploma	53	15.7
	First Degree	137	40.7
	Master's Degree and above	91	27.0
	Total	337	100
Occupation Status	Government	96	28.5
	Private	103	30.6
	Self-Employed	72	21.4
	Unemployed	23	6.8
	Student	43	12.8
	Total	337	100
How long have you been a customer of the bank?	<1 Year	71	22.6
	1-3 Years	124	35.3
	3-6 Year	95	28.2
	>6 Years	47	13.9
	Total	337	100

Source: Own Survey, 2022

The above table 4.3.1. shows the sex compositions of respondents, from the total respondents', 206 (61.1 percent) respondents were males and 131 (38.9 percent) were females. Hence, the majority of the respondents were males.

The age category of Respondents was divided into four categories for the study. The age group of 31-45 years (49 percent) had the highest proportion of responders, followed by 18-30 years (37.7 percent), 46-60 years (10.1 percent), and above 60 years old (3.3 percent). This means that the majority of responders were between the ages of 31 and 45.

Regarding the respondents' educational backgrounds, 5 percent have less than primary education, 11.6 percent have a secondary education, 15.7 percent are TVET/Diploma holders, 40.7 percent have a bachelor's degree or higher, and the remaining 27 percent have a master's degree or higher. This indicates that the vast majority of respondents are literate and can readily comprehend and reply to the questions.

According to the respondents' vocations, the majority (30.6 percent) worked in the private sector. Government institutions accounted for 28.5 percent, self-employed for 21.4 percent, and students and unemployed for 12.8 percent and 6.8 percent of the total, respectively.

In terms of years as a DGB customer, the majority of the respondents, 124 (35.3 percent), were served in DGB for 1-3 years, followed by 3-6 years served, which is 95 (28.2 percent). While accounting for 71 (22.6%) and 47 (13.9%) of respondents served by the bank for less than a year and more than 6 years, respectively. This suggests that the majority of respondents were Debub Global Bank customers for 1-3 years.

4.4. Descriptive statistics of study variables

One statistical strategy for determining equivalence across the group is to use simple evaluations of mean and standard deviation for the variables of interest for each group in the research. (Marczyk, Dematteo, and Festinger, 2005). The mean displays how much the sample group agreed or disagreed with the different statements on average. The lower the mean, the greater the number of people who disagree with the assertion. The higher the average, the more people agree with the statement.

As previously stated, Zaidatol and Bagheri, (2009) developed interval classification for Likert Scale. This one is the most widely used in many academic researches. According to this classification, for a five-point Likert Scale, a mean score of greater than 3.8 is considered as high, between 3.4 to 3.79 is considered as moderate and, finally a mean score of less than 3.39 is considered as low.

4.4.1. Service Quality Dimension

Table 4.4.1. Service Quality Items

No	Items	Mean	Standard deviation
1	Debub Global Bank delivers service as promised to its customer within a given time.	4.00	.827
2	Debub Global Bank's physical facilities and office layout associated with service are very pleasing and comfortable.	3.85	.973
3	Debub Global Bank's working hours and branch location are convenient.	3.94	.934
4	Debub Global Bank staffs always provide prompt service and are willing to help the customer.	3.96	.960
5	Debub Global Bank continuously attends to its customer quarries.	3.79	.790
	Grand Mean	3.91	.688

Source: Own Survey, 2022

According to the above table-4.4.1, respondents highly agreed with the first four assertions in the service quality dimension, such as bank reliability, tangibility, responsiveness, and assurance, with mean scores of 4.00, 3.85, 3.94, and 3.96, respectively. Further, respondents moderately agreed with the empathy statement, with a mean value of 3.79. In general, the service quality component has an overall mean value of 3.91, indicating that respondents highly agreed with the service quality statements. Furthermore, the standard deviation of the service quality dimension is 0.688, indicating that the majority of the selected respondents' responses are concentrated around the mean.

Also, the feedback from the marketing and resource mobilization managers' interview presented that they believe the quality of service plays a great role in service providing industry availing timely and error-free service, enhancing satisfaction, and building a long-term relationship. Moreover, the bank conducts a survey yearly on the performance of service delivery time so it can enhance the service offered to customers in return the bank expected quality of service to increase customer retention.

4.4.2. Customer Satisfaction Dimension

Table 4.4.2. Customer Satisfaction Items

No	Items	Mean	Standard deviation
1	I am satisfied with the product and service offered by Debub Global Bank.	3.78	.947
2	I am satisfied with Debub Global Bank's pricing policy (Interest rate, service charge, and commission)	3.87	.850
3	I am satisfied with the performance of Debub Global Bank employees.	3.81	.919
4	I am satisfied with the accessibility of Debub Global Bank branches.	3.93	.945
5	I am satisfied with the way Debub Global Bank handles complaints.	3.99	.957
6	I am satisfied with Debub Global Bank's adequate and timely information.	3.86	.869
7	I am satisfied with being a customer of Debub Global Bank.	4.05	.901
	Grand Mean	3.89	.715

Source: Own Survey, 2022

Table-4.4.2 shows that, for the last six items, respondents were very happy with the bank's pricing policy, the performance of employees, accessibility of branches, complaint handling, appropriate and timely information, and being a customer of the bank, with mean scores of 3.87, 3.81, 3.93, 3.99, 3.86, and 4.05, respectively. In addition, with a mean score of 3.78, respondents were moderately satisfied with the products and services offered by the bank. Overall, respondents highly agreed on customer satisfaction items by weighing a mean of 3.89 and a standard deviation of 0.715.

The interview feedback indicated that they believe the more customer satisfy the more they become loyal and stay with the bank. In addition, the bank continuously undertakes surveys to achieve customer-centric service excellence and aimed to work toward customer relationship management to better understand and address customers' needs via building a smooth relationship and mutual trust. The Bank thrives to promote customer retention through identifying and responding to the interest and expectations of customers to realize its goal of sustainable resource mobilization and profitability.

4.4.3. Customer Trust Dimension

Table 4.4.3. Customer Trust Items

No	**Items**	Mean	Standard deviation
1	I feel safe in all of my transactions with Debub Global Bank.	3.77	.902
2	I trust Debub Global Bank products/ services offered to me.	3.99	.781
3	Debub Global Bank is trustworthy during the cash payment process.	3.80	.885
4	Debub Global Bank fulfills its obligation to its customers.	3.74	.849
5	I trust Debub Global Bank with my personal information.	3.88	.883
	Grand Mean	3.83	.662

Source: Own Survey, 2022

As indicated in Table-4.4.3., respondents were asked about their degree of agreement toward the customer trust dimension. Accordingly, respondents highly agreed with the statement the product offered to them, believes the bank is trustworthy while the cash payment process and trust the bank with their personal information with a mean score of 3.99, 3.80, and 3.88 respectively. Concerning, fulfilling its obligation and feeling safe while transaction respondents moderately agreed with the mean score of 3.74 and 3.77. The overall mean value for the customer trust dimension is 3.83 and the standard deviation of 0.662, indicates a high level of agreement.

According to the interviewees, trust is another curtail aspect playing a great role in customer retention it means when the customer wanted to buy a financial product and service is the first question that comes to their mind is it trustworthy and can fulfill what I need. Consequently, DGB makes a relentless effort so that customer feels entrusted with every service they get from the bank by making sure they get the best security to keep safe their fund and other personal belongings.

4.4.4. Price Perception Dimension

Table 4.4.4. Price Perception Items

No	Items	Mean	Standard deviation
1	Debub Global Bank charges fees appropriately.	3.91	.887
2	Debub Global Bank has competitive interest rates.	4.08	.771
3	Debub Global Bank offers a special discount on its bank charges	4.16	.849

	for its loyal customer.		
4	I will say good things about Debub Global Bank's pricing policy to other people.	3.85	.793
5	I will continue to stay with Debub Global Bank unless the price is significantly higher for the same service compared to the competitors.	4.23	.793
	Grand Mean	4.04	.631

Source: Own Survey, 2022

As shown in table-4.4.4., all of the statements found in the price perception indicate that the respondents were highly agreed regarding fees, interest rate, special discounts, said good things about pricing policy, and willing to stay unless a significant price change is offered by competitors, with mean scores of 3.91, 4.08, 4.16, 3.85, and 4.23, respectively. In terms of the price perception component, a high agreement with a mean score of 4.04 and a standard deviation of 0.631 were accounted for.

The interview feedback showed that they believe the price is the indicator of quality on the customer side but it depends on the customer. Setting high prices for price-sensitive customers led to shifting. Therefore, a competitive pricing strategy will help a great deal in retention. Moreover, the pricing decisions or the decisions related to deposit interest rate and fee or commission charged by DGB are motivating the target market to engage more.

4.4.5. Brand Image Dimension

Table 4.4.5. Brand Image Items

No	Items	Mean	Standard deviation
1	Debub Global Bank delivered a good brand image to its customers.	4.02	.862
2	The visually appealing of Debub Global Bank branches is pleasing.	4.07	.848
3	I consider Debub Global Bank reputation is high.	3.45	1.034
4	Debub Global Bank uses different promotional tools to enhance its brand image.	4.18	.725
	Grand Mean	3.92	.665

Source: Own Survey, 2022

As indicated in above table-4.4.5., there was a moderate mean score of 3.45 among the respondents considering the bank's reputation is high. Having said that, high mean scores of 4.02, 4.07, and 4.18 accounted for the bank delivering a good image, a pleasing branch appearance, and using different promotions to enhance its brand image. Moreover, A total of

high mean scores of 3.92 accounted for concerning brand image dimension with a standard dimension of 0.665.

The interview was made with marketing and resource mobilization managers regarding brand image, think about it if there are no alternative banks i.e., no competitors in the country it will be easy for the bank not to build its brand because customers have nowhere to shift and vice versa. Nowadays, banks offer the same product and service it is hard to compete on that so the banks use different promotional strategy is to arouse customers' awareness, build their reputation or positive words of mouth, create brand preferences, and maintain the existing customers. Advertising is one of the promotional tools intensively utilized by the Bank. Because through it the company believes that it can reach more audience.

4.4.6. Technology Dimension

Table 4.4.6. Technology Items

No	Items	Mean	Standard deviation
1	Debub Global Bank offers a wide range of digital service channels like ATM, POS, Internet, and mobile banking service.	3.94	.963
2	Debub Global Bank makes efficient use of technology.	3.87	.885
3	Debub Global Bank implements advanced technology to improve the way of doing business.	3.85	.919
4	Debub Global Bank uses a core banking system, that aid customer to get accessing their fund and transacting everywhere.	4.09	.835
	Grand Mean	3.93	.664

Source: Own Survey, 2022

According to the findings shown in table-4.4.6., the bank delivering a wide range of digital services, efficient use of technology, applying advanced technology, and using core banking to transact everywhere had a high mean score of 3.94, 3.87, 3.85, and 4.09, respectively. Overall, respondents highly agreed with the use of technology with a mean score of 3.93 and a standard deviation of 0.664.

As per the interview, feedback technology makes life easy and simpler by providing easy/flexible money transfer and account information, quick service delivery, and availing of different e-banking channels. Therefore, implementing new banking technology makes

customers eager to try it. On top of that, the Bank is in a completion period to modernize its IT system through the acquisition of state of technology. Shortly, the Bank will provide a smoother flow of banking transactions and processes than ever so that the Bank will deliver consistent services without delay.

4.4.7. Customer Retention Dimension

Table 4.4.7. Customer Retention Items

No	Items	Mean	Standard deviation
1	Debub Global Bank provides the best service quality.	3.70	.944
2	I have said positive things about Debub Global Bank to others.	3.58	.900
3	I plan to continue my relationship with Debub Global Bank in the future.	3.54	.899
4	I would recommend it to friends and relatives as the best bank.	3.86	.805
5	I consider Debub Global Bank as my first choice.	3.85	.874
	Grand Mean	3.70	.614

Source: Own Survey, 2022

Table-4.4.7. shows the level of agreement toward the customer retention dimension. Accordingly, respondents shows a moderate agreement toward the statement the bank provides the best service quality, said positive things about the bank to others, and plan to go ahead with the bank in the future with a mean score of 3.70, 3.58, and 3.54 respectively, on top of that, the last two statements indicated the high level of agreement found on the statement like recommend other to use the bank and selecting as their first choice accounted a mean value of 3.86 and 3.85 respectively. In general, the respondents moderately agreed on the customer retention dimension items with a mean score of 3.70. The interviewees listed some additional determinants that affect customer retention other than the above-mentioned variable for instance accessibility, tailored or diversified product, and use of alternative channels.

Table 4.4.8. Overall Descriptive Statistics

Variable	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
Service Quality	337	3.9104	.68880
Customer Satisfaction	337	3.8995	.71566
Customer Trust	337	3.8362	.66296

Price Perception	337	4.0463	.63113
Brand Image	337	3.9280	.66523
Technology	337	3.9355	.66432
Customer Retention	337	3.7086	.61466
Over all Mean		3.8949	0.6632

Source: Own Survey, 2022

The descriptive statistics analysis is based on Zaidatol and Bagheri's (2009) cut-points that were used to analyze the mean result. Those with a mean score of less than 3.39 are considered low, those with a mean score of 3.40 to 3.79 are considered moderate, and those with a mean score of more than 3.79 are considered high.

Accordingly, the above table-4.4.8 shows the dimensions (i.e., quality of service, customer satisfaction, customer trust, price perception, brand image, technology, and customer retention) has a mean of 3.91, 3.89, 3.83, 4.04, 3.92, 3.93, and 3.70 respectively. Based on the respondents' responses, it is possible to deduce that the sampled respondents highly agreed on trust, satisfaction, quality, price, image, and technology dimension items.

Furthermore, respondents moderately agreed on the customer retention dimension. Moreover, the overall mean of the dimensions accounted for a mean value of 3.89, indicating that most respondents highly agreed on the dimensions, while the standard deviation, 0.663, suggested low dispersion. hence, it implies most of the sampled respondents' responses are clustered around the mean.

4.5. Correlation Analysis

This study employed Pearson´s correlation coefficient (r) analysis to identify the strength of the relationships between independent and dependent variables. The correlation" r" value requires both a magnitude and direction of either positive or negative. It may take on a range of values from -1 to 0 to +1. A correlation coefficient of zero indicates that no association exists between the measured variable. -1 is a perfect negative relationship whereas the correlation coefficient of +1 is a perfect positive strong relationship.

To interpret the strengths of relationships between variables, the researcher used the guidelines suggested by (Tylor, 1999). His classification of the correlation coefficient (r) is as follows: 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong.

Table 4.5.1. Pearson Correlation Analysis

Correlations								
		SQ	CS	CT	PP	BI	TE	CR
Service Quality	Pearson Correlation	1						
	Sig. (2-tailed)							
Customer Satisfaction	Pearson Correlation	.098	1					
	Sig. (2-tailed)	.074						
Customer Trust	Pearson Correlation	.751**	.103	1				
	Sig. (2-tailed)	.000	.058					
Price Perception	Pearson Correlation	.720**	.104	.731**	1			
	Sig. (2-tailed)	.000	.056	.000				
Brand Image	Pearson Correlation	.555**	.010	.593**	.699**	1		
	Sig. (2-tailed)	.000	.861	.000	.000			
Technology	Pearson Correlation	.130*	-.030	-.003	.063	.094	1	
	Sig. (2-tailed)	.017	.583	.954	.252	.085		
Customer Retention	Pearson Correlation	**.703****	**.453****	**.713****	**.717****	**.601****	**.123***	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.024	
	N	337	337	337	337	337	337	337
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

Source: SPSS Output, 2022

Table 4.5.1. reveals that the person correlation value of the variables is Service Quality (0.703), Customer Satisfaction (0.453), Customer Trust (0.713), Price Perception (0.717), Brand Image (0.601), and Technology (0.123) at a significant level. As a result, four factors namely quality of service, customer trust, price perception, and brand image have a high and strong positive correlation or are associated with the dependent variable. Furthermore, customer satisfaction and technology have a moderate and weak link with the dependent variable.

4.6. Assumption tests

Before applying the model, it should be evaluated to see if it can assess the link between multiple independent or predictor variables and a dependent or criterion variable. These assumptions are as follows:

4.6.1. Normality Assumption

The normality test is identified using graphical methods, specifically the histogram. According to Brooks (2008), if the residuals are regularly distributed, the histogram should be bell-shaped. Figure 4.6.1 shows that the histogram is quite symmetrically bell-shaped. As a consequence, the outcome shows that there is no major breach of the assumption's normality.

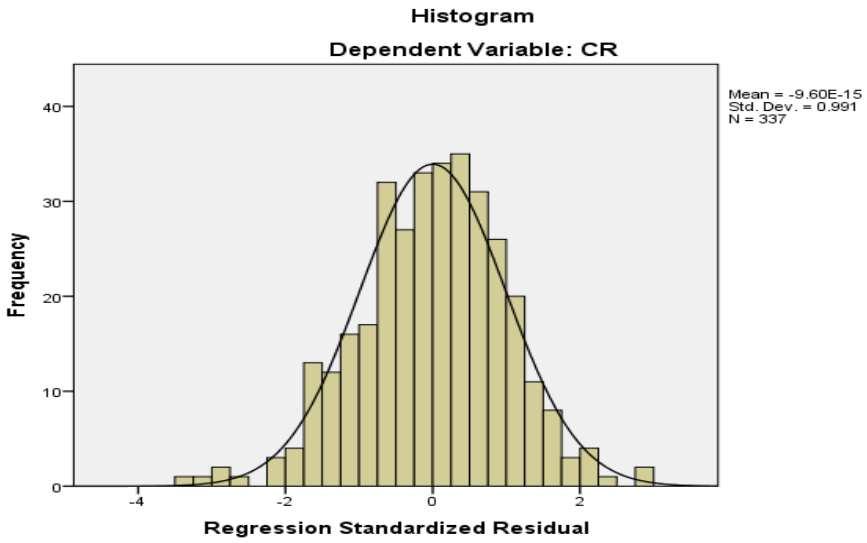


Figure 4.6.1. Normality-Histogram Graph

Source: SPSS Output, 2022

Furthermore, running descriptive statistics to obtain kurtosis and skewness is a popular rule-of-thumb test for normality. When the data is properly distributed, the skew should be between +1.96 and -1.96. Kurtosis should also be between +1.96 and -1.96 when the data is properly distributed (George and Marllery, 2010).

Table 4.6.1. Normality Test

Normality Test							
Variable	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Service Quality	337	3.9104	.68880	-.823	.133	1.313	.265
Customer Satisfaction	337	3.8995	.71566	-.398	.133	.232	.265
Customer Trust	337	3.8362	.66296	-.284	.133	.253	.265
Price Perception	337	4.0463	.63113	-.625	.133	1.023	.265
Brand Image	337	3.9280	.66523	-.356	.133	.100	.265
Technology	337	3.9355	.66432	-.692	.133	.592	.265
Customer Retention	337	3.7086	.61466	-.604	.133	1.915	.265

Source: SPSS Output, 2022

Normality analysis for seven variables was performed using SPSS 24.0, as shown in table 4.6.1. The results demonstrate that all seven variables' skewness and kurtosis values in this research are within the range of +1.96 to -1.96.

4.6.2. Linearity

According to Waters and Osborne (2002), standard multiple regression can only predict the link between dependent and independent variables effectively if the associations are linear. As shown in Figure 4.6.1, the scatter and P-P plot findings demonstrated that the study met the linearity assumptions.

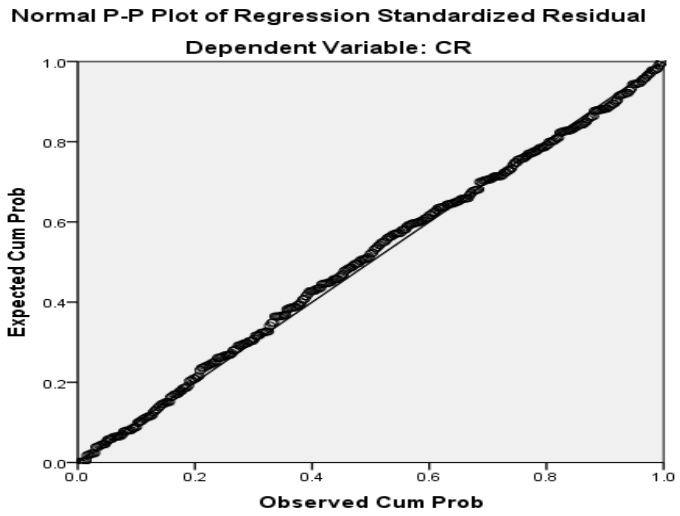


Figure 4.6.2. p-p plot

Source: SPSS Output, 2022

4.6.3. Homoscedasticity

According to Hair, Anderson, and Tatham (1996) homoscedasticity is defined as homogeneity of variance. Scatter plots between a dependent variable and each of the independent variables and/or scatter plots of the residuals (ZRESID) and predicted values (ZPRED) were checked. As indicated in Figure 4.6.3. the scatter plot takes an approximate shape of a rectangular pattern and has no cluster or systematic. This implies that there is no serious violation of the assumption of homoscedasticity.

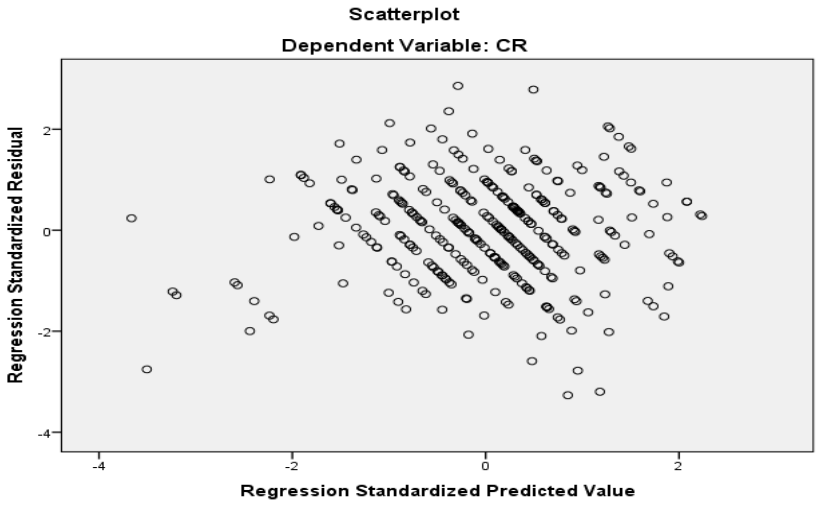


Figure 4.6.3. scatter plot

Source: SPSS Output, 2022

4.6.4. Multicollinearity Test

The presence of multicollinearity in the model is detected by using the Variance Inflation Factor. As noted by Hill, R.C., and Adkins, (2003), if the variance inflation factor exactly or exceeds 10 then there is a problem of multicollinearity. Lower levels of VIF are desirable while higher levels of VIF may affect adversely the results of the regression.

Table 4.6.4. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Service Quality	.361	2.773
Customer Satisfaction	.977	1.024
Customer Trust	.345	2.901
Price Perception	.316	3.160
Brand Image	.488	2.048
Technology	.953	1.050

Source: Source: SPSS Output, 2022

As shown in the above table since the variance inflation factor is below 10, and the tolerance value below 10 implies there is no serious multicollinearity problem among the variables and hence all the independent variables can be considered in the model estimation.

4.7. Multiple Regression Analysis

In this study, a multiple regression model is used to examine factors affecting customer retention in DGB using independent variables (service quality, customer trust, brand image, customer satisfaction, price perception, and technology) and dependent variables (customer Retention). Accordingly, a significance level of five percent was used.

Table 4.7.1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879[a]	.772	.768	.29604
a. Predictors: (Constant), TE, CT, CS, BI, SQ, PP				

Source: SPSS Output, 2022

The R-Square statistic tells us the proportion of variance in the dependent variable that is accounted for by the independent variables. As indicated in the model summary table-4.7.1., the co-efficient of determination (R^2) is 0.772 which means 77.2 percent of the variance in customer retention in DGB can be explained by the six variables (service quality, customer satisfaction, customer trust, price perception, brand image, and technology), and the rest 22.8 percent to be explained by other factors.

Table 4.7.2. ANOVA analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	98.023	6	16.337	186.409	.000[b]
	Residual	28.922	330	.088		
	Total	126.945	336			
a. Dependent Variable: CR						
b. Predictors: (Constant), TE, CT, CS, BI, SQ, PP						

Source: SPSS Output, 2022

The above Table 4.7.2. - showed an analysis of variance (ANOVA). F-ratio is a test of the null hypothesis that the regression coefficients are all equal to zero. For this data, F= 186.409 is significant at the level of significance is 0.000 which is less than five percent. Hence, which is statistically significant. Therefore, this indicates that all the independent variables used in this study collectively or jointly have strong statistically significant predictors of customer retention in DGB.

Table 4.7.3. Estimated Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.977	.165		-5.923	.000		
	Service Quality	.194	.039	.217	4.967	.000	.361	2.773
	Customer Satisfaction	.330	.023	.385	14.470	.000	.977	1.024
	Customer	.238	.041	.257	5.736	.000	.345	2.901

	Trust							
	Price Perception	.203	.045	.209	4.466	.000	.316	3.160
	Brand Image	.158	.035	.171	4.544	.000	.488	2.048
	Technology	.072	.025	.078	2.896	.004	.953	1.050
a. Dependent Variable: CR								

Source: SPSS Output, 2022

The researcher conducted multiple regression analyses so as to determine the extent to which the factors that affect customer retention. Based on the above table, the equation becomes:

$Y = \alpha + 0.217SQ + 0.385CS + 0.257CT + 0.209PP + 0.171BI + 0.078TE + \varepsilon$

Where: - Dependent variable CR= Customer Retention;

Independent variables SQ= Service Quality; **CS**= Customer Satisfaction **TR**= Customer Trust **PR**= Price Perception **BI**= Brand Image **TE**= Technology

4.8. Regression Analysis and Validating the proposed Hypotheses

H_1 Service Quality has a positive and significant effect on Customer Retention in Debub Global Bank

The results of multiple regressions show at a five percent level of significance Service Quality dimension has a positive and significant effect on customer retention in DGB with a coefficient value of 0.217. The finding implies that; holding other things at constant, shows that a 1 percent improvement in the Service Quality dimension leads the customer retention to increase by 21.7 Percent. which is a percent increase in service quality dimension item (i.e., tangibility, responsiveness, empathy, reliability, and assurance), the customer retention toward DGB increased by 21.7 percent

In line with the study findings of Salma et al (2020); Dr. S.N. Mahapatra; Yilima (2019); (2017), Mekonene (2016); and Negus (2015) confirmed that there is a positively and

statistically significant relationship exists between the independent variable (service quality) and dependent variable (customer retention). Therefore, the hypothesis is supported.

H_2: Customer Satisfaction has a positive and significant effect on Customer Retention in Debub Global Bank

It is positive and significant in determining customer retention in DGB at a 5% critical value. For one percentage increase in customer satisfaction, the Bank will increase its customer retention by 38.5 percent. That means a percentage raises in customer satisfaction like offering products/services, fair pricing policies, employees performance branch accessibility, complaint handling, and adequate information then the customer retention increased by 38.5 percent.

In line with the study findings of Yilma (2019); Izedin (2020); Elly et al. (2018); Mengesha(2015); Dagne (2014); Aweke (2016); and Negus (2015) confirmed that there is a positive and statistically significant relationship exists between the independent variable (customer satisfaction) and dependent variable (customer retention). Therefore, the hypothesis is supported.

H_3: Customer Trust has a positive and significant effect on Customer Retention in Debub Global Bank

As it was expected that the coefficient of the customer trust has positive and statistically significant at $p<0.05$ level and its coefficient is 0.257. This suggested that other things are constant when the customer trust dimension increases by one percent then customer retention in DGB rise by 25.7 percent. That means providing security while transaction and cash payments also with personal information then the customer retention will change by percent of 25.7.

In line with the study findings of Yilma (2019); Salama et al (2020); Mengesha (2015); Elly et al. (2018); Aweke (2016); Dagne (2014); and Fitsum (2017) confirmed that there is positive and statistically significant relationship exists between the independent variable

(customer trust) and dependent variable (customer retention). Therefore, the hypothesis is supported.

H_4: Price Perception has a positive and significant effect on Customer Retention in Debub Global Bank

The positive slope for Price Perception as a predictor of customer retention in DGB is 0.209. Other things at constant one can deduce that by improving Price Perception dimensions (appropriate fees, competitive interest rates, special discounts, and significant difference compared to competitors for the same service) changed by a percent then customer retention will be changed by 20.9 percent.

In line with the study findings of Negus (2015); Aweke (2016); and Mengesha (2015) confirmed that there is a positive and statistically significant relationship exists between the independent variable (pricing perception) and dependent variable (customer retention). Therefore, the hypothesis is supported.

H_5: Brand Image has a positive and significant effect on Customer Retention in Debub Global Bank

At a five percent level of significance, the Brand Image dimension has significant and positive relationships with customer retention at DGB at a p-value of 0.000 and 0.171 coefficient value. This finding is in line with the research hypothesis. This entails that holding other things at constant one can deduce that a percentage improves in Brand Image dimensions: delivering a good image to its customer, visual appealing branches, bank reputation and aid by different promotional tools to enhance its image then customer retention will be enhanced by 17.1.

In line with the study findings of Elley et al (2018); and Usman et al. (2014); confirmed that there is a positive and statistically significant relationship exists between the independent variable (brand image) and the dependent variable (customer retention). Therefore, the hypothesis is supported.

H_6: Technology has a positive and significant effect on Customer Retention in Debub Global Bank

The results of multiple regressions show at a five percent level of significance Technology dimension has a positive and significant effect on customer retention in DGB with a coefficient value of 0.078. The finding implies that; holding other things at constant, shows that a 1 percent improvement in the Technology dimension leads customer retention to increase by 7.8 percent. which is a percent increase in service quality dimension item (i.e., offering digital service, using efficiently, improving the way business do, and aiding the customer to access their fund), the customer retention toward DGB increased by 7.8 percent.

The likely reason for the positive and significant effect is because people are becoming technologically savvy and banks are advancing toward using technology. Therefore, the hypothesis is supported.

Table 4.8.1. Summary of the Research Hypothesis Result

Hypothesis	Findings		Result
H_1: Service Quality has a positive and significant effect on Customer Retention in Debub Global Bank	$\beta = 0.217$; $p<.05$	Positive and Significant	Supported
H_2: Customer Satisfaction has a positive and significant effect on Customer Retention in Debub Global Bank	$\beta = 0.385$; $p<.05$	Positive and Significant	Supported
H_3: Customer Trust has a positive and significant effect on Customer Retention in Debub Global Bank	$\beta = 0.257$; $p<.05$	Positive and Significant	Supported
H_4: Price Perception has a positive and significant effect on Customer Retention in Debub Global Bank	$\beta = 0.209$; $p<.05$	Positive and Significant	Supported
H_5: Brand Image has a positive and significant effect on Customer Retention in Debub Global Bank	$\beta = 0.171$; $p<.05$	Positive and Significant	Supported
H_6: Technology has a positive and significant effect on Customer Retention in Debub Global Bank	$\beta = 0.078$; $p<.05$	Positive and Significant	Supported

Source: Own Survey, 2022

CHAPTER FIVE

5.1. Summary of Findings, Conclusions, and Recommendations

In this section of the research study, major findings were summarized to get the whole picture, conclusions were drawn out from the findings, then recommendations were given to take measures that might help to overcome the problems and attract much of the customers, and finally limitations of the study with a suggestion for future research direction.

5.2. Summary of findings

The primary objective of conducting this study is to investigate the factors that affect customer retention in DGB. Accordingly, the analysis and interpretation, the followings are the major summary of the findings.

To address this study six predictor variables were used namely service quality, customer satisfaction, customer trust, brand image, price perception, and technology.

- The results of the aggregate mean value service quality dimensions scored a mean of 3.91 which showed a high level of agreement.
- The overall agreement of the customers of the Bank towards customer satisfaction dimension score a mean of 3.89 which showed a high level of agreement.
- Overall, the results of the aggregate mean value for the customer trust dimension scored a mean of 3.83 which showed a high level of agreement.
- The results of the aggregate mean value for the price perception dimension are 4.04 which is a high level of agreement.
- The overall agreement level of the customers of the Bank towards brand image dimension scored a mean of 3.92 a high level of agreement.
- The overall mean value for the technology dimension is 3.93 which showed a high level of agreement.
- According to the Pearson correlation matrix, six independent variables such as; service quality, customer satisfaction, customer trust, price perception, brand image, and technology have positive and statistically significant associations with customer retention

- In general, in the multiple regression analysis results, all the six predictor variables accounted for 77.2% variation in customer retention and all have a significant effect on customer retention.
- Service quality has a positive and significant effect on customer retention in DGB at a 5% level of significance with a coefficient value of 0.217.
- Customer satisfaction has a positive and significant effect on customer retention in DGB at a 5% level of significance with a coefficient value of 0.385.
- Customer trust has a positive and significant effect on customer retention in DGB at a 5% level of significance with a coefficient value of 0.257.
- Price perception has a positive and significant effect on customer retention in DGB at a 5% level of significance with a coefficient value of 0.209.
- Brand image has a positive and significant effect on customer retention in DGB at a 5% level of significance with a coefficient value of 0.171.
- Technology has a positive and significant effect on customer retention in DGB at a 5% level of significance with a coefficient value of 0.078.
- Finally, the entire hypotheses made were tested, and (service quality, customer satisfaction, customer trust, price perception, brand image, and technology) are positively related and have an effect on customer retention therefore, the hypotheses are supported.

5.3. Conclusion

The main objective of the study was to investigate factors that affect customer retention in DGB. For this reason, the study used six variables (i.e., Service Quality, Customer Satisfaction, Customer Trust, Price Perception, Brand Image, and Technology). Moreover, the responses were analyzed using inferential and descriptive analysis. Therefore, based on the summary of the major finding of the study forwarded the following conclusion are drawn.

Accordingly, the mean value the Service Quality, Customer Satisfaction, Customer Trust, Price Perception, Brand Image, Technology, and Customer retention accounted for 3.91, 3.89, 3.83, 4.04, 3.92, 3.93, and 3.70 respectively. This concludes that these dimensions have from moderate up to a high level of agreement. Moreover, in terms of mean value score among the factors affecting customer retention price perception dimension has a higher agreement or mean value.

The correlation matrix analysis result explained that the independent variables: the six variables have a positive association with customer retention in DGB. That means when the Bank improves the stated variables the retention of the Bank's customers improves simultaneously.

Regarding, the multiple regressions analysis customer satisfaction has the highest impact with a beta value of 0.385 on the overall customer retention. Service Quality, Customer Trust, Price Perception, Brand Image, and Technology have effects on customer retention with a beta value of 0.217, 0.257, 0.209, 0.171, and 0.078 respectively. As a result, technology has the least influence on customer retention.

5.4. Recommendation

The researcher recommends the following based on the study's findings:

- Customer Satisfaction has the highest significant and positive effect on customer retention in Debub Global bank. Accordingly, the management must continuously conduct a survey to assess the level of satisfaction, empowering and capacity development of employees, understand customer expectations, embrace financial technologies and customize the product/service so that, the bank can enhance customer retention.
- In addition, based on the findings respondents moderately agreed on the bank keeping its promises this needs to be rectified by the management otherwise it may lead to dissatisfaction and shifting. Therefore, the bank must keep its promises properly by delivering the promised service within the specified period.
- The second variable that has a highly positive and significant effect on customer retention was customer trust. To gain the trust of the customer the bank management must not open branches in an area that a high rate of criminal activities and set a high standard of internal security for the protection of personal information and transaction, offer excellent customer service, be transparent with the customers from the start that is how relationship build-up, take ownership of a problem and attentively follow up customer problem until it is solved.
- Service Quality is the third variable that has high a positive and significant effect. Therefore, the bank always puts the customer's request first and is ready to fulfill the customer's needs by making sure to deliver promised product/service, create a pleasing environment, and service accessibility, and train employees so they can enhance their performance.
- The next variable that has a positive and significant effect is Price Perception. Since banks are duplicating one another banks' products and services the only playing card is price and by nature customers always seek products/services that are cheap. However, setting an industry average price by offering a better deposit interest rate, and a lower interest rate for borrowing might help the customer stay with the bank.

Therefore, the business development department should assess and revise periodically the term and tariffs for credit products, service charges, and commission for the services the bank provide to maintain fairness and compete with other financial service providers.

- Management of DGB must work on building a good brand image in the financial industry helpful because once embedded in the customer memory it creates a good word of mouth for the company. In addition, respondents were moderate on the bank's high reputation. therefore, the management must create a good brand image by using integrated marketing communication, a catchy and creative logo, and visually appealing/customized/branded branches.
- Finally, technology had the least significant and positive effect on customer retention. Since the customer preference is evolving and becoming technological savvy. Also, it forces them to a new way of competition in the financial industry. Therefore, the bank management continually needs to work on financial technological advancement by offering abundant and functional different e-banking channels and customizing them for easy use.

5.5. Future research direction

Future research can be conducted by adding independent, mediating, and moderating variables like customer loyalty, employee satisfaction, and employee behavior. so, it can have a higher potential in explaining the variation. Besides, further research shall also be conducted by other public and private banks to widen the scope of the study.

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Appendices

Research Instrument

Addis Ababa University

School of Commerce

MA Program in Marketing Management

To be filled by customer

Dear Respondents,

First of all, I would like to thank you in advance for your cooperation in filling out the questionnaire. My Name is Tsega Habtegebriel Gizan I am a student of Addis Ababa University School of commerce. This questionnaire aims at identifying and analyzing the factor that affects customer retention in Debub Global Bank Your information will be used for research purposes only and your response are confidential to keep your response anonymous, please do not write your name on the form. Completing the questionnaire only takes 10 minutes of your time and your participation in the research is muchly esteemed.

Stay safe and thank You

For further inquiry use the following contact information

Tsega Habtegebriel Gizan

0929-132631

tsegahgg@yahoo.com

put a √ or × sign mark in the appropriate box

Part One: <u>General Information</u>

1. Gender: Male ☐ Female ☐
2. Age: 18-30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐ 61+ ☐
3. Educational Level: Primary Education ☐ Secondary Education ☐
   TVET/Diploma ☐ First Degree ☐ Master's Degree and above ☐

4. Occupation: Government ☐ Private ☐ Unemployed ☐
   Student ☐
5. How long have you been a customer of the bank? <1 Year ☐ 1-3 Years ☐
   3-6 Years ☐ >6 Years ☐

Part Two: <u>Factors Affecting Customer Retention</u>

<u>Direction</u>: Please circle the number and the word which expresses your opinion toward Debub global bank. The numbers indicate the following statement.

Where, 1=Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree 5= Strongly Agree

Service Quality		**Rate**				
1	Debub global bank delivers service as promised to its customer within a given time	1	2	3	4	5
2	Debub global bank's physical facilities and office layout associated with service are very pleasing and comfortable					
3	Debub global bank's working hour and branch location is convenient					
4	Debub global bank staffs always provide prompt service and willing to help customer					
5	Debub global bank continuously attends to its customer request					
Customer Satisfaction		**Rate**				
1	I am satisfied with the product and service offered by Debub Global Bank	1	2	3	4	5
2	I am satisfied with Debub Global Bank's pricing policy					
3	I am satisfied with the performance of Debub Global Bank employees.					
4	I am satisfied with the accessibility of Debub Global Bank branches					
5	I am satisfied with the way Debub Global Bank handles complain					
6	I am satisfied with Debub Global Bank's adequate and timely information					
7	I am satisfied with being a customer of Debub Global Bank.					
Customer Trust		**Rate**				
1	I feel safe in all of my transactions with Debub Global Bank	1	2	3	4	5
2	I trust Debub Global Bank products/services offered to me					
3	Debub Global Bank is trustworthy during the cash payment process					
4	Debub Global Bank fulfills its obligation to its customers					
5	I trust Debub Global Bank with my personal information					
Price Perception		**Rate**				

1	Debub Global Bank charges fees appropriately.	1	2	3	4	5
2	Debub Global Bank has competitive interest rates					
3	Debub Global Bank offers a special discount on its bank charges for its loyal customer					
4	I will say good things about Debub Global Bank's pricing policy to other people					
5	I will continue to stay with Debub Global Bank unless the price is significantly higher for the same service compared to the competitors					
Brand Image		**Rate**				
1	Debub Global Bank delivered a good brand image to its customers.	1	2	3	4	5
2	The visually appealing of Debub Global Bank branches is satisfactory.	1	2	3	4	5
3	I consider Debub Global Bank reputation is high	1	2	3	4	5
4	Debub Global Bank uses different promotions tools to enhance its brand image	1	2	3	4	5
Technology		**Rate**				
1	Debub Global Bank offers a wide range of digital service channels like ATM, POS, Internet, and mobile banking service	1	2	3	4	5
2	Debub Global Bank makes efficient use of technology.					
3	Debub Global Bank implements advanced technology to improve the way of doing business					
4	Debub Global Bank uses a core banking system, that aid customer to get accessing their fund and transacting everywhere					

Part Three: <u>Customer Retention</u>

<u>Direction</u>: Please circle the number and the word which expresses your opinion toward Debub global bank. The numbers indicate the following statement.

Where, 1=Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree 5= Strongly Agree

Customer Retention		**Rate**				
1	Debub Global Bank provides the best service quality	1	2	3	4	5
2	I have said positive things about Debub Global Bank to others.					
3	I plan to continue my relationship with Debub Global Bank in the future.					
4	I would recommend it to friends and relatives as the best bank					
5	I consider Debub Global Bank as my first choice					

Thank you

Structured Interview Questions

Interview for Resource Mobilization and Marketing

Division Manager of Debub Global Bank

1. What is the role of the service quality of DGB in customer retention?
2. What is the role of Customer satisfaction of DGB in customer retention?
3. What is the role of Customer Trust of DGB in customer retention?
4. What is the role of the Price Perception of DGB in customer retention?
5. What is the role of the Brand Image of DGB in customer retention?
6. What is the role of the Technology of DGB in customer retention?
7. According to your own experience, what are the main factors that affect the customer to retain in the bank?

አዲስ አበባ ዩኒቨርሲቲ የንግድ ስራ ትምህርት ቤት

ማርኬቲንግ ማኔጅመንት ዲፓርትመንት

ድህረ ምረቃ ፕሮግራም

በባንኩ ደንበኛ የሚሞላ

ውድ የመጠይቁ ተሳታፊዎች,

በመጀመሪያ እና ከሁሉም በላይ፣ መጠይቁን ለመሙላት ለምታደርጉት ትብብር በቅድሚያ ምስጋናዬን መግለጽ እፈልጋለሁ። ፀጋ ሀብተገብርኤል ግዛን እባላለሁ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ተማሪ ስሆን ለዚሁ የድህረ-ምረቃ ትምህርት ማሟያነት የሚውል ጥናት በመስራት ላይ እገኛለሁ። **የዚህ ጥናት አላማ በደብብ ግሎባል ባንክ አ.ማ. የደንበኞችን ማቆየት ላይ ተጽእኖ የሚፈጥሩትን ምክንያቶች መለየት እና መተንተን ነው (Factors affecting customer retention in Debub Global Bank**) ። ስለዚህም ምላሾችዎ በምስጢር ይጠበቃሉ እና ለጥናትናምርምር ዓላማዎች ብቻ ጥቅም ላይ ይውላሉ። ሚስጥሩነቱን ለመጠበቅ ሲባል መጠይቁ ላይ ስምዎን አይፃፉ። መጠይቁን ለመሙላት 5 ደቂቃ ብቻ ነው የሚፈጅብዎት በተጨማሪ ለጥናቱ ያደረጋችሁት አስተዋፅዖ በጣም አመሰግናለሁ።

ለተጨማሪ ጥያቄ የሚከተለውን የመገኛ አድራሻ ይጠቀሙ

ፀጋ ሀብተገብርኤል ግዛን

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ከታች በምትመለከቷቸው ቁጥሮች ላይ ለቀረቡት ጥያቄዎች የእናንተን ሃሳብ የበለጠ ገላጭ የሆነውን አማራጭ በያዘው የምርጫ ሳጥን ውስጥ √ ወይም × ምልክት ያስቀምጡ

ክፍል አንድ: አጠቃላይ መረጃ

1. ፆታ: ወንድ ☐ ሴት ☐
2. ዕድሜ: 18-30 ☐ 31-45☐ 46-60 ☐ ከ61 በላይ☐
3. የትምህርት ደረጃ: 1-8 ከፍል ☐ 9-12 ከፍል ☐
   ዲፕሎማ/ቴክኒክ እና ሙያ ☐ ዲግሪ ☐ ማስተርስ ዲግሪና በላይ ☐
4. ስራ ሁኔታ: መንግስታዊ ተቋም ☐ መንግስታዊ ያልሆነ ተቋም ☐
   የግል ስራ ☐ ስራ የሌለው ☐ ተማሪ ☐
5. ከባንኩ ጋር ለምን ያህል ጊዜ በደንበኛነት ቆይተዋል።? ከአንድ ዓመት በታች ☐
   1-3 ዓመት☐ 3-6 ዓመት☐ ከስድስት ዓመት በላይ ☐

ከፍል ሁለት: <u>የደንበኛ ማቆየት ላይ ተጽዕኖ የሚያሳድሩ ምክንያቶች</u>

<u>አቅጣጫ</u>: እባክዎ ከዚህ በታች ለሚገኙት የጥናቱ መጠይቆች መልስ ይሆናል ብለው ያመኑትን ቦታ **ክብ** ምልክት በማድረግ በጥንቃቄ ይመልሱ። ቁጥሮቹ የሚከተለውን መግለጫ ያመለክታሉ።.

1=በጣም አልስማማም; 2=አልስማማም; 3=አስተያየት የለኝም; 4=እስማማለሁ 5=በጣም እስማማለሁ

አገልግሎት ጥራት (Service Quality)		**ደረጃ**				
1	ደቡብ ግሎባል ባንክ ቃል በገባው መሰረት አገልግሎቱን በአግባቡ ለደንበኞች ያቀርባል።	1	2	3	4	5
2	ደቡብ ግሎባል ባንክ አገልግሎት በሚሰጥበት ቅርጫፎቹ ውስጥ የሚገኙ ቁሳዊ መገልገያ መሳሪያዎች እና የቢሮ አቀማመጥ በጣም ደስ የሚልና ምቹ ናቸው					
3	የደቡብ ግሎባል ባንክ የስራ ሰዓት እና ቅርንጫፎቹ የሚገኙበት ቦታ ምቹ ናቸው።					
4	የደቡብ ግሎባል ባንክ ሰራተኞቹ ቀልጣፋና ደንበኞችን ለመርዳት ሁሌም ዝግጁ ናቸው።					
5	ደቡብ ግሎባል ባንክ ለጥያቄዎቼ (ቅሬታዬ) ተገቢውን ትኩረት ይሰጣል።					
የደንበኞች እርካታ (Customer Satisfaction)		**ደረጃ**				
1	ደቡብ ግሎባል ባንክ በሚያቀርበው አገልግሎቶች ረክቻለሁ።	1	2	3	4	5
2	በደቡብ ግሎባል ባንክ የዋጋ አሰጣጥ ፖሊሲ (የወለድ መጠን፣ የአገልግሎት ክፍያ እና ኮሚሽን) ረክቻለሁ።					
3	በደቡብ ግሎባል ባንክ ሠራተኞች የስራ አፈጻጸም ረክቻለሁ።					
4	በደቡብ ግሎባል ባንክ ቅርንጫፎች ተደራሽነት ረክቻለሁ።					
5	ደቡብ ግሎባል ባንክ ቅሬታን የሚያስተናግድበት መንገድ ረክቻለሁ።					
6	በደቡብ ግሎባል ባንክ በቂ እና ወቅታዊ መረጃ ረክቻለሁ።					
7	የደቡብ ግሎባል ባንክ ደንበኛ በመሆኔ ረክቻለሁ።					
በባንኩ ላይ ያለን እምነት (Customer Trust)		**ደረጃ**				
1	ከደቡብ ግሎባል ባንክ ጋር ባደረኩት ግብይቶች ሁሉ ደህንነት ይሰማኛል።	1	2	3	4	5
2	ደቡብ ግሎባል ባንክ በሚያቀርብልኝ አገልግሎቶች ላይ እምነት አለኝ።					
3	ደቡብ ግሎባል ባንክ በጥሬ ገንዘብ ክፍያ ሂደት ውስጥ ታማኝ ነው።					
4	ደቡብ ግሎባል ባንክ ለደንበኞቹ ያለበትን ግዴታ ይወጣል።					
5	ደቡብ ግሎባል ባንክን ስለግል መረጃዬ አያያዝ አምነዋለሁ።					
የዋጋ ግንዛቤ (Price Perception)		**ደረጃ**				
1	የደቡብ ግሎባል ባንክ ክፍያዎች አግባብነት አላቸው።	1	2	3	4	5
2	ደቡብ ግሎባል ባንክ ተወዳዳሪ የወለድ ተመኖች አሉት።					
3	ደቡብ ግሎባል ባንክ ለታማኝ ደንበኛቸው በሚያቀርበው የባንክ ክፍያዎች ላይ ልዩ ቅናሽ ያደርጋል።					
4	ስለ ደቡብ ግሎባል ባንክ የዋጋ አሰጣጥ ፖሊሲ ለሌሎች ሰዎች ጥሩ ነገር እናገራለሁ።					
5	ከተወዳዳሪዎቹ ጋር ሲነጻጸር ለተመሳሳይ አገልግሎት ዋጋው በጣም ከፍ ያለ ካልሆነ በስተቀር ከደቡብ ግሎባል ባንክ ጋር በደንበኝነት መቆየቴን እቀጥላለሁ።					
ምስለ መገለጫ (Brand Image)		**ደረጃ**				
1	ደቡብ ግሎባል ባንክ ለደንበኞቹ ጥሩ ምስለ መገለጫ አቅርቧል።	1	2	3	4	5

2	የደቡብ ግሎባል ባንክ ቅርንጫፎች ለእይታ ማራኪ ናቸው።					
3	የደቡብ ግሎባል ባንክ መልካም ስም ከፍ ያለ ነው ብዬ አስባለሁ።					
4	ደቡብ ግሎባል ባንክ የምርት ምስሉን ለማሻሻል የተለያዩ የማስተዋወቂያ መሳሪያዎችን ይጠቀማል።					
ቴክኖሎጂ (Technology)		**ደረጃ**				
1	ደቡብ ግሎባል ባንክ እንደ ኤቲኤም፣ ፖስ፣ ኢንተርኔት እና የሞባይል ባንክ አገልግሎት ያሉ ሰፊ የዲጂታል አገልግሎት ቻናሎችን ያቀርባል።	1	2	3	4	5
2	ደቡብ ግሎባል ባንክ ቴክኖሎጂን በብቃት ይጠቀማል።					
3	ደቡብ ግሎባል ባንክ የንግድ ሥራውን መንገድ ለማሻሻል የላቀ ቴክኖሎጂን ተግባራዊ ያደርጋል።					
4	ደቡብ ግሎባል ባንክ ደንበኞቻቸው ገንዘባቸውን በየትኛውም ቅርንጫፍ እንዲያገኙ እና በሁሉም ቦታ እንዲገበያዩ የሚረዳቸውን ኮር ባንኪንግ ሥርዓት ይጠቀማል።					

ከፍል ሶስት: <u>ደንበኛ ማቆየት</u>

<u>አቅጣጫ</u>: እባክዎ ከዚህ በታች ለሚገኙት የጥናቱ መጠይቆች መልስ ይሆናል ብለው ያመኑትን ቦታ **ክብ** ምልክት በማድረግ በጥንቃቄ ይመልሱ። ቁጥሮቹ የሚከተለውን መግለጫ ያመለክታሉ።.

1=በጣም አልስማማም; 2=አልስማማም; 3=አስተያየት የለኝም; 4=እስማማለሁ 5=በጣም እስማማለሁ

ደንበኛን ማቆየት (Customer Retention)		**ደረጃ**				
1	ደቡብ ግሎባል ባንክ ምርጥ የአገልግሎት ጥራትን ይሰጣል።	1	2	3	4	5
2	ስለደቡብ ግሎባል ባንክ ለሌሎች አዎንታዊ ነገር ተናግሬአለሁ።					
3	ወደፊት ከደቡብ ግሎባል ባንክ ጋር ያለኝን ግንኙነት ለመቀጠል እቅድ አለኝ።					
4	እንደ ምርጥ ባንክ ለጓደኞች እና ለዘመዶች እመክራለሁ።					
5	ደቡብ ግሎባል ባንክን እንደ መጀመሪያ ምርጫዬ አድርጌ እቆጥረዋለሁ።					

አመሰግናለሁ