

ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATES STUDIES
COLLEGE OF BUSINESS AND ECONOMICS
CUSTOMER RELATIONSHIP MANAGEMENT AND ITS RELATIONSHIP TO MARKETING
PERFORMANCE OF THE SELECTED BANKS IN ADDIS ABABA

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Table of content

Contents	page
Acknowledgment.....	I
Table of Contents.....	II
Lists of Tables.....	VI
Lists of Figures.....	VIII
Abstract.....	IX
ACKNOWLEDGEMENTS.....	II
ABSTRACT.....	IX
CHAPTER ONE: INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2. Statement of the Problem.....	3
1.3. Research Questions.....	7
1.4. Objective of the Study.....	7
1.5. Significance of the study.....	8
1.6. Scope of the study.....	9
1.7. Limitation of the study.....	10
1.8. Organization of the study.....	10
CHAPTER TWO.....	11

REVIEW OF RELATED LITERATURE	11
2.1. Definition of Customer Relationship Management.....	11
2.2. Conceptual Framework of Customer Relationship Management	12
2.2.1. Model of Customer Relationship Management Strategy.....	14
2.2.2. Key Customer Focus	16
2.2.3. Customer Relationship Management Organization	17
2.2.4. Customer Knowledge Management	18
2.2.5. Technology-Based Customer relationship management	19
2.2.6. Customer Satisfaction	20
2.2.7. Sales Growth	21
2.2.8. Customer retention	21
2.3. Prerequisites and Performance of Customer Relationship Management Initiatives	22
2.5. Customer-Related Performance Measures.....	25
2.6. Customer Relationship Management Objectives in Banking Industry.....	26
2.6.1. Customer Relationship Management in Financial Services Sector.....	27
2.6.2. Benefits of customer relationship Management in the banking industry	27
2.7. Customer relationship management and Shareholder value.....	30
2.8. Empirical Findings on Customer Relationship Management	31
2.8.1. Empirical Findings in Developed Countries	31
2.8.2. Empirical findings in Developing countries	33
CHAPTER THREE.....	40
RESEARCH DESIGN AND METHODOLOGY	40
3.1. Research Design.....	40
3.2. Sampling Design.....	40

3.3. Methods of data collection.....	42
3.4. Sources of Data.....	43
3.5. Methods of Data Analysis	43
CHAPTER FOUR.....	44
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	44
4.1. Demographic Information of the Customer Officers’ Respondents	44
4.2. Managerial Perception on key customers focuses and customized services.	54
4.3. Managerial Perception on customer centric performance standards in the banks	56
4.4. Managerial perception on communication among customers and the banks.....	57
4.5. Summary of perception on maintaining comprehensive database of customers	58
4.6. Managerial perception on customer Relationship Management Practices and Marketing Performance of the Banks.	60
4.7. Employees’ Perception of Customer Relationship Management and Marketing Performance of the Banks (AIB, Zemen and CBE).....	61
4.7.1. The Employees’ Perception towards Making coordinated Effort to key customers’ needs in the banks	62
4.7.2 Summary of customer Officers attitude on treatment of customers with great care	63
4.7.3. Customers Officers attitude on coordinated Efforts of Departments in Modifying Services.....	64
4.7.4 Attitudes of customer officers towards giving customized services to key customers	66
4.7.5 Attitudes of customer officers towards working with individual key customer to customize our offerings	67
4.8 Customer Officers attitude on Organizational Efficiency	68
4.8.1. Customer Officers perception on Customer centric performance standards in the banks	68
4.8.2. Perception of customer Officers on performance measurement	69
and Rewards in the banks	69
4.8.3. Summary of Customer Officers attitude on training programs and Design	71

4.8.4. Customer Officers Perception towards the banking structure design around customers	72
4.8.5. Attitudes of customer Officers perception towards Business goals of the Banks.....	73
4.8.6. Attitude of Customer Officers perception about the bank Sales and Marketing Expertise	75
4.8.7. Attitude of Customer Officers towards their Commitment time and Resource to Manage Customer Relationship.....	76
4.9.1 Customer officer expectations when service will be performed	77
4.9.2. Attitudes of customer officers to understand the needs of key customers	79
4.9.3. Attitudes of customer officers about providing channels of communication between key customer and the banks	80
4.10 Customer Officers perception about incorporating Customer Relationship Management based Technology in the banks	81
4.10.1. Customer Officers Perception on maintaining comprehensive database of customers	81
4.10.2. Customer Officers Perception towards individual Customer information availability.....	83
4.10.3. Perception of customer Officers towards support of Technical Personnel to utilize computers in the Banks.....	85
4.10.4. Attitude of Customer Officers on the availability of right Hardware facilities in the Banks	86
4.10.5. Customer Officers perception on the availability of right software to serve the customer	87
4.11. Attitudes of customer officer towards marketing performance in the banks.....	88
4.11.1: Customer Officer Attitudes on Effectiveness in promoting and attracting new customers.....	88
4.11.2. Customer Officers Respondents on Successfulness in Increasing market share and Sales growth	89
4.11.3 Attitudes of customer officers on successfully retaining customers to the banks.....	91
4.11.4. Attitudes of customer officers on successfully retaining customers to the banks	92
4.11.5. Attitudes of customer officers about marketing strategy to satisfy customers	94
4.12. Descriptive statistics Analysis for the selected Banks (Awash International Bank, Zemen Bank, and Commercial Bank of Ethiopia)	95
4.12.1. Descriptive Statistics in terms of mean and standard deviation	95
4.12.2. Spearman rank correlation analysis of the banks	100

4.13. Data analysis quality assurance/reliability analysis	102
CHAPTER FIVE.....	104
CONCLUSIONS AND RECOMMENDATIONS.....	104
5.1 Conclusions.....	104
5.2. Recommendations.....	106
5.3. Further Research.....	110
Reference	111

Annexes

Annex I: Summary of descriptive statistics

Annex II: Spearman rank correlation of the banks (AIB, CBE and Zemen Bank)

Annex III: Data quality assurance/reliability analysis

Annex IV: Questionnaire

List of Tables

Table 4.1.1: Summary of the number and percentage of customer officer respondent by Bank and Age.....	46
Table 4.1.2: Summary of the number and percentage of manager respondent by Bank and Sex...47	
Table 4.1.3: Summary of the number and percentage of manager respondent by Bank and Sex.....	50
Table 4.1.4: Summary of the number and percentage of manager respondent by Bank and Experience.....	52
Table 4.1.5: Summary of the number and percentage of respondents by Bank and Educational qualification of manager respondents.....	53
Table 4.2.1: Summary of managerial perceptions on key customers focuses and customized services.....	54
Table 4.3.1: summary of perception on customer centered performance standards.....	56
Table 4.4.1: summary of perception on providing two way communication channels.....	57
Table 4.5.1: Summary of perception on having comprehensive customers database.....	59
Table 4.6.1: Summary of perception on Customer Relationship management practices and marketing performance.....	60

Table 4.7.1: Summary of customer officer’s perception on Making coordinated effort to key customers’ needs.....	62
Table 4.7.4: summary of customer officers towards giving services to key customers....	66
Table 4.7.5: Summary of customer officer attitudes towards working with individual key customers.....	67
Table 4.8.1: Summary of perception on customer centric performance standards.....	68
Table 4.8.2: Perception of Employees on Performance Measurement and Rewards.....	69
Table 4.8.4: summary of customer Officers perception on banking structure.....	72
Table 4.9.1: summary of customer officer expectations when service will be performed	77
Table 4.9.2: Summary of customer officer attitudes about understanding the needs of key customers.....	79
Table 4.9.3: Summary of customer officers about channels of communication.....	80
Table 4.10.1 Summary of customer Officers perception on maintaining customer database.....	81
Table 4.10.2: Summary of Individual customer information is available at every point of contact.....	83
Table 4.11.1: Summary of attitudes on effectiveness in promoting and attracting new customers.....	88
Table 4.11.2: Summary of respondents perception on increasing market share and sales growth.....	90
Table 4.11.3: Summary of perception on Successfulness in retaining customers to the banks	
Table 4.11.4: summary of customer officer attitudes on retaining customers.....	92
Table 4.11.5: Summary of marketing strategy.....	94

List of Figures

Figure 1: Conceptual Model of Customer relationship management Performance dimensions and its relationship to market performance.....	15
Figure 4.1.1: Sex of Customer Officers respondents.....	45
Figure 4.1.2: Summary of the number and percentage of respondents by bank and Educational qualification of respondents.....	49
Figure 4.1.3: Summary of the number and percentage of manager respondent by Bank and Age.....	51
Figure 4.7.2: Customer’s treatment.....	63
Figure 4.7.3: Summary of perception on coordinated effort of departments in modifying the services.....	64
Figure: 4.8.3: Employee training programs and design in the banks.....	71
Figure 4.8.5: The bank has established clear business goals.....	74
Figure 4.8.6: Summary of sales and marketing experts of banks.....	75
Figure 4.8.7: Summary of customers Officers perception on committing resources and to manage customer relationship.....	76
Figure 4.10.3: Summary of perception towards technical support on computer know how.....	85
Figure 4.10.4: Summary of customers Officers perception that the bank has right hardware...86	
Figure 4.10.5: Summary of perception on the availability of software facilities to serve the customers.....	87

ABSTRACT

In this study attempt has been made to investigate customer relationship management and its relationship to marketing performance of the selected banks in Addis Ababa. The relationship of customer relationship management dimensions that relate to the necessity of focusing on key customers, organizational efficiency, customer knowledge management and technology based customer relationship management were assessed using primary data through distributing close ended questionnaire in the form of likert five scale and dichotomies questionnaires to 100 customer officers and 22 managers working in the selected banks in Addis Ababa, Ethiopia. The spearman correlation and descriptive statistics were used to analyze the research question derived from the literature on Customer relationship management and marketing performance. The findings indicate that there are positive relationship between customer relationship management and marketing performance. The findings also suggest some measures which can be taken into consideration in order to enhance customer relationship management and marketing performance of the banks in Addis Ababa. The study contributes to Customer relationship management and marketing performance literature by indicating a mediating role of customer relationship management for marketing performance of the banks in Addis Ababa. Moreover, it also contributes to close the gap of empirical research in the field, which exists particularly due to the diverse attitude of customers in developing countries, like Ethiopia, to bring changes in building customer relationship in the selected banks.

Keywords: Customer Relationship Management, Marketing Performance, Relationship Marketing, Customer Orientation.

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

The efficiency of banking industry has been one of the major issues in the new monetary and turbulent financial environment. The efficiency and competitiveness of financial institutions cannot easily be measured, since their services are an intangible in nature. Thus ,the evolution of Customer Relationship Management are found in relationship marketing theory which is intended at improving long term customer relationship by changing from transaction based marketing, with its emphasis on attracting new customers, to customer retention through effective management of customer relationships to cope up with unstable financial crisis Christopher *et al* (1991). According to Reich Held and W.Earl Sasser (1990) those customers who have been around long enough to get familiar with the company's rules and principles, will make more valuable business relationships, will acquire more products and will be less price sensitive on individual offers.

Berry, L.L (1983) stated CRM as attracting, maintaining and multi-service organizations-increasing customer relationship stages. This relational concept has been explained in the forms of supplier partnerships, lateral partnerships, buyer partnerships, internal partnerships, as well as business to consumer relationship. Relationship marketing received more attention from scholars and practitioners in the last decade of 20th century because of two main issues: vitals to organization and the involvement of generic service characteristics. This theoretical paradigm re-defines the focus of transactional marketing from attracting new customers to retaining existing customers for the purpose of achieving greater long-term profitable returns. Keeping long term customer relationships brings into higher opportunities to sharpen competitive edge and greater

Profitability from higher satisfaction, greater customer loyalty and lifetime value, lower customer defection rate, more revenue generated and lower customer attraction costs. Relationship marketing arise Customer Relationship Management (CRM) which occupies an enviable status in the process of the management of banking institutions now days. Customers are highly regarded as the assets of the modern banks and other institutions.

The present age is also known as the age of the people who matter most in the business environment. No organization can achieve commendable business success in the absence of meaningful Customer Relationship Management practices. Banks are trying to win over the hearts and souls of customers who are the force to be considered with. Relationship between a bank and its customers involves continuous, two-way communication and interaction. Such a relationship on the part of management is not an activity only within a marketing department, but also involves continuous corporate change in organizational culture and process Bly R.W., (1993).

The study tried to assess the relation between customer relationship management on marketing performance of banking industry considering Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank.

1.2. Statement of the Problem

The adoption of Customer relationship Management as a tool of competitive edge is in ascendance worldwide. Yet there is no doubt that an effective and efficient practice of customer relationship management is important to the successes of a firm; Parvatiyar A. and Sheth, T.N., (2002). They stated that most of the firms adopting Customer relationship Management are yet to highly benefit of it, because there are no laid down guidelines and procedures on adoption; implementation and practices.

Most empirical banking systems experience some degree of inefficiency in utilization of their resources and, especially with regard to managing the quality of buyer-seller relationships and services. Many studies have concluded that these arise for the following major reasons: the service is very complex and customized in the transaction process; the external environment is dynamic rather than stable; and the marketing is uncertain when sellers are not sure what the service buyers want. Banks have always focused on customers, but today the focus is much more of tension. In part it's result of the fact that customers are better informed and more likely to analyze their options so far.

The introduction of company portals and e-commerce applications of various kinds have increased the focus on customers and provides new ways to assure the processes support customers. It also placed a new attention on integrated processes and thinking about how processes work together to satisfy customers Harmon; (2003). Customer oriented e-business

Patterns include all the e-business activities that aim at increasing relationships with new customers, providing them with information, providing services online.

Different companies with individual needs emphasized different reasons for developing customer relationship management. Some of the common reasons cited by companies are reducing time to market improvement, organizational efficiency, reducing the latency of business event, integrating multiple channels, and maintaining more customer data on customer interests Harmon (2003). From a purely economic point of view, firms learnt that it is less costly to retain a customer than to find a new one. For these reasons customer has started receiving high attention as a key banking resource to gain competitive advantages. Banks are most important constituents of the financial infrastructure of a country. They play a vital role in bringing about desired change in the economic development of a country. The size and banking transactions represent the economic changes in a country and also it is an established fact that banking industry by channelizing the scattered savings to productive uses and providing mobility to the capital plays an important role in achieving the desired socio-economic development of a country. This shows the economic development of a country dependence on the availability of banking industry. On the other hand, customer is regarded as the most important factor in the banking industry. That is why the phrase Customers are always right is known to all employees in any organization to enable them to satisfy the customer at all times; Peters T., and Waterman R.H., (1982). Thus, a country to attract investments must have a solid and profitable banking industry Goosen *et al* (1999). Investment tasks cannot be achieved without the bank's ability to attract and retain customers. It is possible, even in the age of the customer to keep clients

Providing based on their expectations and run a successful business based on high client retention through continual client satisfaction Bly, R.W (1993).

According to Arderne, J.M., (1998) satisfying customer needs, specifically in terms of all quality performance has been found lacking, despite the importance customers attach to quality service in their banking choice. Furthermore, financial institutions face challenges as the introduction and expansion of the use of technological interfaces such as automated teller machines (ATMs), electronic banking and mobile banking affects their relationships with customers. As stated by Durkin et al, (2008), there are customers who still seek staff contact or personalized banking. (According to Boot A.W., and Thakor, A.V (2000), studies on relationship banking and its effect on customer relationship management). Singh A., (2004) noted banks need to know who they are providing service, what their needs and problems are, and what their financial priorities are. In addition to the above shortcomings, like any other service company, the banks also experiences customer turnover.

Therefore, it is important for banks to focus on retention of customers, because it is more profitable to retain a customer than to obtain a new customer Payne A., and Frow P., (2005). Even though many theories were discussing how clients are satisfied, they have not yet investigated customer relationship management and its relationship to marketing performance of banks. Besides, they have not yet assessed the association between customer relationship management and marketing performance of the banks.

The banks are unable to balance customer relationship management and marketing performance. This is due to in Ethiopia almost the past two decades has shown that there

were high expansions of banking industry throughout the country. Thus, there is high competition among banks in attracting the customers of one another and difficulties in retaining the lost customers one from the other. Mainly problems in handling customers, lack of advanced banking technologies, and less emphasis to customer relationship management in relation to marketing performance in adding wealth to the shareholders of the selected three banks were assessed.

This problem motivates the researcher to undertake the selected banks for the study to address the observed problems in relation with their marketing performance and to solve relationship among their customers to be loyal for lifelong.

1.3. Research Questions

Considering the objectives of the study the following research questions are deemed value for the study.

1. What is the relationship between customer relationship management and marketing performance of the Banks?
2. Does focusing on key customers associate to marketing performance of the Banks?
3. What is the association of customer knowledge management to marketing performance of the Banks?
4. What is the relationship between customer relationship-based technology and marketing performance of the Banks?
5. What is the relationship between organizational efficiency and marketing performance of the Banks?

1.4. Objective of the Study

The general objective of this study is to assess the relationship between Customer Relationship Management and marketing performance of the banks operating in Addis Ababa considering Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank.

Specific objectives of the study

- To identify the relationship between customer relationship management and marketing performance.
- To investigate the concerns of focusing on key customers by analyzing their demand to minimizing customers turnover.
- To indicate the association of customer relationship management based technology and marketing performance.
- To analyze the relationship of Customer Relationship Management and Marketing performances for maximizing the profit of the banks.
- To forward possible recommendation to address the problems in relation to customer relationship management and market performance of the banks.

1.5. Significance of the study

The result of this study was expected to be taken up by Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank to improve their Customer Relationship Management and marketing performance. Also, it helps to provide important information for decision makers of the Banks. Therefore, the findings of this study specifically significant for the following reasons.

- The result of this study would be providing valuable inputs and directions to the banks to consolidate their marketing strategy, organizational efficiency, and customer knowledge management.
- It can also help the banks to identify the needs of their customers in delivering advanced technologies to improve the quality of their services.
- The study also helps to maintain the existing customer and attract the new customer by providing technology based service in light of its competitors.

1.6. Scope of the study

Due to time and financial constraints in taking large sample size, it is difficult and unmanageable to include all branches of the selected banks in Addis Ababa. Thus, the study was delimited to collect data from Awash International Bank considering Art kilo, Mehal Arada and Habte Georgis Dildiy branches and also Commercial Bank of Ethiopia considering Sidist kilo, Mehal Arada, Habte georgis, St. Mary, Arat kilo, and Silahasie branches. Additionally, the data were collected from Zemen Bank employees (employees refers in this study, only managers and Customer Officers having two or more years of experiences) working in the selected banks.

1.7. Limitation of the study

The study covered employees (customer officers and managers) considering Awash International Bank, Commercial Bank of Ethiopia, and Zemen bank employees working in the Head Office and branch banks (except Zemen bank, which is only limited to the head office) located in Addis Ababa. In Ethiopia, there is lack of sufficient research conducted on the study. Thus, it is difficult to obtain adequate data from published articles; journals concerning the financial institution working in the country (Ethiopia). As result of this, the study only considers from employees point of about customer relationship and marketing performance.

1.8. Organization of the study

The study consists of five chapters. The first chapter deals with introductory part which consists of background of the study, statement of the problem, objectives of the study, significance of the study, delimitation and limitations of the study. The second chapter deals with review of related literature and empirical findings; the third chapter deals with research methods and methodology. The fourth chapter presents the analysis and discussions from assessment of customer relationship management and its relationship to marketing performance considering Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank from where the data were gathered. After collecting the data, the results of the study were analyzed and interpreted. Finally, based on the analysis and interpretation, conclusions and recommendations were forwarded.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Definition of Customer Relationship Management

In literature, many definitions were given to describe customer relationship management (CRM). The main difference among these definitions is technological and relationship aspects of CRM. Some authors from marketing background emphasize the marketing side while others consider IT perspective of CRM. From marketing aspect, CRM is defined according to Couldwell (1998) as “A combination of business process and technology that seeks to understand a company’s customers from the perspective of who they are, what they do, and what they are like”. Technological definition of CRM was given as “The market place of the future is undergoing a technology-driven metamorphosis” Peppers and Rogers (1995). Furthermore Buttle, F., (2009) defines: “It is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer related data and enabled by information technology”. The definition given by Buttle, F., (2009) only considers CRM can be achieved its target from the angle of technology base. Semih, O., and IbrahimE., (2000) stated that the main difference of CRM definitions was technological and relationship aspects.

In addition to this he stated that “some authors from marketing back ground emphasize Technological side of Customer relationship management.” But one of the weakness of this view as suggested by the researcher, the author (Ibrahim E., 2000) defined inversely, authors from marketing back ground emphasizes on the marketing perspective and authors from the technology side emphasizes more of technology perspectives.

Payne and Frow (2005) stated that “CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments”.

Moreover, Swift, R.S., (2000) defined as: “It is a management approach to understanding and influencing customer behavior by managing relationships through meaningful communication to improve customer turnover”.

In this study, customer relationship is defined as a multidimensional construct composed of four behavioral components: key customer focus, CRM organization, Knowledge management and technology-based CRM in order to implement the CRM in a successful way for increasing the market performance of the banks Sadek et al., (2011).

2.2. Conceptual Framework of Customer Relationship Management

The essence of Customer Relationship Management thinking originates from three concepts in marketing management: customer orientation, relationship marketing, and database marketing. With the advancement of information communication technology (ICT), these three marketing views have come together in the paradigm of Customer Relationship Management Langerak, F., and Peter C., (2004). More recently, Yim, Anderson and Swaminathan (2005) identified three

marketing concepts: customer orientation, relationship marketing and database marketing as the evolution of the idea of CRM. At different hierarch of management, CRM may be used to express different perspectives. For instance, at the tactical level of management CRM may be equated to data-base marketing or electronic marketing; at the strategic level, CRM may be interpreted as customer retention or partnering with customers (Peppers and Rogers 1995)

At the theoretical level, it may be seen as an emerging research paradigm in marketing most often loosely equated to existing perspectives. According to Yim (2002) noted that to provide more conceptual clarity of Customer Relationship Management by synthesizing the relevant marketing, management, and Information Technology. Besides theoretical level, there are four key areas necessary for successful Customer Relationship Management implementations these are strategy, people, processes, and technology considered as precondition for the effectiveness of implementing CRM behavioral dimensions Crosby (2001).

On the other hand, each of these components by itself is, relatively straightforward; it is only when all four work in unison that a superior customer relationship capability is developed Day (2003); Kotler and Armstrong (2004). Based on the analyses of the Customer Relationship Management literature, Customer Relationship Management implementations usually involve four specific ongoing activities: focusing on key customers Srivastava, Shervani, and Fahey (1999); Vandermerwe (2004), organizing around Customer Relationship Management Homburg, *et al* (2000); managing knowledge Stefanou, *et al* (2003), and incorporating Customer Relationship Management-based technology Bhaskar (2004). Based on the concepts of Customer Relationship management mentioned in the theoretical framework, the study tried to examine activities regarding to customer Relationship management and market performance of

the banks for the selected banks in Addis Ababa considering Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank. Thus, focusing on key customers of the banks, efficiency of organization, incorporating CRM-based technology and customer knowledge management, with the aim of enhancing the effectiveness of the organization decisions related to customer relationship management to assess its relation on marketing performance in particular and the organizational performance in general.

2.2.1. Model of Customer Relationship Management Strategy

As indicated in Figure 1, Sayed H., (2011) noted that CRM is a multidimensional construct consisting of four broad behavioral components: key customer focus, CRM organization, knowledge management, and technology-based CRM in his study. He investigated the four CRM behavioral dimensions on marketing performance of financial institutions in preserving current customers, attracting new customers, increasing market share, enhancing the standard of sales growth and adding the net profit standard to sales. Considering the model, the researcher focuses on the banks among many financial institutions. The researcher limits the scopes of the previous study to the extent of Customer retention, Market share, Attracting new customers, and Sales growth in accordance with the objective of the study.

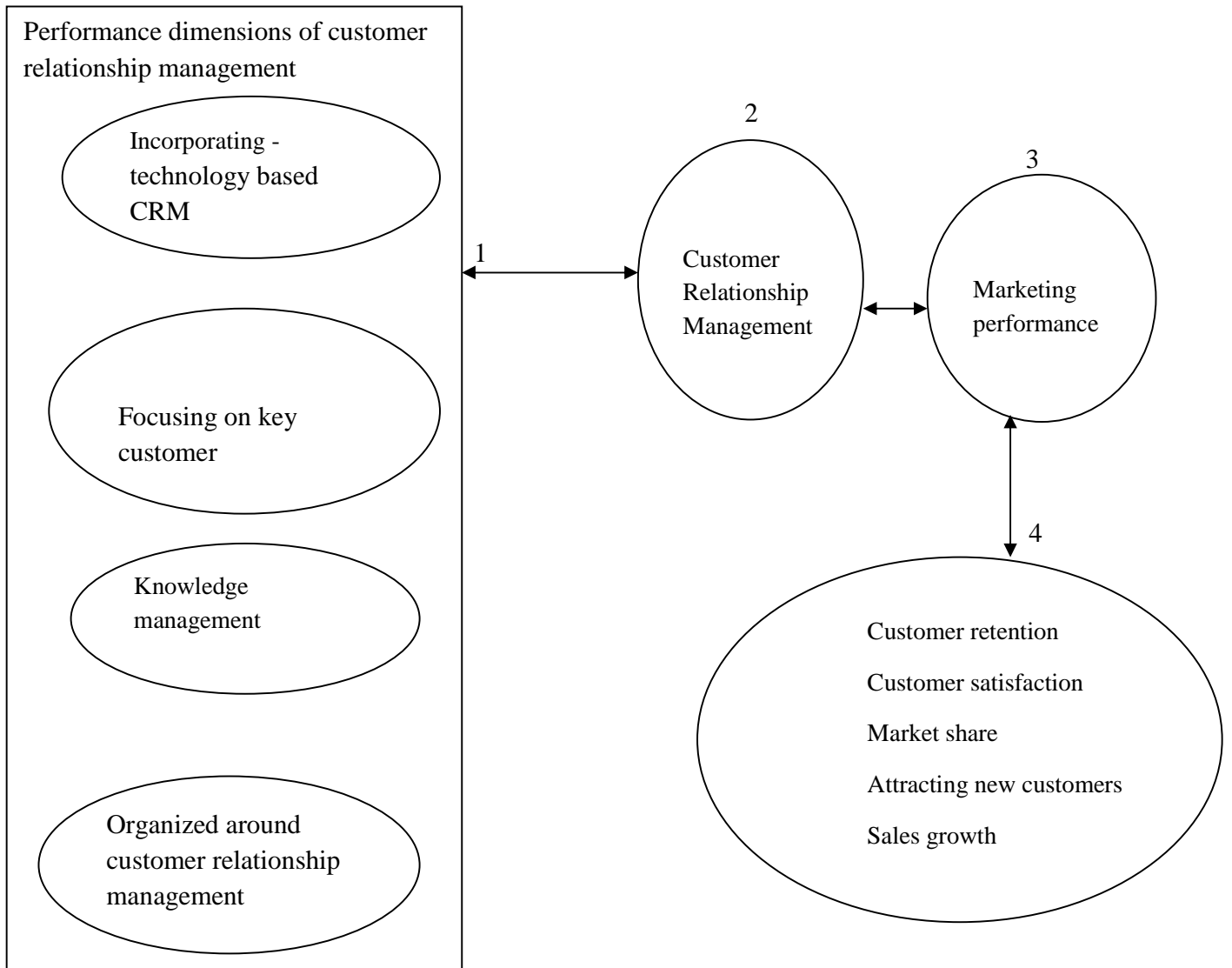


Figure 1: Conceptual Model of Customer relationship management Performance dimensions and its relationship to marketing performance.

Source: Sayed H., (2011)

As indicated in the above Figure 1, performance dimensions of customer relationship management considers their performance in terms of incorporating technology, proper handling of key customers, customer knowledge management and organizational efficiency in relation with marketing performance of the selected banks. Kotler and Armstrong (2004) stated superior customer relationship capability will be achieved when the four dimensions of Customer relationship management work in harmony or as a unit. In other words success in one of the key factors may not necessarily enhance effective and efficient Customer Relationship Management Sin, Tse and Yim (2005) hypothesized that customer relationship management is a multidimensional construct consisting of four broad behavioral components: key customer focus, customer relationship management organization, knowledge management, and technology-based Customer Relationship Management. The study tried to examines the four dimension of customer relationship management and its relationship to marketing performance in attracting new customers, increasing market share, sales growth, and customer retention for the banks.

2.2.2. Key Customer Focus

The fundamental goal of key customer focus is to achieve a deep customer relationship that makes an organization a necessary partner to its most profitable customers. Company-wide understanding and support for key customer focus motivate sales force to cultivate long-term customer relationships by offering more personalized services Yim, Anderson and Swaminathan (2005); Armstrong and Kotler (2004). Evelyn and Hamadallah (1996) noted that, firms are engaged in numerous transactions with significantly diverse customers in terms of their needs and expectations; they consider Customer relationship management as quite challenging. To reduce the Customer relationship management challenges, most of the firms have resorted to formal

customer relationship management (CRM) programs. Customer relationship management programs are generally classified as either database-driven refers identifying profitable segments through statistical techniques or customer-needs-driven refers the use of database to supply information that aids in the development and maintenance of long-term relationships with key customers. Evelyn and Hamadallah (1996) observed that customers-needs-driven customer relationship management programs are common with firms that adopt business-to-business marketing strategies because customers-needs-driven customer relationship management programs boost inter-firm relationships. According to the customer relationship management behavioral component model of Sin, Tse and Yim (2005), Key customer focus is a composition of dialog with customers on customizing their needs, customer needs assessment, and implementation of customer needs information.

2.2.3. Customer Relationship Management Organization

Yim, Anderson and Swaminathan (2005) stated that with a strong focus on key customers deeply embedded throughout its Customer Relationship Management system, the entire company should be organized around cultivating these valuable relationships. The organizational structure needs to be flexible and, if necessary, reconstructed to generate customer-centric values and improve coordination of customer-focused, cross-functional teams. They noted that with concerted efforts by all organizational functions to continuously provide a stream of value-rich actions and customer outcomes. This enables the company and its sales force are assured that they can satisfy customers' needs and enhance customer relationships. The success of customer relationship management programs call for commitment of resources at all levels and functions of the firm.

2.2.4. Customer Knowledge Management

Mithas *et al.*, (2005) noted that, the primary motivation for a firm to implement CRM applications is to track customer behavior to gain insight into customer tastes and evolving needs. Customer relationship management applications help firms gather and use customer knowledge through two mechanisms. First, CRM applications enable customer employees to record relevant information about each customer transaction .After this information is captured, it can be processed and converted into customer knowledge on the basis of information – processing rules and organizational policies. Second firms can share their accumulated customer knowledge with customers to enable those customers to serve themselves by defining the service and its delivery to suits their needs. A firm cannot be customer focused without knowing the needs of customers. Customer needs driven Customer Relationship Management strategies require uncovering customer needs through the analysis of customer information. Yim, Anderson and Swaminathan (2005) asserted that, effectively transforming customer information to customer knowledge is an indicator of successful Customer Relationship Management. Evelyn and Hamadallah indicated in Brohman *et al* (1996) stated a 360-degree customer view is established, maintained, and continually updated.

Knowledge management provides firms with market intelligence that can be used to maintain and build profitable portfolios of customer relationships. The value of knowledge is enhanced by its level of accessibility. Ryals *et al.*, (2001) to address customer’s current and anticipated needs. Successful dissemination of knowledge requires firms to develop both information technology systems, such as marketing management support systems to disseminate explicit knowledge and other processes and procedures to encourage the dissemination of tacit knowledge.

2.2.5. Technology-Based Customer relationship management

Many Customer relationship management oriented activities, such as knowledge management, cannot be optimized without leveraging the latest technology. Zeblah,(2004) described Customer relationship management technology as one of the organizational resources that serves as an input into the Customer relationship management process and is intended to enhance firms' ability to productively build and maintain a profit maximizing portfolio of customer relationships. Although the specific Customer relationship management tools individual firms choose to deploy are likely to vary significantly, customer relationship management technology can be categorized according to the organizational function it is intended to support and by its functionality.

More specifically, Customer relationship management tools are designed to support sales (e.g. opportunity management), marketing (e.g. campaign management), and service and support tasks (e.g. case management), and serve to either (1) enable the coordination of tasks within a process or across functions, (2) automate routine tasks, (3) provide detailed insight regarding organizational and individual employee performance, or (4) standardize common tasks and processes. They noted that the expansion of sophisticated information management tools, such as database marketing, data warehousing, data mining, and push technology keep firms in a continues such for the latest technology that could be built-in into their Customer relationship management systems. With the right Customer relationship management technology, firms are able to collect, analyze, and distribute information firm-wide.

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

2.2.6. Customer Satisfaction

Customer satisfaction is a customer's response, or judgments, to a product or service in terms of the extent to which consumption meets expectations Hair, *et al* (2003). Indeed, customer satisfaction is central to successful application of the marketing concept. Many company mission statements and marketing plans are designed around the goal of increasing customer satisfaction Fournier *et al*, (1999). In implementing Customer relationship management, a firm seeks to establish and maintain a long-term relationship with customers based on cumulative full customer satisfaction as opposed to transaction-specific customer satisfaction Garbarino *et al*, (1999); Reinartz and Kumar (2002).

Specifically, successful Customer relationship management implementation requires a dedicated company-wide focus on key customers in one-to-one marketing efforts to fully understand and satisfy their needs and wants on an ongoing basis. The seller's entire organizational structure should be centered on customers, often with customer-focused teams Sheth and Sisodia (2001) designed to create fully satisfying customer experiences Ahmed *et al*, (2003). By making creative use of the customer knowledge acquired and by leveraging Customer relationship management-based technology, an organization can provide customized offerings to its valued customers, which should boost customer satisfaction Anderson and Srinivasan (2003). Successful Customer

relationship management activities must cultivate customer satisfaction Stefanou *et al*, (2003) by continuously adapting to the evolving needs and wants of customers.

2.2.7. Sales Growth

Reichheld and Sasser (1990) stated that, reducing customer defections by 5 percent can boost profits by 25 percent to 85 percent. Recently, although the precise numbers may vary, empirical findings consistently show a substantial jump in revenue and profits with a small gain in customer retention Oliver (1999); Pfeifer and Farris (2004).

2.2.8. Customer retention

Customer retention has a significant relation on firm profitability. According to Appiah and Kingsley, quoted in Gupta et al. (2004) find that “1% improvement in retention can increase firm value by 5%”. Marketers interested in maximizing lifetime value realize that customer retention is a key to increasing long run firm profitability. An understanding of drivers for customer’s defection can help companies in designing CRM strategies and interventions aimed toward increasing customer retention and prolonging the lifetime of customers to increase market performance better than before. Customer retention is the maintenance of continuous trading relationships with customers over the long term.

Buttle, F., (2009) noted Positive retention strategies are strategies that lock the customer in by rewarding a customer for remaining in a relationship. These positive retention strategies include the following:

- Customer delight or exceeding customer expectation: This is going beyond what would normally satisfy the customer. It means being aware of what it usually takes to satisfy the customer and what it might take to delight or pleasantly surprise the customer.
- Adding customer perceived value: Companies can explore ways to create additional value without creating additional costs. If cost are incurred then the value-adds may be expected to recover those costs. Value can be added through programs such as, loyalty schemes, customer clubs and sales promotions.

Based on the components of customer relationship management/dimensions and marketing performance indicators as pointed out in the study, the researcher was designed close ended questionnaires for the participants to assess the relation between customer relationship management and marketing performance in the selected banks in Addis Ababa.

2.3. Prerequisites and Performance of Customer Relationship Management Initiatives

Customer Relationship Management helps to identify the most Profitable customers through the Customer Relationship Management system and places these customers at the center of the organization according Reichheld and Sasser, (1990). Effective Customer Relationship Management solutions help to cut costs through a number of activities. In addition to this, Customer Relationship Management helps organizations to avoid wasting marketing money on ineffective marketing programs and enables them to reduce sales inventory costs through better

forecasting. It also reduces costs by eliminating errors that occur from multiple uncoordinated interaction points Kalakota and Robinson (2001).

2.4. Customer Relationship Management and Information Technology

Customer relationship management puts more attention on the improvement of service quality and marketing function, and then stresses on cross-selling and providing product or services quickly and precisely. Well-known IT applications are the call center and sales force automation in this extent. Business sales programs and effectiveness, campaign management, channel integration and optimization, product optimization and management, loyalty and retention, cost reduction, customer service, and after-sales support now fall under the IT applications in the CRM deployment. Today, CRM-based IT with its operational, analytical, and collaborative support systems complements the processes involved in all aspects of customer-facing interactions. It integrates marketing, customer services, and diverse contact channels and provides customized services by modeling a customer's behavior so as to maximize the value of the enterprise. IT on the Internet has not only provided a completely new communications channel, but has forever changed the role and function of customer interaction Buttle, F., (2009).

2.4.1. Service Automation in Banking Industries

Service automation is the application of computerized technologies to support service staff and management in the achievement of their work related. Customer service departments are responsible for managing inbound call center operations, complaint handling and resolution, order entry and processing, providing field sales support, managing outbound call center

operations, and acting as liaison to other departments. Contact centers are configured to communicate with customers across multiple channels, including voice telephony, e-mail, SMS, instant messaging, web collaboration and fax.

Service agents need to be able to access an entire communication history, regardless of channel when communicating with customers about service issues Buttle, F., (2009). Call centers are generally dedicated to telephony communications, whether through a public switched telephone network, cell phone network. But the helpdesks are usually associated with IT environments where assistance is offered to IT users. Many companies now offer web based self service to customers. Customers can place orders, pay, track service issues, or perform service diagnostic online at any time of day or night.

2.4.2. Marketing Automation in Banking Industry

Marketing automation is the application of computerized technologies to support marketers and marketing management in the achievement of their work related objectives. A very wide range of marketing positions can make use of marketing automation including marketing managers, campaign managers, market analysts, promotions managers, database marketers, and direct marketing managers. Hardware and software are the key technological elements of marketing automation. Hardware includes desktop, laptop, and handheld devices. Software comprises both point solutions that are designed to assist in a single area of marketing or marketing management, and integrated solutions that offer a range of functionality Buttle F. (2009).

2.5. Customer-Related Performance Measures

With increasing competitiveness, banks are concerned with customer satisfaction and profitability, both in the short as well as in the long-term.

Long-run profitability can be achieved in customer relationship management through the new focus on customer retention which resulted from an effective management of customer relationships. Thus, the competitive pressures are demanding that banks not only adopt the customer-focused customer relationship management strategy, but also the customer-related measures of performance. Thus, banks are expected to use strategy that focused on customers in order to sustain their competitive advantage. For these banks, the use of the financial measures is not only short-term oriented but also inadequate to capture the customer perspective of performance according to Nor Aziah and Badriyah indicated (2009). Customer-related performance measures are therefore needed to quantify customer relationships and to differentiate customers who are worthy of the customer relationship management efforts. Customer differentiation requires financial institution such as banks to identify their customers, differentiate them, interact with them and customize their services. Performance measures to measure evaluate and control performance. Hence, within the context of customer relationship management, the use of customer-related performance measures for evaluation is expected to enhance performance.

2.6. Customer Relationship Management Objectives in Banking Industry

The idea of customer relationship management is that it helps businesses use technology and human resources gain insight into the behavior of customers and the value of those customers. If it works as expected, a business can provide better customer service, make call centers more efficient, help sales staff close deals faster, simplify marketing and sales processes, discover new customers, and increase customer revenues. It doesn't happen by simply buying software and installing it.

For customer relationship management to be truly effective an organization must first decide what kind of customer information it is looking for and it must decide what it intends to do with that information. For example, many financial institutions keep track of customer life stages in order to market appropriate banking products like mortgages to them at the right time to fit their needs. The organization must look into all of the different ways information about customers comes into a business, where and how this data is stored and how it is currently used. One company, for instance, may interact with customers in many ways including mail campaigns, Websites, call centers, mobile sales force staff and marketing and advertising efforts. The collected data flows between operational systems (like sales and inventory systems) and analytical systems that can help sort through these records for patterns. The Company combine through the data to obtain a holistic view of each customer and pinpoint areas where better services are needed according to Semih Onut and Ibrahim Erdem (2000). Mehrota (2006) stated that, before the introduction of internet era, customers largely selected their banks based on how convenient the location of banking branches was to their homes or office, with the advent of new technologies in the business of bank, such as internet banking and ATMs, now customers can

freely choose any bank for their transactions. This customer base of banks has increased, and also has the choices of customers for selecting the banks. This is just the beginning of the story. Due to forced competition, public sector banks are also becoming more technology focus and customer oriented. Thus, Non-traditional competition, market consolidation, new technology, and the proliferation of the internet are changing the competitive landscape of the retail banking industry. With the increased number of banks, products and services and practically nil switching costs, customers are easily switching banks whenever they find better services.

2.6.1. Customer Relationship Management in Financial Services Sector

According to Mehrotra, (2006) Customer relationship management is one of the primary strategic initiatives in industry today, regardless of whether the company serves retail or wholesale customers, whether it provides services or manufactured goods. In financial industry, the movement towards CRM is being fueled by competitive pressures from both financial and non-financial services companies that are systematically raiding a bank's territory to pick off most valuable customers. Although CRM is not a technology, modern high tech applications, from relational databases, to data mining, to computer telephony integration, to internet delivery channels, are providing the means to implement customer relationship strategies today.

2.6.2. Benefits of customer relationship Management in the banking industry

Customer relationship management focuses on keeping and maintaining long-term relationship with customers, leading to customer satisfaction and hence creating marketing performance in the banking industry Liyun *et al* (2008,). In this line of thought, Gebert *et al* (2003); Kalakota and Robinson, (2001); Shani and Chalasani, (1992) assert that the companies' objectives from using

CRM is to know their own customers and to offer personalized services, in order to increase both customer satisfaction and their marketing performance in the long run through keeping customers loyal to them. Nguyen *et al* (2007) supported that the CRM if used properly, would enhance a bank's ability to achieve the ultimate goal of retaining customers in order to gain a strategic advantage over its competitors. Thus, the successful management of customer relationship can improve customers' satisfaction and loyalty, in order to give positive effect on upgrading business performance Liyun *et al.*, 2008). Customer relationships are becoming even more important for banks as market conditions get harder. Competition is increasing, margins are eroding, customers are becoming more demanding and the life-cycles of products and services are shortening dramatically. All these forces make it necessary for banks to intensify the relationship with their customers and offer them the services they need via the channels they prefer. CRM helps banks to provide lot of benefits to their customers; some key benefits are as follow.

- Service provisioning throughout the entire life cycle of the corporate customer, from the initial stages to the establishment of a close, long-term relationship with profitable clients,
- Significant reduction in and limitation of operational costs through system automation and standardization,
- Low maintenance and expansion costs owing to the use of modern administration tools which allow bank employees to make a wide range of modifications to the system.
- CRM permits banks to leverage information from their databases to achieve customer retention and to cross-sell new products and services to existing customers. Foss, B. and Stone, M. (2001).

- Companies that implement CRM make better relationships with their customers, achieve loyal customers and a substantial payback, increased revenue and reduced cost. Roh, T.H., *et al.*, (2005).
- Customer relationship management when successfully deployed can have a dramatic effect on bottom-line performance. For example, Lowe's Home Improvement Warehouse, in a span of 18 months, achieved a 265 percent return on investment (ROI) on its \$ 11m CRM investment String fellow *et al* (2004).
- According to a study conducted in the sector of banking, convenience of location, price, recommendations from others and advertising are not important selection criteria for banks. From customers' point of view, important criteria are: account and transaction accuracy and carefulness, efficiency in correcting mistakes and friendliness and helpfulness of personnel. Thus, CRM, high-quality attributes of the product / service and differentiation proved to be the most important factors for customers Zineldin, M. (2005)
- Another study conducted in a European bank shows that with CRM, the bank was able to focus on profitable clients through efficient segmentation according to individual behavior. Information about 'who buys what and how much' enabled the bank to have a commercial approach based on the client and not solely on the service. Thus, the bank was able to better satisfy and retain its customers.

Lindgreen and Antiocho, (2005) Eventually, CRM results both in higher revenues and lower costs, making companies more effective and efficient: effective in targeting the right

customer base with the right services via the right channels, and efficient in doing this at the lowest costs.

2.7. Customer relationship management and Shareholder value

Investors are significant stakeholders in businesses. They are an important source of capital that allows businesses to be established, to operate and grow, and in return they expect the value of that capital to grow. It does so by creating and retaining profitable relationships with customers Buttle F. (2009). Thus, in today's market, customers are the key to maintain a competitive advantage. Banking institutions should be aware of who their customers are, which customer group produce higher profits and what factors keep them happy and influence their loyalty. Customers affect a bank's success; therefore the winners will be those institutions that succeed in managing their relationship with customers in an effective manner and in quick time Mylonakis (2009). Thus, the best weapons of banking institutions within a strongly competitive environment is the establishment of a customer-centered attitude with the implementation of CRM and the recognition of customers' strategic role in all banking activities. The importance of using CRM lies as personalized customer approach, and the understanding in advance of customer needs constitute the main criteria for achieving a competitive advantage in the banking market. The Egyptian Banking Sector has adopted the CRM, as banks have realized the need to maintain their customers' base and to better use their resources in order to promote their products and services.

2.8. Empirical Findings on Customer Relationship Management

2.8.1. Empirical Findings in Developed Countries

As evidenced from majority of prior empirical studies, the majority of researches on customer relationship management have conducted based on the data obtained from developed countries. Here, in this section a certain empirical findings conducted based on a developed countries data are reviewed.

Swaminathan, (2004) Clarified the relationship of customer relationship management and customer outcome. The study sample consisted of 1,223 service firms selected on a random probability basis from the Business. He has taken the sample frame were banks, investment companies, insurance companies, and other firms characterized by a high degree of relationship orientation, and thus well suited for testing our CRM framework. Questionnaires were sent directly to general managers or similarly level senior managers at each of the companies selected for the study. These senior-level respondents were highly knowledgeable about CRM implementation and practice within their companies as indicated by their ability to answer fully virtually all questions. A total of 215 returned surveys were complete and usable, for a response rate of 17.6 percent. Focusing on key customers and managing knowledge have significant effects on customer satisfaction. Customer satisfaction is not directly affected by organizing around CRM and incorporating CRM-based technology. Also, organizing around CRM affects customer retention directly. Likewise, managing knowledge has a significant effect on customer retention and sales growth via customer satisfaction. Incorporating CRM-based technology shows no sign of significant effect on the performance metrics.

Kosmidou and Zopounidis (2008) conducted research study entitled “Measurement of bank performance: study of Greece bank” the present study evaluates the performance and efficiency of the Commercial and cooperative banks in Greece for the period 2003-2004. In this study the multi-criteria Promethee method was used to evaluate the performance of commercial and cooperative banks in Greece. The data set in this study includes 14 commercial banks¹ and 16 cooperative banks operating in Greece over the period 2003-2004. Data from the financial statements of the banks for the period 2003 to 2004 have been collected. The conclusions are not so uniform, since there are banks that are enjoying considerably increased profits and market shares, and others whose financial indices seem to be deteriorating.

Oztaysi (2011) defined the CRM processes within a company and propose a tool for CRM measurement in Turkey. The research is designed according to scale development literature. The responses from various industries (manufacturing, information technologies, tourism, service, retail, finance, and logistics) were collected. Using exploratory factor analysis, 167 valid responses are analyzed. The study provides limited information about the relationship between the processes and outcomes of CRM (such as CS, CL). A comprehensive model can be constructed and the relationship between, CRM results, CRM processes and other organizational factors can be investigated. The effect of organizational culture, structure and other organizational characteristics on CRM processes and results can be analyzed.

Mithas and Frow, (2005) stated that, the role of customer relationship management on customer knowledge and the customer’s satisfaction. The necessary data was gathered from experienced managers of Information Technology almost from 300 institutions working in United States of

America. The finding showed that the applications of CRM have a positive effect as they contribute to improve the knowledge of the customer and enhance the customer's satisfaction.

2.8.2. Empirical findings in Developing countries

As indicated in prior empirical findings, most of the researches on customer relationship management have been conducted on the data obtained from developed countries. Under this section some empirical findings conducted based on a developing countries data are reviewed.

Hamdallah and Evelyn (2011) conducted a research to classify hotels in Ashanti region of Ghana into a category of low, middle, or high customer relationship management conscious. They used both qualitative and quantitative research approaches are employed in their study to get a better understanding of the research issue. The population size of the study is 872 consisting of 1 Star Hotels, 2 Star Hotels, and 3 Star Hotels. The sample size of the study is 142 customer relations officers of hotels in Ashanti region of Ghana. Data is collected mainly from field survey through the use of the questionnaire and yielded 80% responds rate. The findings suggest that significantly majority of the hotels have low orientation to CRM as a whole.

Majidul and Yi-Feng (2006) noted that objective of the study is to achieve a better understanding of an e-CRM phenomenon for measuring BSC performance, namely the mediation effect of marketing interaction relationship on its e-CRM process to performance in Taiwan banks. Questionnaires were distributed to 400 e-CRM experienced customers of these banks in the summer of 2006. We received 75% usable responses for the study.

When the level of buy-seller relationships are raised by the bank institute's operation, the level of e-CRM performance such as customer loyalty, internal process efficiency, channel management, and will increase.

According to Sayed (2011) Exploring the theoretical foundations of customer relationship management and its relationship to the marketing performance from the several perspectives. The population of the research is represented in all the financial institutions working in the Arab Republic of Egypt. They are 197 financial institutions, of which there are 39 banks, 20 insurance companies and 138 brokerage companies The researcher composed a stratified random sample that constitute 50% of the society. The sample consisted of 20 banks, 10 insurance companies and 69 brokerage companies. There is a significant correlation between marketing performance and focus on the main customers, organizational efficiency and customer knowledge management.

Oghojator *et al* (2011) explores the question of how IT could enhance firm performance in the areas of customer's service and organization's profitability in the Nigerian insurance industry. The data used in this study were collected through a survey among insurance companies in Nigeria. The sample was selected from Lagos state, the commercial center of the country. Among the 49 members of the Nigeria insurers Association, 30 companies were selected at random from the directory of members contained in the 2009 Insurance Digest published by the Association. A total of 90 copies of the questionnaire were sent. Eventually, among the 86 copies retrieved, 78 were correctly completed and these were analyzed for this research.

The findings show that while most companies have a comprehensive data base of their customers, not all make provisions for their customers to make major transactions online because they have not fully integrated their customer relationship management with information technology.

Sadek *et al* (2011) intended to measure effect of customer satisfaction and loyalty from the customers' point of view as examples of the non-financial performance measures in Egypt banks. The paper is quantitative in nature and consists of two different structured questionnaires using convenience/quota sampling. The first involved 180 employees in order to measure CRM applicability, and the second involved 270 customers to measure the level of customer satisfaction and loyalty. The questionnaire was distributed among a sample of 200 employees that have been chosen at different hierarchical levels to fulfill the required questions. A satisfactory response rate of 90% was achieved, as 180 questionnaires were usable for analysis. On the other hand, the questionnaire was distributed among a sample of 300 banking customers that have been chosen from the selected nine banks in order to measure the level of customer satisfaction and loyalty towards their banks. The questionnaire has been distributed and collected among the banking customers. A satisfactory response rate of 90% was achieved, as 270 questionnaires were usable for analysis. The findings show that the selected banks apply CRM components but the level of application differs from one bank to another.

Cristian and Horatiu (2011) examined the direct outcomes of the CRM activities, as well the relationship among these outcomes and business performance. We used a database containing contacts of 2000 companies. In the end, there were 102 companies who returned questionnaires with answers. 20 of these questionnaires were invalidated, due to missing data or inconsistency. The valid sample had a size of 82 companies, which represent a response rate of 38.86% based on the number of companies which initially accepted to take part in the survey. The response rate based on the number of contacted companies is 4.1%. The customer-related outcomes (customer retention, satisfaction and loyalty) were found to have a positive relation on business performance.

Hamid (2009) aims to address gap in literature, not only by taking a non-traditional approach of success evaluation; using system's stakeholders' expectations as an evaluation criteria but also focusing a case study from Pakistan, where ICT industry and specifically CRM is in the initial stages of adoption. Totally, 9 participants were invited to take part in the research study and data was collected over a time period of almost 6 months. For data collection, a specialized form of interviews (i.e. telephonic interview), open ended email communication and media reports were used. Only suggestion the researcher would like to make is that instead of reinventing the wheel, stakeholders should learn from the mistakes of the western companies. If they have imported the solution from these developed countries, then those failure lessons should also be imported and applied in order to avoid damage and financial losses.

Rittippant *et al* (2009) investigated the effectiveness of loyalty card program in the aspect of customer loyalty in the major competitive grocery stores. We distributed and collected 600 questionnaires to gather information from the customers of Big C, Carrefour, and TOPS (200 for each store). All the questionnaires were convenience random sampling with equal amount to both urban and suburban customers with different age, gender, and income level to use as major data in this research to better understand the customers' attitude toward loyalty card program of these grocery stores. Moreover, we interviewed three managers of the major grocery chains in order to study more precisely about the effectiveness and the actual result of implementing this program and its benefits from the store's perspective.

As the results have shown that the loyalty card program has significant positive effect on the customers' loyalty. Although loyalty card program may not be the best choice for some stores, there also are many other ways to develop and maintain customer loyalty.

Coltman (2007) identifying the extent to which customer relationship management contributes to improving the performance of banking. The researcher composed a sample of banks working in Australia upon the application of technology and number of customers. The yielded response rate was 32%.the abilities to apply CRM were measured by the human skills and experiences, the structure of information technology and the skeleton of the organization. Performance was measured by the earning rate of the investment (excluding taxes), the revenue of new products and the growth of sales.

The study concludes that, abilities to apply CRM lead to improvement of performance in overall banking p activities.

Zablah and *et al.*, (2004), distinguishing the concept of CRM and building a comprehensive framework to aid marketers to achieve CRM implementation successfully. They concluded that perceiving relationships with customers as a continuous process helps maximize and save the profits to stay in the competition.

Gunsel and tukel, (2011) evaluated the effects of IT capability and human capital support on bank performance. In order to empirically investigate the hypothesis, bank employees were surveyed and bank performance ratios (ROA, ROE and CAR) are estimated using data from their financial reports. 15 banks are identified as the target group because of the availableness of their knowledge. Tools such as e-mail, letter and face to face interviews are used for gathering data as total of 51 questionnaires among 150 from 15 banks has returned. The ratio of participation is approximately 34%. The findings of the study demonstrates that IT capability and human capital support scales which are developed in Western countries, are appropriate for an emerging economy and eastern country

Payne and Frow, (2005) emphasizing the role of CRM in achieving value for customers and contributors, shareholders and employees and reducing costs. The study mentioned customer's satisfaction and retention have been achieved in 36% and 51% of the companies respectively when it was applied CRM.

The above studies varied in treating CRM. While some studies treated its humanistic dimension, some treated its technological dimension and some treated its strategic dimension. However, the marketing dimension was of little interest to the studies. The above studies varied in measuring the earnings of CRM. Some studies measured them through the customer's satisfaction and loyalty. Other studies measured them through the return rate on investment. Others measured it through increasing sales and profits. There was less interest in the market share and net profit to net sales. The above studies varied in the results of the effect of the dimensions of CRM on performance. Results showed that some dimensions have effect on performance, and some others have not.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter of the study deals with the research design and methodology of the study. It includes the research design, target population, sample and sampling designs, data collection instruments, methods of data analysis, and data quality assurance of the study.

3.1. Research Design

Both qualitative and Quantitative research methods were used in the study through close ended questionnaires and dichotomies questionnaire with descriptions. However ,the type of the research is explanatory. The target population of the study comprises employees (mangers and customer officers) of Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank. The banks respondents were selected on the basis of a criterion which demands at least two years experiences in their current job.

3.2. Sampling Design

The total number of banks in Addis Ababa was seventeen excluding those banks currently under formation. Among this, three banks were selected namely Awash International Bank, Zemen Bank and Commercial Bank of Ethiopia. The selection of those banks were one from the state Bank, one from the oldest private Banks, and one from the unique in its operation in Ethiopia. In selecting the research subjects, stratified random sampling was used. The sampling method helps for a population from which sample was to be drawn does not constitute a homogeneous group. Thus, stratified sampling technique was generally applied in order to obtain a representative sample. Under stratified sampling the population of the study was divided into two: managers and

customer Officers. In the study customer officer refers a person he/she hired by the banks to serve in the front line and directly deals with customers of the banks whereas manager refers any person he/she hired in the banks in any position to control and supervises the overall operation of the banks. The selection of the sample was limited to customer officers and managers. Because, the objective of the study was only assessing customer relationship management and marketing performance from customer officers and managers perspective due to some difficulties in getting complete data base of all customers of the banks. Sub-populations that were individually more homogeneous than the total population and selecting items from each stratum constitute a sample of the study. Since each stratum was more homogeneous than the total population, the researcher was able to get appropriate estimates.

For the purpose of the study the strata were formed on the basis of common characteristics of the items to be put in each stratum. This means that various strata formed in such a way to ensure elements being most homogeneous within each stratum and most heterogeneous between the different strata. Thus, strata were purposively formed on the basis of personal judgment of the researcher. The researcher has been taken small samples of equal size from each of the proposed strata (Managers and customer Officers) and then examining the variances within and among the possible stratifications, deciding an appropriate stratification. While using stratified sampling method, selection of items for the sample from each stratum of the study, resorted to simple random sampling.

Considering the study, the researcher used proportional allocation method under which the sizes of the samples from the different strata were kept proportional to the sizes of the strata. In this study, if P_i represents the proportion of population included in stratum i and n represents the total sample size, the number of elements selected from stratum i was $(n.P_i)$. The researcher designed a

sample of size $n = 150$, desired to be more representative in relation with population of the study size (Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank) and the population of the study was represented as $N_1 =$ Awash International Bank, $N_2 =$ Commercial Bank of Ethiopia, and $N_3 =$ Zemen Bank. The total population of the study were 263(source primary data) which were divided into three strata of size $N_1 = 73$, $N_2 = 163$, and $N_3 = 27$. Based on proportional allocation, the sample sizes under the different strata: For strata with $N_1 = 73$, we had $n_1 = n \cdot P_1 = 150 (73/263) = 42$. Similarly, for strata with $N_2 = 163$, then $n_2 = n \cdot P_2 = 150 (163/263) = 93$, and for strata with $N_3=27$, then $n_3 = n \cdot P_3 = 150(27/263) = 15$

Thus, using proportional allocation, the sample sizes for different strata were 42, 93, and 15 respectively which was proportional to the sizes of the strata viz., 73: 163: 27. Proportional allocation is considered most efficient and an optimal design when the cost of selecting an item is equal for each stratum, there was no difference within-stratum variances, and the purpose of sampling happens to be to estimate the population value of some characteristic Kothari (2004:63). In addition, purposive sampling was used, because it is better control of significant variables, homogeneity of subjects and sample groups data can be easily matched to those selected Commercial Banks: Awash International Bank, Commercial Bank of Ethiopia, and Zemen Bank with their head office and branch banks. Accordingly, those respondents meeting the experience required were selected.

3.3. Methods of data collection

Methods of data collection relatively dependence on standard questionnaires prepared by Swaminathan (2004) which was prepared in the form of Likert five scales to measure Customer relationship management dimensions by modifying in relation to the study. But, the researcher incorporated dichotomies questionnaires which require some discussions by managers of the

banks assuming them as key informative to gather the necessary data from them. The managers provide their opinion from the questionnaires which deems yes or no and they prescribed their justification for saying Yes or No indicated under each items. For the purpose of data collection, the researcher used closed ended questionnaires. Closed ended questionnaires were prepared on the basis of customer relationship management dimensions and marketing performance of the study. Thus, closed ended questionnaires helps to measure respondent's knowledge about the topic.

3.4. Sources of Data

The study used both primary and secondary data. Primary data was collected through closed ended questionnaires in the form of likert five scales and dichotomous with description under each item. Accordingly, the closed ended questionnaires were given to customer officers.

Secondary sources of data for the study included books, published journals, articles and relevant documents (documents related the study) were also extensively reviewed as references.

3.5. Methods of Data Analysis

The researcher analyzed the data gathered through close ended questionnaires with the aid of SPSS (Statistical Package for Social Science) version twenty (20) which consists of descriptive statistics in terms of mean, percentage, tables, figures, charts and standard deviation. In addition to this, the researcher was also concerned with the interpretation and the representation of justification. Besides, spearman rank correlation used to analyze the relationship between customer relationship management and marketing performance due to the ordinal nature of the data employed in the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Demographic Information of the Customer Officers' Respondents

The first part of the questionnaire consists of the demographic information of the respondents from Awash International Bank, Zemen Bank and Commercial Bank of Ethiopia. This part of the questionnaire requested a limited amount of information related to personal and professional demographic characteristics of respondents. Accordingly, the following variables were described and summarized in the subsequent Tables and Figures. These variables include number of years the employee worked in the banks, age, sex, and their educational qualification of the respondents under each questionnaire. It was distributed to the respondents by categorizing them in to two. The first type of the questionnaire was distributed to customer officers while the second type of questionnaire was distributed to managers those having work experience at least two years in the current job. Out of 150 questionnaires distributed to customer officer respondents and manager respondents, the response rate is 81%.

In general, 150 questionnaires were distributed for both customer officers and managers. Thus, in this chapter the information gathered from the respondents was analyzed in the following sections.

4.1.1. Summary of the number, Percentages, and Sex of Customer Officers' respondents of the Banks

The following Figures (4.1.1) shows that, the number, percentages, and sex of customer officers of the selected banks in Addis Ababa.

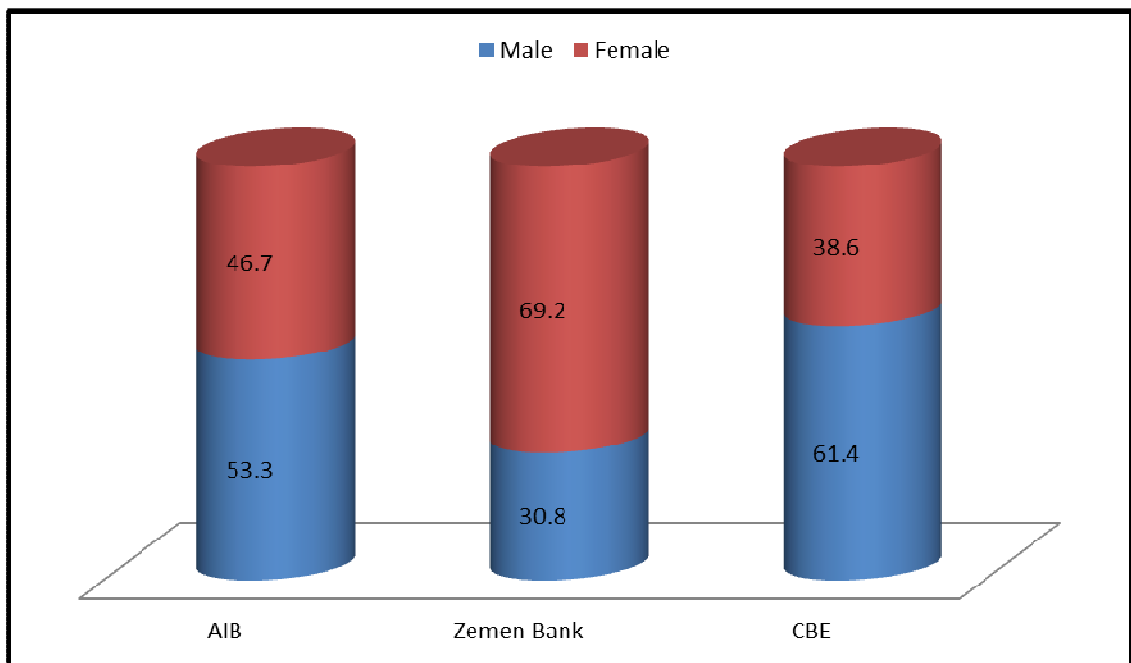


Figure 4.1.1: Sex of Customer Officers Respondents

As indicated in Figure 4.1.1, 16 (53.3%) of the respondents were male and 14(46.7%) of the respondents were female in Awash International Bank. About, 4(30.8%) of the respondents were male and 9(69.2%) were female in Zemen Bank. On the other hand, 35(61.4%) of the respondents were male and 22(38.6%) were female in CBE. From this datum, we can easily observe as most of Awash International Bank Customer officers respondents were male whereas majority of Zemen Bank customer officer respondents were female, and most of Commercial Bank of Ethiopia customer Officer respondents were male. To this end, the male proportion is high in the banks of AIB and CBE in Addis Ababa. As evidenced from the above Figure 4.1.1, the majority of the data gathered were represents the responses of the male respondents which are highly significant to collect the necessary data. Even though the proportion of female and male were differ, its sufficient number for the study to gather the desired data. The ultimate goal of the study was not considering the number of females and males, but to incorporate both sexes.

Table 4.1.1: Summary of the number, Percentages, and Age of Customer Officers' respondents of the Banks

Banks	Age of Customer Officers Respondent				Total
	20-25	25-35	35-45	45-55	
AIB	3(10.0%)	24(80.0%)	3(10.0%)	0(0.0%)	30(100.0%)
Zemen Bank	4(30.8%)	9(69.2%)	0(0.0%)	0(0.0%)	13(100.0%)
CBE	20(35.1%)	25(43.9%)	10(17.5%)	2(3.5%)	57(100.0%)
Total	27(27.0%)	58(58.0%)	13(13.0%)	2(2.0%)	100(100.0%)

According to Table 4.1.1, out of the total customer Officers respondent of Awash International Bank, 3(10%) of them were between the age of 20-25, 24(80%) of them were between 25-35 years , 3(10%) were found between 35-45 years and there was no respondents in the age interval

of 45-55 and 55 years age. In the same Table 4.1.1, 4(30.8%) Zemen Bank customer Officer respondents age lies in the category of 20-25 years, 9(69.2%) of them were between 25-35 years, and this was maximum age interval in Zemen Bank. on the other hand , customer officer respondents of Commercial Bank of Ethiopia 20(35.1%) of them were in between 20-25 years, 25(43.9%) of them were found between 25-35 years while 10(17.5%) were between the age category of 35-45 years, and the remaining 2(3.5%) of them were found between 45-55 years. From this data the researcher can conclude that most of the respondents of AIB were between 25 to 35 years and below 45 to 55 ages. In spite of this, the majority of Zemen Bank customer officer respondent's age was found in the category of 25-35years. As a matter of fact, most of CBE respondents customer officer were found between 25-35 years. In general, the age proportionality of the respondents of the banks in Addis Ababa reveals that there was adequate in balancing both sexes. Besides, the maturity levels of the individuals, the banks in takes the knowledge and potentials of individuals into account. In general, the age of the respondents of the banks was between 25 to 35 years. This shows that, the level of the age (determines) how to deal with customers and contributes to the banks to preserve the existing customers.

Table 4.1.2: Summary of the number and Percentage of Customer Officer Respondent by Bank and Experience

Banks	Experience of respondents (in years)					Total
	2-7	7-12	12-17	17-30	>=30	
AIB	20(66.7%)	9(30%)	1(3.3%)	0(0.0%)	0(0.0%)	30(100%)
Zemen Bank	12(92.3%)	1(7.7%)	0(0.0%)	0(0.0%)	0(0.0%)	13(100%)
CBE	37(64.9%)	12(21.1%)	1(1.8%)	6(10.5%)	1(1.8%)	57(100%)
Total	69(69%)	22(22%)	2(2%)	6(6%)	1(1%)	100(100%)

As we can observe from Table 4.1.2, majority of AIB respondents were 20(66.7%) have working experience of 2 to 7 years; 9(30%) of them have working experience of 7 to 12 years, and 1(3.3%) have a working experience of 12 to 17 years. Whereas Zemen Bank respondents were 92.3% of them have a working experience in the range of 2 to 7 years, and the remaining respondents 7.7% of them have got work experience of 7 to 12 years of on the current job. However, Commercial Bank of Ethiopia respondents 64.9% have work experience of 2 to 7 years, 21.1% have work experience between 7 to 12 years, 1.8% of them have a work experience of 12 to 17 years, 10.5% have working experience in the range of 17 to 30 and 1.8% of the respondents have a work experience greater than or equal to 30 years. To this end, the experience of respondents in the selected banks was fulfilled the minimum requirements of the study for the collected data.

4.1.2. Summary of the number, percentages ,and Educational qualification of Customer officers of the banks

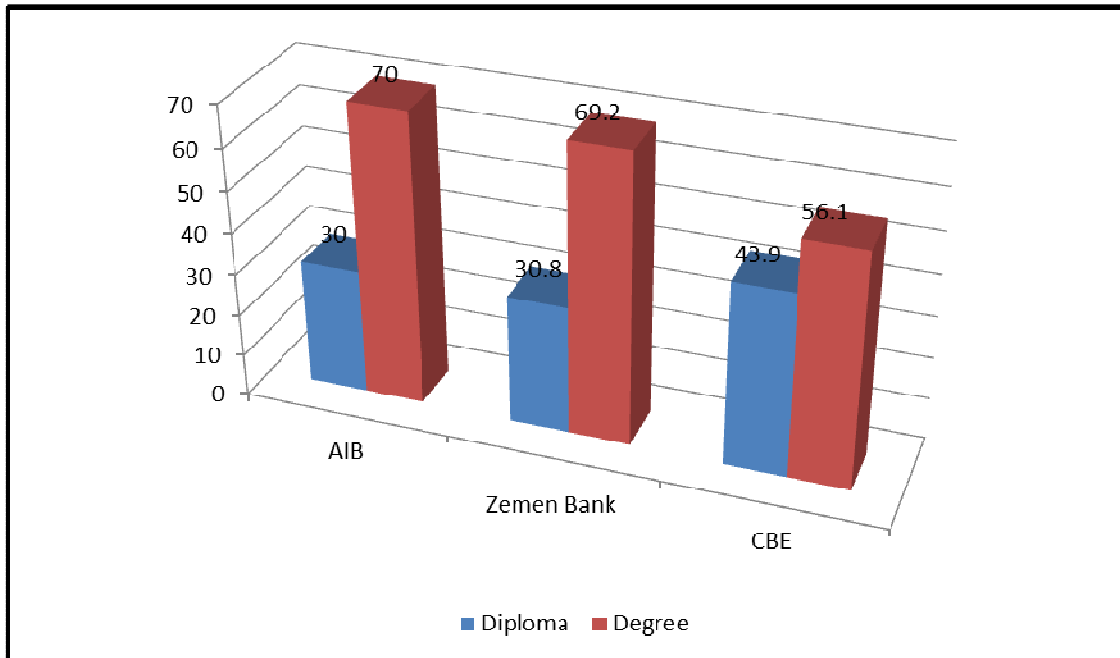


Figure 4.1.2: Summary of the number, percentages, and Educational qualification of respondents of customer Officers' of the Banks

As far as their educational qualification of customer officers were concerned (Figure 4.1.2), Awash International Bank Customer officers respondent 9(30%) of them were diploma holders, and 21(70%) of them were BA/BSc holders and Zemen Bank customer officer respondents 4(30.8%) were diploma holders and 9(69.2%) of them were BA/BSc holders. In addition to this, Commercial Bank of Ethiopia customer officer respondents, 25(43.9%) were diploma holders, and the remaining of them were BA/BSc holders. Definitely, the educational status of the given individual has a great value to do with the efficiency and effectiveness of what he/she performs to the banks.

Thus, it can be inferred that, the majority of the respondents are first degree holders with little variations between the banks. This shows that, most of Customer officers of the banks holds appropriate academic qualification which can be contribute a lot towards the collected data.

Table 4.1.3: Summary of the number, Percentages, and Sex of Manager Respondents of the Banks

Banks	Sex of manager respondents		Total
	Male	Female	
AIB	3(60%)	2(40%)	5(100%)
Zemen Bank	2(100%)	0(0.0%)	2(100%)
CBE	10(76.9%)	3(23.1%)	13(100%)
Total	15(75%)	5(25%)	20(100%)

As indicated in Table 4.1.3, 3(60%) of manager respondents were male and 2(40%) of the respondents were female in the case of Awash International Bank and 2(100%) of the respondents were male and no female respondent in Zemen Bank at managerial position even 10 (76.9%) of the respondents were male and the remaining 3(23.1%) of respondents were female. To this end, it can be easily observed that, most of the bank managers were male. This shows that there are gaps between the banks in putting females as a managerial position and in encouraging them to be staff of their banks. Besides, the bank should assist females to equalize the gender gaps and to use the necessary competencies females possess.

4.1.3. Summary of the number, percentages , and Age of manager respondents of the banks

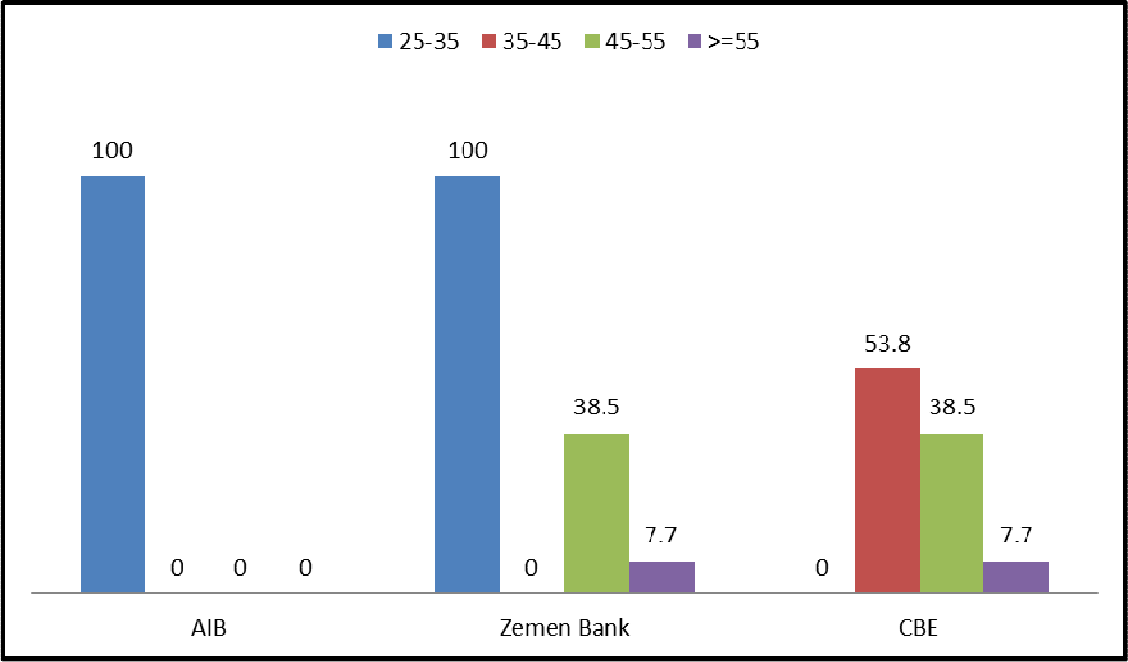


Figure 4.1.3: Summary of the number, percentages, and Age of Manager Respondents of the Banks

According to Figure 4.1.3, 5(100%) of manager respondents of Awash International Bank were between the age of 25-35 years. On the other hand, in the same Figure 4.1.3, 2(100%) of Zemen Bank manager respondents were in the age category of 25-35 years. Managerial respondents of Commercial Bank of Ethiopia 7(53.8%) were between 35 to 45 years, 5(38.5%) were found between 45-55 years, and 1(7.7%) them were greater than the age of 55 years. In general, the age combinations of the banks were between 25 to 35 years as inferred from the data.

Table 4.1.4: Summary of the number, Percentages and Experiences of Managerial Respondents of the Banks

Banks	Experience of Manager respondents (in years)					Total
	2-7	7-12	12-17	17-30	>=30	
AIB	2(40%)	3(60%)	0(0.0%)	0(0.0%)	0(0.0%)	5(100%)
Zemen Bank	1(50%)	1(50%)	0(0.0%)	0(0.0%)	0(0.0%)	13(100%)
CBE	0(0.0%)	1(7.7%)	5(38.5%)	4(38.8%)	3(23.1%)	57(100%)
Total	3(15%)	5(25%)	5(25%)	4(20%)	3(15%)	100(100%)

As Illustrated in Table 4.1.4 shows, the majority of AIB managerial respondents 3(60%) were have working experience of 7 to 12 years and the remaining 2(40%) were have a work experience of 2 to 7 years whereas Zemen Bank managerial respondents, 50% were have working experience in the range of 2 to 7 years and similarly 50% were have working experience of 7 to 12 years on the current job. From this data, Commercial Bank of Ethiopia manager respondents, 7.7% were have working experience of 7 to 12 years, 38.8% were have working experience of 12 to 17 years, and 30.8% were have working experience in the range of 17 to 30. Besides, 23.1% of managerial respondents possess working experience of 30 years and above.

To this end, it can be concluded the majority of commercial Bank of Ethiopia manager were more experienced than AIB and Zemen Bank. Therefore, banks that have more experienced employees were more competitive in serving customers in better than other banks.

Table 4.1.5: Summary of the number, percentages and Educational qualification of manager respondents of the Banks

Banks	Educational qualification of managers		Total
	Master's	BA/BSc Degree	
AIB	0(0.0%)	5(100%)	5(100%)
Zemen Bank	1(50%)	1(50%)	2(100%)
CBE	0(0.0%)	13(100%)	13(100%)

As far as their educational qualification of manager is concerned (Table 4.1.5), regardless of Awash International Bank 5(100%) of all managerial respondents were BA/BSc degree holders. According to Zemen Bank manager responded that 1(50%) were degree holders and 1(50%) of them was holders of master's degree. In the same manner, Commercial Bank of Ethiopia manager responded (5%) were holders of master's degree, and the majority of respondents were holders of BA/BSc. It is definite that, the educational status of the given individual has a great thing to do with the efficiency and effectiveness of what he/she performs. It be can inferred that, the majority of the respondents of the banks were first degree holders. Thus, most of the managerial respondents of the bank hold relatively good academic qualification which can contribute a lot towards the effectiveness of the banks. As employees have advanced their educational background, the banks can benefit from the competitive advantages gained from business decision made in this dynamic business environment.

4.2. Managerial Perception on key customers focuses and customized services.

The researcher considered managerial respondents as key informants of the study. Because managers are most of the time responsible for all operations or activities taking place in the banks. Thus the researcher distributed 22 Yes or No questions which require justification for why things were happened under each items.

Table 4.2.1: Summary of Managerial Perceptions on key Customers focuses and Customized Services

No	Questions	Banks	Number			Percentage		
			Yes	No	Total	Yes	No	Total
1.	Do you think that, your bank gives more emphasizes to key customers?	AIB	4	1	5	80	20	100
		Zemen	2	0	2	100	0	100
		CBE	12	1	13	92.3	7.7	100

As indicated in Table 4.2.1, some of AIB managers justified for their responses regarding to Yes or No. They stated AIB gives more attention for the key customers of the banks to avoid customer turnover to other banks. Thus, 80% of them said Yes and the remaining 20% were contrary to this view. Some respondents stated that, the bank considers its key customers as “King” due to the today’s market competition being stiff. Without key customers there is no profit and even difficult to achieve the goals of the bank. Adding to this, the banks provide loans, holiday gifts to the key customers to make them to feel like their own business. Furthermore, the banks have given attention not only to key customers but also for “All customers of the bank” as

stated by the respondents of the bank. Zemen Bank manager respondents stated that, 100% of them responded that, the banks have benefited by highly emphasizing on key customers. The respondents underlined that, “As blood is for life; customers are soul of the bank”. In reality, the focus is highly on key customers especially importers and exporters by serving them better than other banks. In general, the primary strategy of the bank is putting customers at the center and supporting the services with more advanced banking technology.

On the same issue in the Table 4.2.1, Commercial Bank of Ethiopia respondents forwarded their justification for their relationship with key customers in the bank. Almost majority of managers responded (92.3%) accepted that, their banks give more emphasis to key customers by giving loans and accepting their money to deposit in their banking. The works of the banks are to satisfy their customers in a better way because, the bank can't maximize its market if its customers are not satisfied and they are not remained loyal to the bank for a long time of period to avoid customer turnover in the future. Therefore all banks even though the extents that they are providing services are different, majority of them are emphasizing on providing quality services to their customers.

4.3. Managerial Perception on customer centric performance standards in the banks

Managerial respondents responded considering, customer centric performance standard establishments and continuous monitoring of all touches points in their banks. The summary of their responses were given in (Table 4.3.1) below.

Table 4.3.1: Summary of managerial perception on customer centered performance standards

No	Questions	Banks	Number			Percentage		
			Yes	No	Total	Yes	No	Total
2.	In your opinion, do you think that customer-centric performance standards are monitored at all touch points?	AIB	4	1	5	80	20	100
		Zemen	1	1	2	50	50	100
		CBE	9	4	13	69.2	30.8	100

As shown in Table 4.3.1, 80% of respondents AIB agree that especially these days the bank target were improving its service using different measures such as intensive manpower training to implement totally performance standards through all touch points. On the other hand, 20% of them responded as No. Even, the banks haven't customized and controlled the customer centric performance standards.

Similarly, Zemen Bank manager respondents mentioned their perception whether their banks established customer centric performance and monitored at all contact points. the respondents of Zemen Bank (50%) were perceived as there was no performance standards were monitored in

relation to customers. The rest of the managers responded that (50%) of them perceived as there was no performance standard in relation to customer in the bank, but it is very important thing to note. From the above Table (4.3.1), (30.8%) of them stated that the bank did not completely implement performance standards in relation to customer and supervision in all touch point of the bank. In contrast to this, about 69.2% of the managerial respondents stated, the bank has established performance standards. The remaining 30.8% of them stated that there was no customer centric performance standard established. In general, banks established customer centric performances and monitored it at all touch points of their banks.

4.4. Managerial perception on communication among customers and the banks

Managers of all the selected banks were asked to respond for whether their banks were providing channels to enable ongoing two way communication between main customers of their banks in Addis Ababa (Table 4.4.1).

Table 4.4.1: summary of perception on providing two way communication channels

No	Questions	Banks	Number			Percentage		
			Yes	No	Total	Yes	No	Total
3.	Do you think that, your organization provides channels to enable ongoing two –way communication between key customers?	AIB	5	0	5	100	0	100
		Zemen Bank	2	0	2	100	0	100
		CBE	12	1	13	92.3	7.7	100

As shown in Table 4.4.1, some managers of AIB stated their views for question number three of the above table, they said “AIB provides channels of communication to customer to express their

feelings about the services they get from the bank but it is not satisfactory and the bank should take measures to improve the bank services. It's better, if the banks give more emphasis to suggestion boxes, electronic mail, face to face communication, and through telephone to get their feedback on the services. The reflection of the manager respondents of Zemen Bank for this question was, almost all the respondents (100%) of them stated that, the bank facilitates online banking service, mobile banking service, SMS banking and call services. Thus, the customers forwarded any question at any given time and the bank solves the problem back immediately. On the other hand, Commercial Bank of Ethiopia respondents were agreed (92.3%) that, their bank has harmonious relationship with their customers and the bank is also open at any time to receive suggestions and comments.

Finally, the level of incorporating communication technology in the banks shows variations among the banks, even though three of the banks have provided two way communications with their customers.

4.5. Summary of perception on maintaining comprehensive database of customers

Managers of the three banks in Addis Ababa were asked to give their justification towards maintaining compressive database of their customers in respect to their bank as shown in (Table4.5.1) below.

Table 4.5.1: Summary of perception on having comprehensive customers database

no	Questions	Banks	Number		Percentage			
			Yes	No	Total	Yes	No	Total
4.	Do you think that, your bank maintain a comprehensive database of the customers having the necessary hardware and software?	AIB	3	2	5	60	40	100
		Zemen	0	2	2	0	100	100
		CBE	10	3	13	76.9	23.1	100

As indicated under question number four of Table 4.5.1, (40%) of the respondents responded as no, because the bank may have transaction software called master banking but it's difficult to say the bank has comprehensive database which supports the banking operations. Even the bank was very late to have ATM machines, mobile banking, and visa card services .In the fear of cost to have those materials, the bank better to think the effect of not having technology based comprehensive data base of its customers. Some of them forwarded their justification we have bank master for online banking with foreign banks and they hope in the future to have better technology which takes us one step forward, even though we have not fulfilled all the necessary hardware and software technologies. On the other hand, all the respondent of Zemen Bank (100%) of them mentioned as there is no comprehensive database of customer supported by the necessary hardware and software. Furthermore, Commercial Bank of Ethiopia managerial respondents believes that at least 76.9% of them responded as the bank maintains comprehensive database of their customers with the necessary software and hardware. The remaining 23.1% of managerial respondents responded as no, because the bank doesn't have the necessary software

and hardware, rather the banks have software which supports transaction process, but the bank has plan for the future to link the operations of the bank with more advanced banking technology to retain customer, and attract newly customers.

4.6. Managerial perception on customer Relationship Management Practices and Marketing Performance of the Banks.

Respondents were asked to say Yes or No about customer relationship management practices in increasing marketing performance in terms of increasing number of customers, satisfying customers and sales growth. Thus, all manager respondents were justified for saying yes and No as depicted in (Table 4.6.1).

Table 4.6.1: Summary of perception on Customer Relationship management practices and marketing performance

No	Questions	Banks	Number		Percentage			
			Yes	No	Total	Yes	No	Total
5.	Do you think that, CRM practices helped your bank in increasing marketing performance in terms of increasing number of customers, customer satisfaction, market share, and sales growth than before?	AIB	4	1	5	80	20	100
		Zemen	2	0	2	100	0	100
		CBE	13	0	13	100	0	100

As shown in Table 4.6.1 of question number five, majority of AIB managers (80%) of them responded as CRM practices helped their bank to increase marketing performance in better way after dealing more with customer relationship. The marketing performance of the bank (AIB)

shows an increment in terms of increasing number of customers; the increase in marketing performance reveals that market share and sales grew in some degree its better. On the other hand, very few of them said, No without justifying their answers why they said no. On Contrary to this, the majority of the respondents (100%) of the bank (Zemen Bank) expressed as the practice of CRM helped them to increase their marketing performance in terms of attracting new customer, customer satisfaction, market share, and sales growth. This in turn helped the bank, to minimize the number of dissatisfied customers and employees. In the case of commercial Bank of Ethiopia, managerial respondents are all agreed that (100%) of them responded as the practice of CRM helped the banks to increase its marketing performance. They believe that, CRM integrates the bank and the customer to have positive relationship among them. This helps the banks to minimize the number of customers that dissatisfied.

4.7. Employees' Perception of Customer Relationship Management and Marketing Performance of the Banks (AIB, Zemen and CBE)

Based on the responses gathered from the employees (Customer officers and Managers) of the banks, the researcher tried to discuss the employees' perception on customer relationship management and marketing performance of the banks (AIB, Zemen Bank and CBE). The questionnaires were designed using Likert five scale where almost all the statements were measured on a five point scale with 5 = Strongly agree; 4 = Agree; 3 = Neutral; 2 = Disagree; and, 1 = Strongly disagree. The information obtained from the questionnaire were summarized and discussed in tables and figures below.

4.7.1. The Employees' Perception towards Making coordinated Effort to key customers' needs in the banks

Employees perception of the selected banks in Addis Ababa, were analyzed based on their own insights about the services of their banks towards efforts and coordination made in addressing key customers need as shown in (Table 4.7.1).

Table 4.7.1: Summary of customer officer's perception on making effort to key customers need

Banks	Making an effort to key customers' needs				Total
	Disagree	Neutral	Agree	Strongly agree	
AIB	3(10%)	7(23.3%)	15(50%)	5(16.7%)	30(100%)
Zemen Bank	0(0.0%)	0(0.0%)	4(30.8%)	9(69.2%)	13(100%)
CBE	3(5.3%)	5(8.8%)	26(45.6%)	23(40.4%)	57(100%)
Total	6(6.0%)	12(12.0%)	45(45.0%)	37(37.0%)	100(100.0%)

As we can observe from Table 4.7.1, 10% of the respondents disagree with the statement about making an effort to find out what the key customer needs considering Awash International Bank. This helps to give feedback to the bank so that, they can understand the real needs of their customers. However, about 23.3% of the respondents are neutral whereas 66.7% of the respondents agree with the statement. On the other hand, the majorities of the respondents of Zemen bank (69.2%) of them strongly agree and with less extent (30.8%) of them agree with the statement that effort given for key customer needs are high concern from the customer officers of the banks. Moreover, Commercial Bank of Ethiopia 5.3% of the respondents disagreed with the use of customer relationship management about making an effort to key customers of the bank whereas, 86% of the respondents agree with the statement whereas about 8.8% of them become

neutral. This shows the majority of the banks that relatively knowing the needs of the customers enabled the bank to retain the existing customers and attracting new customers.

4.7.2 Summary of customer Officers attitude on treatment of customers with great care

Customer officers of the selected banks were asked to rate their level of agreement about treatment given to customers on likert five scales. Based on this, the summary of their agreement were depicted (Figure 4.7.2) below.

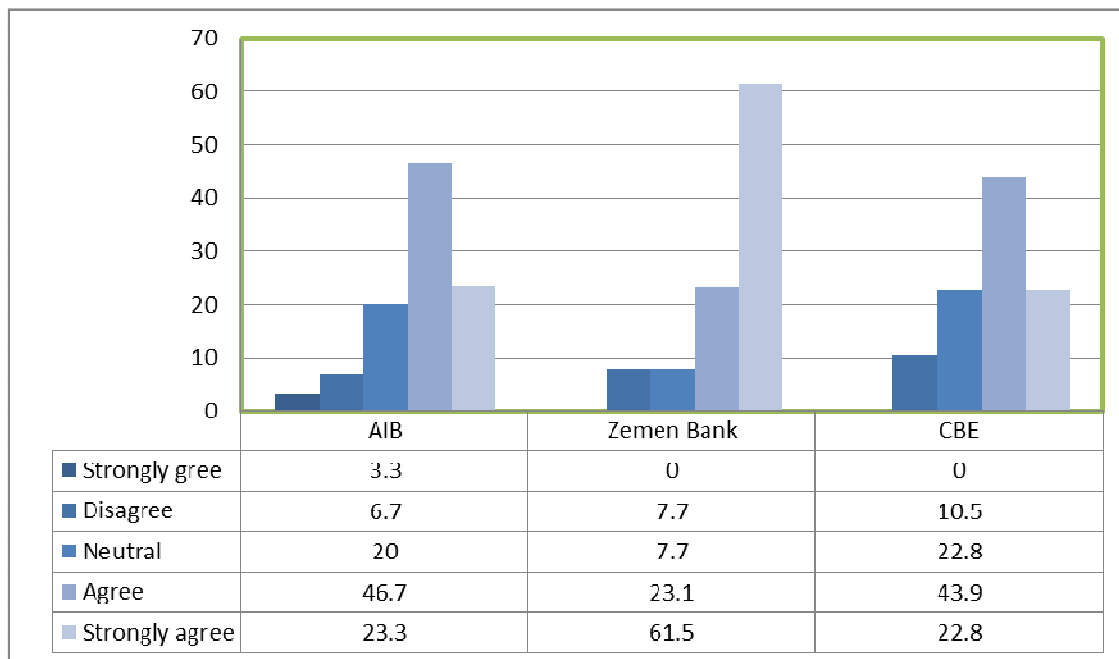


Figure 4.7.2: customers' treatment

As indicated in Figure 4.7.2, about 10% of AIB respondents disagree with the statement of treating customers in great care in the bank. On the contrary, 20% of the respondents are neutral, 70% of the respondents agree with the statement. Similarly, 7.7% of Zemen Bank respondents became neutral with the statement treating customers in great care through understanding while

84.6% of the respondents agree with statement. At the same time 10.5% of CBE respondents disagree on this statement. Moreover, 22.8% of the respondents are became neither agree nor disagree with the statement whereas the remaining 66.7% of them agree that treating customer in great care is offered in their bank through taking their need.

From this description, it is possible to infer that the Zemen bank is now also better in serving the customers in great care in relation with AIB, and CBE respectively.

4.7.3. Customers Officers attitude on coordinated Efforts of Departments in Modifying Services.

As indicted in (Figure 4.7.3), the summary of respondents perception about coordinated efforts among departments on modifying services were summarized below.

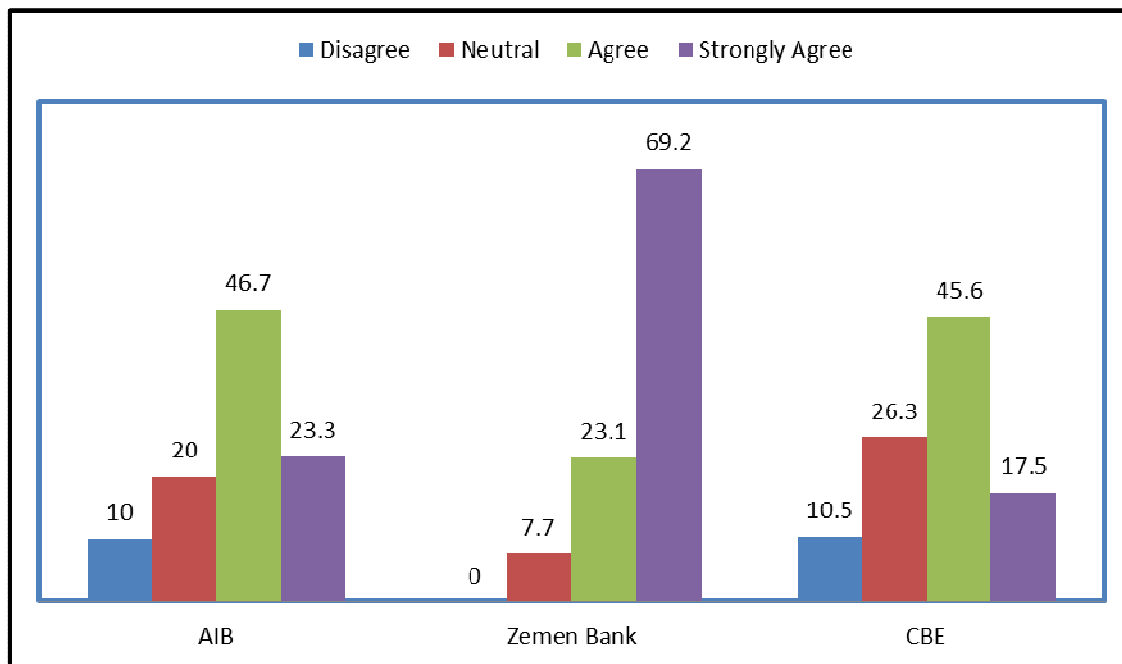


Figure 4.7.3: summary of perception on coordinated effort of departments in modifying the services

As depicted in Figure 4.7.3, 10% of the respondents disagree with the statement about customer would like to modify a service and the coordinated efforts among the department in Awash International Bank; this helps to give insight to the bank about the need of employee involvement to modify services to retaining customers and attracting new customers to consolidate marketing performance. However, about 20% of the respondents are neutral whereas 70% of the respondents agree with the statement.

On the other hand, almost all of the respondents (92.3%) of Zemen Bank agree with the statement to modify services through the coordinated efforts among the departments. Conversely, about 7.7% the respondents are neutral with the statement indicated in the above Figure (4.7.3). Moreover, on this issue Commercial Bank of Ethiopia 10.5% of the respondents disagreed with about customer would like to modify a service and the coordinated efforts among the departments. About 26.3% of the respondents are neither agreed nor disagreed with the statement whereas 63.1% of them agree with the statement.

In conclusion, most of the banks modifying services through using different technologies to address the need of the customers. Awash International Bank and Commercial Bank of Ethiopia are relatively similar in improving service to its customers whereas Zemen Bank is more exerted in modifying services to the customers with modern technology demanded by the customers in today's banks.

47.4 Attitudes of customer officers towards giving customized services to key customers

Table 4.7.4 : summary of customer officers towards giving services to key customers

Banks	Giving customized services to key customers				Total
	Disagree	Neutral	Agree	Strongly agree	
AIB	1(3.3%)	3(10%)	19(63.3%)	7(23.3%)	30(100%)
Zemen Bank	0(0.0%)	0(0.0%)	2(15.4%)	11(84.6%)	13(100%)
CBE	1(1.8%)	7(12.3%)	29(50.9%)	20(35.1%)	57(100%)
Total	2%	10%	51%	38%	100%

As we can observe from Table 4.7.4, 3.3% of the respondents disagree with the statement about giving customized services to key customers considering Awash International Bank. This helps to give insight to the bank so that, they can understand the real needs of their customers. However, about 10% of the respondents are neutral whereas 86% of the respondents agree with the statement. On the other hand, all of the respondents of Zemen bank (100%) were agree. Moreover, Commercial Bank of Ethiopia 1.8% of the respondents disagrees with the use of customer relationship management about making an effort to key customers of the bank whereas, 86% of the respondents agree with the statement whereas about 12.3% of them become neutral. In general, all the three banks provide customized services to their key customers to address their interest.

4.7.5 Attitudes of customer officers towards working with individual key customer to customize our offerings

Table 4.7.5: Summary of customer officer attitudes towards working with individual key customers

Banks					Total
	Disagree	Neutral	Agree	strongly agree	
AIB	Count 2 6.7%	9 30.0%	13 43.3%	6 20.0%	30 100.0%
Zemen	Count 0 0.0%	0 0.0%	5 38.5%	8 61.5%	13 100.0%
CBE	Count 3 5.3%	12 21.1%	31 54.4%	11 19.3%	57 100.0%
Total	Count 5 5.0%	21 21.0%	49 49.0%	25 25.0%	100 100.0%

The above Table 4.7.5 shows that, 6.7% of the respondents disagree with the statement about working with individual key customizes offerings considering Awash International Bank. This study helps the bank to get feedback how the works with individual key customer offerings improve their marketing performance in the day to day operations. However, about 30% of the respondents are neutral whereas 63.3% of the respondents agree with the statement. On the other hand, all of the respondents of Zemen Bank, 100% of them were agree working with individual key customers. Moreover, Commercial Bank

of Ethiopia respondents 26.4% of the respondents disagrees with working individual key customers. On the contrary, 21.1% of the respondents are neither agreed nor disagreed with the statement whereas 73.7% of them agree with the statement. This shows that all the three banks work with individual key customers to offer customized offerings. However, the degrees of working with individual key customers in giving customize offerings to key customers.

4.8 Customer Officers attitude on Organizational Efficiency

4.8.1. Customer Officers perception on Customer centric performance standards in the banks.

Customer officers respondents of the selected banks in Addis Ababa, were asked about customer centric performance standard establishment and continuous supervisions held in all contact points of the selected banks in Addis Ababa (Table 4.8.1).

Table 4.8.1. Summary of Employee perception on customer centric performance standards

Banks	Customer centric performance standards are established and monitored					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	1(3.3%)	5(16.7%)	10(33.3%)	9(30%)	5(16.7%)	30(100%)
Zemen Bank	0(0.0%)	0(0.0%)	1(7.7%)	8(61.5%)	4(30.8%)	13(100%)
CBE	0(0.0%)	6(10.5%)	16(28.1%)	27(47.4%)	8(14%)	57(100%)
Total	1(1.0%)	11(11.0%)	27(27.0%)	44(44.0%)	17(17.0%)	100(100%)

The above Table 4.8.1 shows that, 20% of the respondents disagree with the statement about customer centric performance standards are established and monitored in all touch point of the bank considering Awash International Bank. This study helps the bank to get

feedback how their performance standards improve their marketing performance in the day to day operations. However, about 33.3% of the respondents are neutral whereas 46.7% of the respondents agree with the statement. On the other hand, almost all of the respondents of Zemen Bank, 92.3% of them agree and the remaining of the respondents 7.7%, are neutral with the statement indicated in the above Table (4.8.1). Moreover, on this issue from the Commercial Bank of Ethiopia, 10.5% of the respondents disagree with the establishment of customer centric performance standards and monitoring in all touch points of the bank. In reality, about 28.1% of the respondents are neither agreed nor disagreed with the statement whereas 61.4% of them agree with the statement.

4.8.2. Perception of customer Officers on performance measurement and Rewards in the banks

The perception of customer officers respondents towards performance measurements and criteria of rewards were summarized under Table (4.8.2)

Table 4.8.2: Perception of Employees on Performance Measurement and Rewards

Banks	Performance measurement and rewards					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	2(6.7%)	11(36.7%)	4(13.3%)	8(26.7%)	5(16.7%)	30(100%)
Zemen	1(7.7%)	0(0.0%)	1(7.7%)	7(53.8%)	4(30.8%)	13(100%)
CBE	8(14%)	13(22.8%)	19(33.3%)	11(19.3%)	6(10.5%)	57(100%)
Total	11(11.0%)	24(24.0%)	24(24.0%)	26(26.0%)	15(15.0%)	100(100%)

Tables 4.8.2 revealed that, 43.4% of the respondents disagree with the statement about employee performance measurement and reward in Awash International Bank. This statement helps the bank to assess the performance criteria and to measure the rewarding system to evaluate the performance of their employee. However, 13.3% of the respondents are neutral whereas 40% of the respondents agreed with the statement.

On the other hand, almost all of the respondents of Zemen bank 84.6% of them agree while 7.7% of the respondents strongly disagree with the statement and the remaining of the respondents 7.7% of them, are neither agreed nor disagreed. Moreover, on this issue Commercial Bank of Ethiopia 36.8% of the respondents disagrees with employee performance measurement and rewarding system of the bank. However, 33.3% of the respondents are neither agreed nor disagreed with the statement whereas 29.8% of them agree with the statement.

From this data we can conclude that there is a variation among the banks about the application of performance and motivating employees to reward based on the level of their output on their current job.

4.8.3. Summary of Customer Officers attitude on training programs and Design

Respondents (customer officers) of banks in Addis Ababa were asked how they perceive about training and design of banks in case of the selected banks as shown in (Figure 4.8.3) and summarized below.

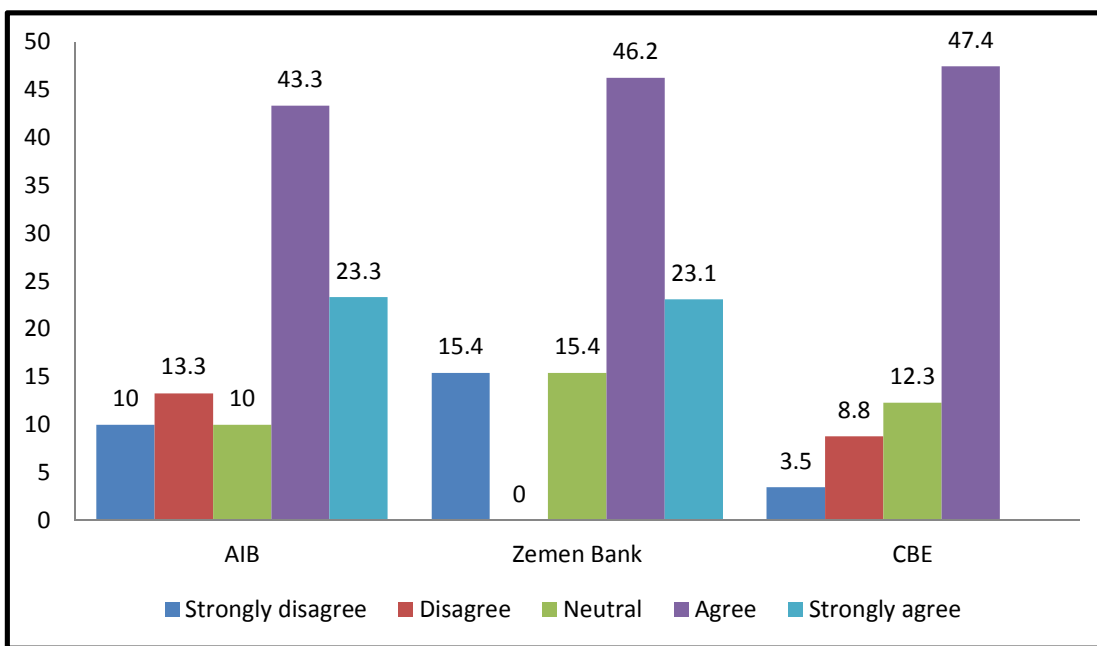


Figure 4.8.3: Employee training programs and designs in the banks

As depicted in Figure 4.8.3, 23.3% of the respondents disagree with the statement about employee training programs in Awash International Bank; this may help to give insight to the bank about the importance of training programs on employee effectiveness in enhancing marketing performance of the bank. However, about 10% of the respondents are neutral whereas 66.6% of the respondents agreed with the statement.

On the other hand, almost all of the respondents of Zemen Bank 69.3% of them agree with the training programs. Despite of this, about 15.4% the respondents disagree with the statement whereas the remaining of the respondents 15.4% of them are neutral with the statement. Moreover, on this issue Commercial Bank of Ethiopia 12.3% of the respondents disagree with employee training programs of the bank. About 12.3% of the respondents neither agreed nor disagreed with the statement whereas 75.5% of them agree with the statement.

In conclusion, giving training to the employee is inevitably for the operations of the banks to come up with different training program. But it's possible to adjust the cost to train the employee to make more familiar to with working conditions of the changing business environment in terms of strategies and modern banking technologies.

4.8.4. Customer Officers Perception towards the banking structure design around customers

Customer officers of the banks in Addis Ababa were asked how they perceive about the structure and design of banks around the customers in case of the selected banks as summarized (Table 4.8.4) below.

Table 4.8.4: Summary of customer Officers perception on banking structure

Banks	The bank structure is designed around customers					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	2(6.7%)	5(16.7%)	8(26.7%)	8(26.7%)	7(23.3%)	30(100%)
Zemen Bank	0(0.0%)	0.0(0.0%)	2(15.4%)	5(38.5%)	6(46.2%)	13(100%)
CBE	0(0.0%)	6(10.5%)	11(19.3%)	29(50.9%)	11(19.3%)	57(100%)
Total	2(2.0%)	11(11.0%)	21(21.0%)	42(42.0%)	24(24.0%)	100(100%)

Table 4.8.4 shows that, about 23.4% of the respondents of AIB argued against the design of banking structure around customers whereas about 50% of the respondents agree with the statement that the structure of the bank takes customers into consideration. On the contrary, about 26.7% of the respondents are neutral. On the other hand, almost all of the respondents of Zemen Bank 84.7% of them agree with the design of the bank structure regardless of customers. Moreover, about 15.4% the respondents are neutral with the statement. On the other hand, on the same issue the Commercial Bank of Ethiopia 10.5% of the respondents disagrees about the banking structure in relation to emphasis on customers and about 19.3% of the respondents neither agreed nor disagreed with the statement whereas 72% of them agree with the statement. From this the researcher can cascade the conclusion that, customer involvement in the structure of the bank helps to retaining and attracting the customers. Besides, it helps the bank to consolidate the marketing performance of the banks and building harmonious relationship among them.

4.8.5. Attitudes of customer Officers perception towards Business goals of the Banks

Customer officers of the banks in Addis Ababa were asked their attitudes about whether banks have clear business goals in the case of the selected banks as summarized (Figure 4.8.5) below.

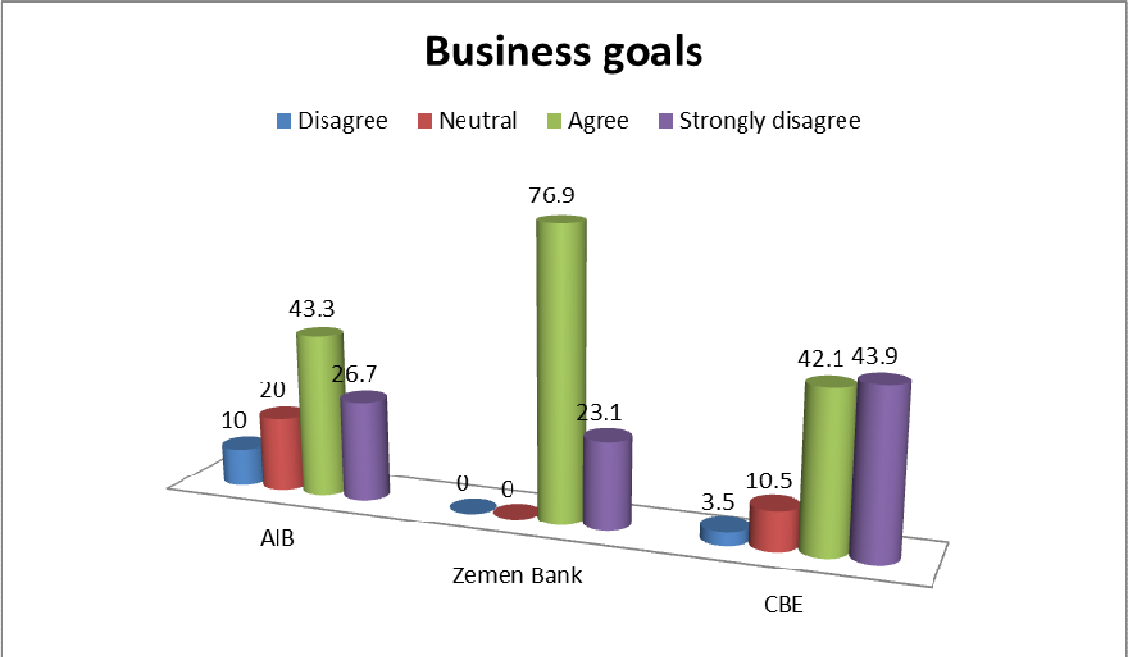


Figure 4.8.5: The bank has established clear business goals

As revealed in Figure 4.8.5, about 36.7% of AIB respondents disagree with the statement the bank has established. On the contrary, 20% of the respondents are neutral and 43.3% of the respondents agree with the statement that the bank has clear business goals. In contrast, 23.1% of Zemen Bank respondents disagreed with the statement that the bank has clear business goals while 76.9% of the respondents agree with statement. To this end, 47.4% of CBE respondents disagree on this statement. On the contrary, about 10.5% of the respondents neither agree nor disagree with the statement whereas the remaining 42.1% of them agree that the bank has established clear business goals related to customer acquisition, development retention, and reactivation.

From this description, it is possible to conclude that the Zemen Bank has clear business goals related to customer acquisition, retention, and reactivation. However, the remaining banks have almost similar performance in the issue of business goals and its relationship with marketing

performance. Thus, especially the AIB and CBE should consider their business goals in relation to attracting and retaining the existing customer for enhancing their marketing performance.

4.8.6. Attitude of Customer Officers perception about the bank Sales and Marketing Expertise

Respondents (Customer officers) of the selected banks for the study in Addis Ababa were asked their attitudes about sales and marketing expertise as summarized in (Figure 4.8.6) below

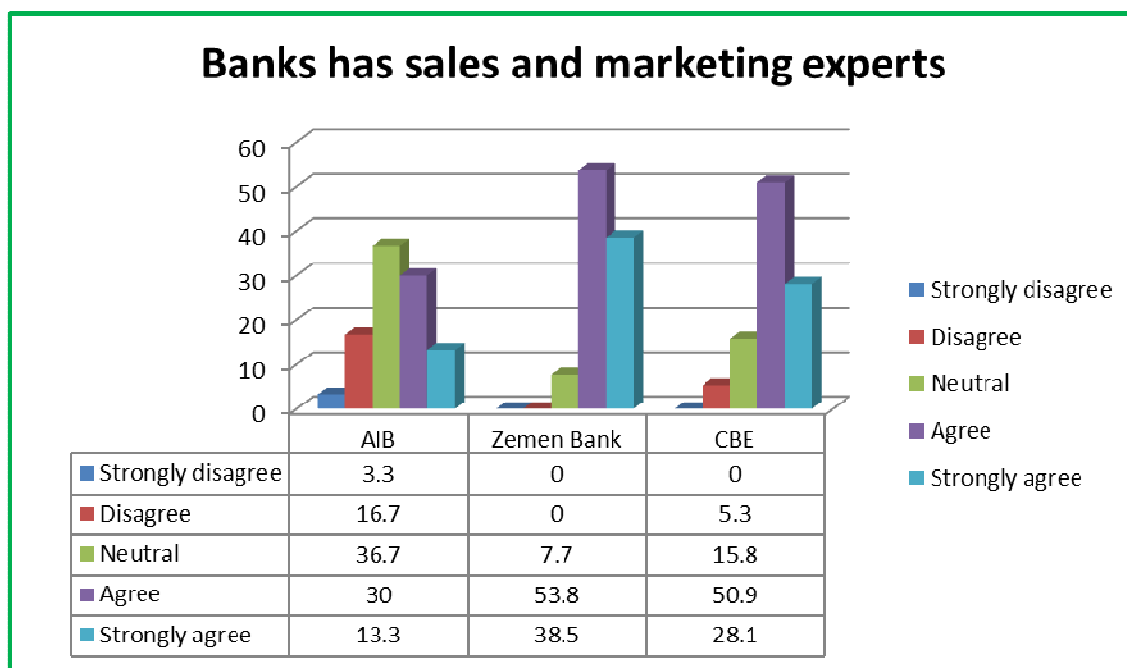


Figure 4.8.6: Summary of sales and marketing experts of the banks

As shown in (Figure 4.8.6), 20% of AIB respondents disagree with the statement the bank has the sales and marketing expertise and resources to succeed in customer relationship management. Besides, 36.7% of the respondents neither agreed nor disagreed with the statement whereas about 43.3% of the respondents agree with the statement that the bank has sales and marketing experts in succeeding customer relationship management. Contrary to this, about 7.7% of Zemen Bank respondents became neutral with the statement about sales and marketing experts in succeeding

CRM whereas 92.3% of the respondents agree with statement. Furthermore, 5.3 % of CBE respondents disagree on the statement that the bank has sales and marketing experts in succeeding customer relationship management. Likewise, 15.8% of the respondents neither agree nor disagree with the statement whereas the remaining 79% of them agree as the bank has sales and marketing experts in succeeding CRM operations.

4.8.7. Attitude of Customer Officers towards their Commitment time and Resource to Manage Customer Relationship.

The following Figure 4.8.7 shows, the summary of respondents about commitment and resources to succeed in building life long relationship with customers.

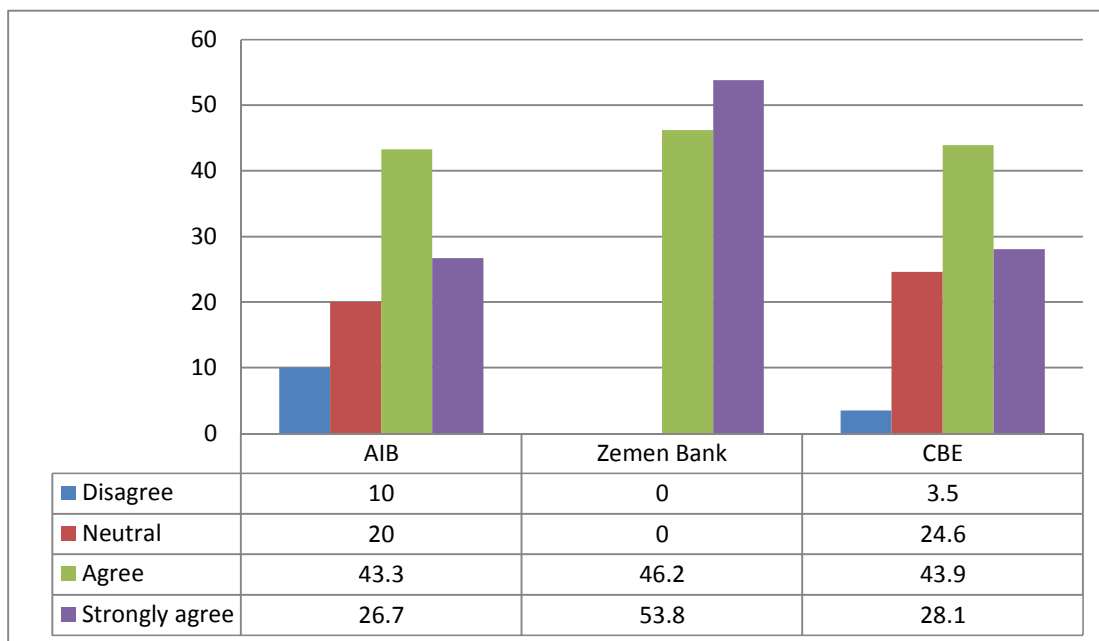


Figure 4.8.7: summary of customers Officers perception on committing resources and to manage customer relationship

As observed from the above (Figure 4.8.7), 10% of AIB respondents disagree with the statement the bank commits time and resources to manage customer relationship management. On the

contrary, 20% of the respondents are neutral regarding to the statement whereas 70% of the respondents agree with the statement. On other hand, 100% of Zemen Bank respondents agreed with the statement that the bank commits time and resources to manage customer relationship management. Furthermore, 3.5% of CBE respondents disagree on this statement. On the reverse, 24.6% of the respondents became neither agree nor disagree with the statement whereas the remaining 72% of them agree that the bank time commitment and resources to manage customer relationship management.

Finally, majority of banks exerting time and resource for the purpose of providing services for their customers and to increase their marketing performance better than before even though the degree of their commitment are varies.

4.9 Attitudes of customer officers towards customer knowledge management

4.9.1 Customer officer expectations when service will be performed

Table 4.9.1: summary of customer officer expectations when service will be performed

Banks		Expectation exactly when services will be performed					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
AIB	Count	0	6	6	15	3	30
	% within Banks	0.0%	20.0%	20.0%	50.0%	10.0%	100.0%
Zemen	Count	0	0	1	3	9	13
	% within Banks	0.0%	0.0%	7.7%	23.1%	69.2%	100.0%
CBE	Count	1	8	13	23	12	57
	% within Banks	1.8%	14.0%	22.8%	40.4%	21.1%	100.0%
Total	Count	1	14	20	41	24	100
	% within Banks	1.0%	14.0%	20.0%	41.0%	24.0%	100.0%

As observed from Table 4.9.1, 20% of AIB respondents disagree with the statement the bank expectation exactly when services will be performed to manage customer relationship management. On the contrary, 20% of the respondents are neutral regarding to the statement whereas 60% of the respondents agree with the statement. On other hand, 92.3% of Zemen Bank respondents agreed with the statement that the bank commits time and resources to manage customer relationship management. However, 7.7% were neutral about the statement. Furthermore, 15.8% of CBE respondents disagree on this statement. On the reverse, 22.8% of the respondents became neither agree nor disagree with the statement whereas the remaining 61.5% agree when service will be performed to improve customer relationship management. This shows majority of the three banks works towards expectations when services will be performed the purpose of providing services for their customers and to increase their marketing performance.

4.9.2. Attitudes of customer officers to understand the needs of key customers

Table 4.9.2: Summary of customer officer attitudes about understanding the needs of key customers

Banks		Understanding the needs of key customers					Total
		strongly disagree	Disagree	neutral	agree	strongly agree	
AIB	Count	0	8	8	9	5	30
	% within Banks	0.0%	26.7%	26.7%	30.0%	16.7%	100.0%
Zemen	Count	0	0	2	3	8	13
	% within Banks	0.0%	0.0%	15.4%	23.1%	61.5%	100.0%
CBE	Count	1	5	18	17	16	57
	% within Banks	1.8%	8.8%	31.6%	29.8%	28.1%	100.0%
Total	Count		13	28	29	29	100
	% within Banks	1.0%	13.0%	28.0%	29.0%	29.0%	100.0%

As we can observe in Table 4.9.2, 26.7% of AIB respondents disagree with the statement that understanding the needs of key customers in building customer relationships. On the contrary, 26.7% of the respondents were neutral regarding to the statement whereas about 46.7% of the respondents agree with the statement. However, 15.4% of Zemen Bank respondents were neutral with the statement understanding the needs of key customers in building customer relationships were 84.6% of the respondents agreed with statement. On the other hand, 10.6% of CBE respondents disagree on this statement. Moreover, 31.6% of the respondents neither agree nor disagree with the statement whereas the remaining 57.9% were agree that understanding the needs of key customers in building customer relationships. From this description, it is possible to

infer that AIB was not solving problems in relation with understanding and addressing the needs of key customers.

4.9.3. Attitudes of customer officers about providing channels of communication between key customer and the banks

Table 4.9.3: Summary of customer officers about channels of communication

Banks		Providing channels of communication					Total
		strongly disagree	Disagree	neutral	agree	strongly agree	
AIB	Count	1	6	8	11	4	30
	% within Banks	3.3%	20.0%	26.7%	36.7%	13.3%	100.0%
Zemen	Count	0	0	1	5	7	13
	% within Banks	0.0%	0.0%	7.7%	38.5%	53.8%	100.0%
CBE	Count	1	7	14	23	12	57
	% within Banks	1.8%	12.3%	24.6%	40.4%	21.1%	100.0%
Total	Count	2	13	23	39	23	100
	% within Banks	2.0%	13.0%	23.0%	39.0%	23.0%	100.0%

As shown in Table 4.9.3, 23.3% of AIB respondents disagree with the statement about providing channels of communication in maintaining relationship with their key customers. On the contrary, 26.7% of the respondents were neutral regarding to the statement whereas about 50% of the respondents agree with the statement. Additionally, 7.7% of Zemen Bank respondents became neutral about channels of communications. But 92.3% of Zemen bank respondents were agrees that there is two way communications in addressing problems between the bank and the key customers. On the other hand, 14.1% of CBE respondents disagree about this statement. Moreover, 24.6% of the respondents neither agree nor disagree with the statement whereas the remaining 61.5% of them agree that there were communication in the bank with the customers regarding to any issue about the bank services. From this description, it is possible to infer that

the majority of the banks are solving problems in relation with providing ongoing two way communications.

4.10 Customer Officers perception about incorporating Customer Relationship Management based Technology in the banks

4.10.1. Customer Officers Perception on maintaining comprehensive database of customers

The following (Table 4.10.1) shows the summary of respondents about comprehensive data base of customers in their banks.

Table 4.10.1: Summary of customer officer’s perception on maintaining customer databases

Banks	Maintaining comprehensive database of customers					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	2(6.7%)	12(40%)	7(23.3%)	6(20%)	3(10%)	30(100%)
Zemen Bank	0(0.0%)	1(7.7%)	0(0.0%)	4(30.8%)	8(61.5%)	13(100%)
CBE	3(5.3%)	6(10.5%)	11(19.3%)	21(36.8%)	16(28.1%)	57(100%)
Total	5(5.0%)	19(19.0%)	18(18.0%)	31(31.0%)	27(27.0%)	100(100%)

As shown in Table 4.10.1, 46.7% of the respondents disagree with the statement about maintaining comprehensive database of customers considering Awash International Bank; This helps to give insights to the bank about the necessity of comprehensive database in easily serving the customer and it enhances marketing performance of the bank. However, about 23.3% of the respondents are neutral whereas 30% of the respondents agree with the statement.

On the other hand, majority of Zemen bank respondents (92.3%) of them agree to maintain comprehensive database of customers. Contrary to this, 7.7% of the respondents disagreed about the statement. Moreover, on this issue Commercial Bank of Ethiopia (15.8%) of the respondents disagrees about maintaining comprehensive database of the customer. About 19.3% of the respondents are neither agreed nor disagreed with the statement whereas 64.9% of them agree with the statement.

In general, having the necessary supporting system helps to access the data of the customer for the privileged employee and to reduce wastage of time in serving customers in a day to day of banks operations. To sum up, banks found in Addis Ababa exerts to satisfy their customers and increasing marketing performance through having the necessary hardware facilities and software facilities which supports the operation of the banks to gain competitive advantages of one over the other.

4.10.2. Customer Officers Perception towards individual Customer information availability

The availability of individual customer information in all contact points of banks were assessed and summarized in (Table 4.10.2)

Table 4.10.2: Summary of Individual customer information is available at every point of contact

Banks	Individual customer information availability at every point of contact					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	2(6.7%)	11(36.7%)	7(23.3%)	5(16.7%)	5(16.7%)	30(100%)
Zemen	0(0.0%)	0(0.0%)	0(0.0%)	4(30.8%)	9(69.2%)	13(100%)
CBE	3(5.3%)	8(14%)	10(17.5%)	17(29.8%)	19(33.3%)	57(100%)
Total	5(5.0%)	19(19.0%)	17(17.0%)	26(26.0%)	33(33.0%)	100(100%)

As depicted in Table 4.10.2, 43.4% of the respondents disagree with the statement about individual customer information availability in Awash International Bank. This helps the bank to give areas where it needs to concentrate in measuring and evaluating the performance of their employees for rewarding based on their achievements in the bank. However, about 23.3% of the respondents are neutral whereas 33.4% of the respondents agree with the statement.

On the other hand, all of the respondents of Zemen Bank (100%) of them agreed on individual information availability for customers in the bank. Yet, on this issue Commercial Bank of Ethiopia 19.3% of the respondents disagree with the availability of information for customer of the bank. About 17.5% of the respondents neither agreed nor disagreed with the statement whereas 63.1% of them agree with the statement.

To this end, most of the customers do not have enough information while were serving in the banks. Thus, they need assistant like CBE digital audio service to inform those customers to which counter to go and also Zemen bank shares information at each point of contact to support customers whereas AIB concentrated more on traditional service giving system which dissatisfy both the customers and the employee. Thus, the banks in providing individual information availabilities were varies among the banks.

4.10.3. Perception of customer Officers towards support of Technical Personnel to utilize computers in the Banks.

The following Figure shows the summary of respondent's perception about technical personnel support for the utilization of computer and banking technology in building customer relationships (Figure 4.10.3).

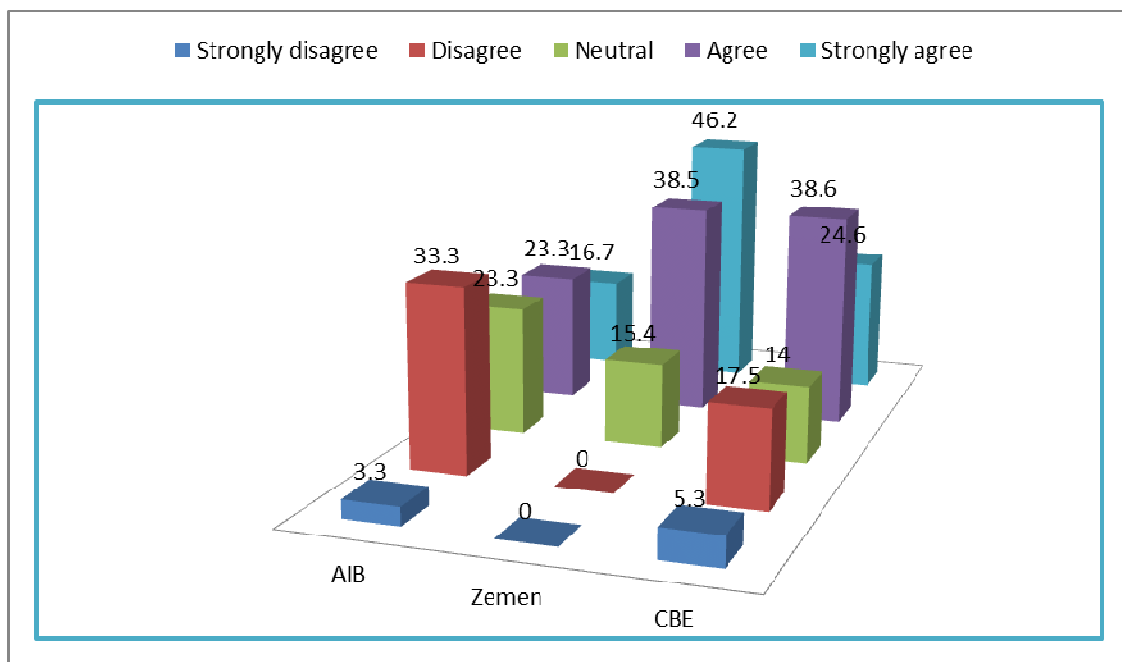


Figure 4.10.3: summary of perception towards technical support on computer know how

As we can observe in (Figure 4.10.3), 36.6% of AIB respondents disagree with the statement that technical personnel to provide support for the utilization of computer technology in building customer relationships. On the contrary, 23.3% of the respondents were neutral regarding to the statement whereas about 40% of the respondents agree with the statement. However, 15.4% of Zemen Bank respondents became neutral with the statement the technical personnel to provide support for the utilization of computer technology in building customer relationships while

84.7% of the respondents agreed with statement. On the other hand, 22.8% of CBE respondents disagree on this statement. Moreover, 14% of the respondents neither agree nor disagree with the statement whereas the remaining 63.2% of them agree that support from technical personnel in utilization of computers and other technology in the bank in building customer relationships. From this description, it is possible to infer that the majority of the banks are not solving problems in relation with technical support on utilization of technologies.

4.10.4. Attitude of Customer Officers on the availability of right Hardware facilities in the Banks

The following Figure 4.10.4 shows, the summary of respondent’s attitudes about the availability of right hardware facilities in supporting the operations of banks day to day activities.

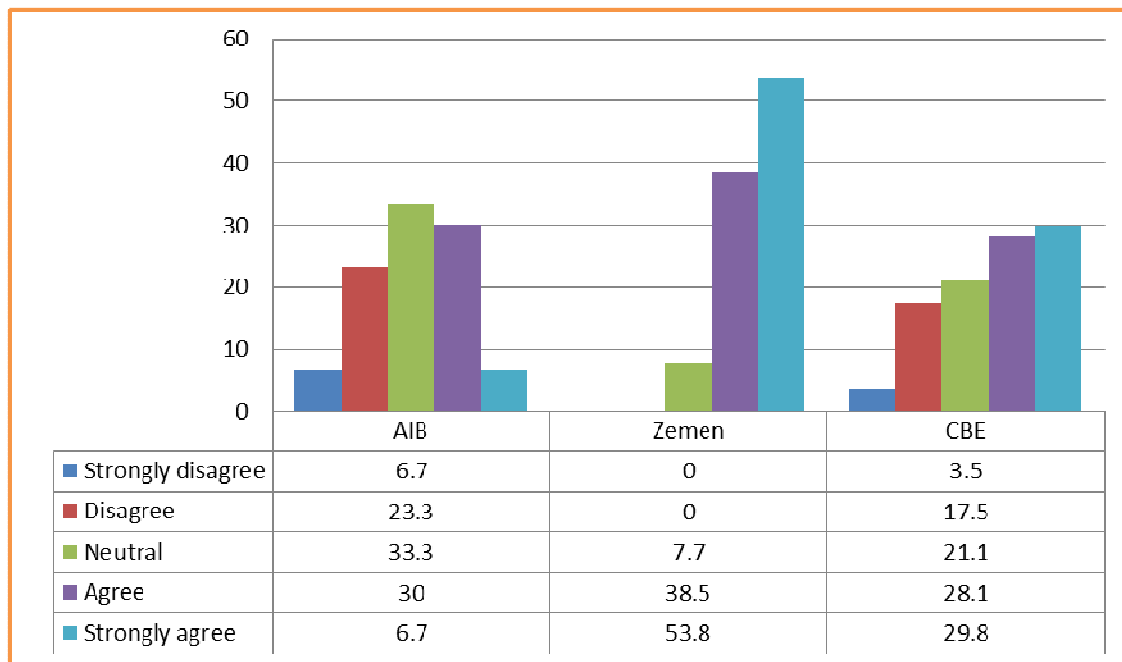


Figure 4.10.4: Summary of customers Officers perception that the bank has right hardware

As indicated in (Figure 4.10.4), 30% of AIB respondents disagree with the statement that bank has the right hardware to serve the customers. But, 33.3% of the respondents are neutral

regarding to the statement whereas 36.7% of the respondents agree with the statement the bank has the right hardware to serve the customers. On the other hand, 7.7% of Zemen Bank respondents are neutral with the statement the bank has the right hardware to serve the customers while 92.3% of the respondents agree with the statement. To this end, about 21% of CBE respondents disagreed on this statement. In addition to this, 21.1% of the respondents neither agree nor disagree with the statement whereas the remaining 57.9% of them agree that the bank has the right hardware to serve the customers.

4.10.5. Customer Officers perception on the availability of right software to serve the customer

The following figure shows the summary of respondent’s perception about the availability of right software which supports the utilization of hardware facilities in supporting the operations of day to day activities of the banks (Figure 4.9.5).

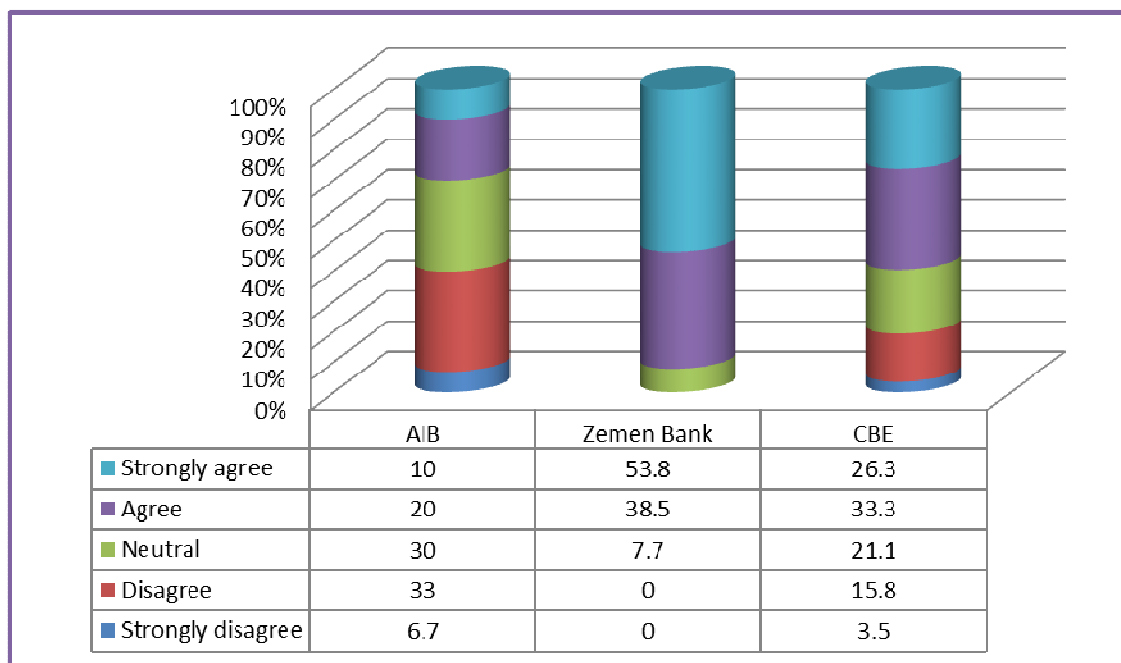


Figure 4.10.5: Summary of perception on the availability of software facilities to serve the customers

As observed in (Figure 4.10.5), 40% of AIB respondents disagree with the statement the bank has the right software to serve the customers. Moreover, 30% of the respondents are neutral regarding to the statement whereas 30% of the respondents agree with the statement. On other hand, 92.3% of Zemen Bank respondents became agree with the statement likewise 7.7% of the respondents remained neither agree nor disagree about the statement. Furthermore, 19.3% of CBE respondents are disagreeing about the bank has the right software to serve the customers whereas 21.1% of the respondents are neither agree nor disagree with the statement while the remaining 59.6% of them agreed that the bank has the right software to serve the customers.

4.11. Attitudes of customer officer towards marketing performance in the banks

4.11.1: Customer Officer Attitudes on Effectiveness in promoting and attracting new customers

The following Table (4.11.1) shows the summary of respondent's attitudes about the effectiveness of banks in promoting and attracting new customers to boost their marketing performance.

Table 4.11.1: Summary of attitudes on effectiveness in promoting and attracting new customers

Banks	Effectiveness in promoting and attracting new customers					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	0(0.0%)	1(3.3%)	9(30%)	12(40%)	8(26.7%)	30(100%)
Zemen Bank	1(7.7%)	0(0.0%)	2(15.4%)	2(15.4%)	8(61.5%)	13(100%)
CBE	0(0.0%)	5(8.8%)	7(12.3%)	33(57.9%)	12(21.1%)	57(100%)
Total	1(1.0%)	6(6.0%)	18(18.0%)	47(47.0%)	28(28.0%)	100(100%)

Table 4.11.1 shows, 3.3% of the respondents disagree with the statement on promoting and attracting new customers in Awash International Bank; this help to increase the number of customers on the existing customer to better performance of marketing activities in the bank. In reality, 30% of the respondents are neutral whereas 66.7% of the respondents agree with the statement.

Conversely, almost all of the respondents of Zemen Bank 76.9% of them agree, 7.7% of the respondents strongly disagree with the statement and the remaining of the respondents 15.4% of them are neutral with the statement indicated in the above Table (4.11.1).

In contrast, Commercial Bank of Ethiopia 8.8% of the respondents disagrees with promoting and attracting of new customers to the bank. About 12.3% of the respondents neither agreed nor disagreed with the statement but, 79% of them agree with the statement. Therefore, banks are working on promoting and attracting new customers to increase the marketing performance.

4.11.2. Customer Officers Respondents on Successfulness in Increasing market share and Sales growth

The following Table (4.11.2) summarizes respondent's perception about the successfulness of banks in increasing their Market share and Sales growths in improving their marketing performance.

Table 4.11.2: Summary of respondents perception on increasing market share and sales growth

Banks	Successfulness in increasing market share and sales growth					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	2(6.7%)	3(10%)	9(30%)	7(23.3%)	9(30%)	30(100%)
Zemen Bank	0(0.0%)	0(0.0%)	3(23.1%)	1(7.7%)	9(69.2%)	13(100%)
CBE	0(0.0%)	5(8.8%)	16(28.1%)	25(43.3%)	11(19.3%)	57(100%)
Total	2(2.0%)	8(8.0%)	28(28.0%)	33(33.0%)	29(29.0%)	100(100%)

As indicated in Table 4.11.2, 16.7% of the respondents disagree with the statement about market share and sales growth in Awash International Bank. This helps to increase the market share in better way in performing marketing activities in the bank. However, 30% of the respondents are neutral whereas 53.3% of the respondents agree with the statement.

On the other hand, all of the respondents of Zemen bank 76.9% of them agree whereas 23.1% of the respondents are neutral with the statement indicated in the above table (4.11.2). Moreover, on this issue Commercial Bank of Ethiopia 8.8% of the respondents disagree with increasing the market share and sales growth of the bank. 28.1% of the respondents neither agreed nor disagreed with the statement whereas 63.2% of them agree with the statement.

Finally, majority of banks are exerted to increase their market share and sales growth through improving their marketing performance.

4.11.3 Attitudes of customer officers on successfully retaining customers to the banks

The following Table (4.11.3) summarizes respondent's attitudes about the successfulness of banks in retaining customers and building life long relationship with customers.

Table 4.11.3: Summary of perception on Successfulness in retaining customers to the banks

Banks	Successfulness in retaining customers					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
AIB	0(0.0%)	4(13.3%)	9(30%)	10(33.3%)	7(23.3%)	30(100%)
Zemen Bank	0(0.0%)	0(0.0%)	2(15.4%)	2(15.4%)	9(69.2%)	13(100%)
CBE	1(1.8%)	8(14%)	19(33.3%)	21(36.8%)	8(14%)	57(100%)
Total	1(1.0%)	12(12.0%)	30(30.0%)	33(33.0%)	24(24.0%)	100(100%)

Table 4.11.3 shows, 13.3% of the respondents disagree with the statement about retention of customers in Awash International Bank. This helps to preserve the existing customer to minimize customer turnover to sister banks. However, about 30% of the respondents are neutral whereas 56.6% of the respondents agree with the statement.

On the other hand, almost all of the respondents of Zemen bank 84.6% of them agree whereas 15.4% of the respondents are neutral with the statement. Although, Commercial Bank of Ethiopia 15.8% of the respondents disagree about the retention of the customers with the bank. On contrary to this, 33.3% of the respondents neither agreed nor disagreed with the statement whereas 50.8% of them agree with the statement.

In conclusion, it's possible to observe that banks are paying relatively high attention on customer retention to reduce customer's turnover and improving marketing performance through providing quality services.

4.11.4. Attitudes of customer officers on successfully retaining customers to the banks

Table 4.11.4: summary of customer officer attitudes on retaining customers

Banks		Putting customer center operation to increase sales growth					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
AIB	Count	1	1	7	6	15	30
	% within Banks	3.3%	3.3%	23.3%	20.0%	50.0%	100.0%
Zemen	Count	1	0	0	2	10	13
	% within Banks	7.7%	0.0%	0.0%	15.4%	76.9%	100.0%
CBE	Count	1	2	12	19	23	57
	% within Banks	1.8%	3.5%	21.1%	33.3%	40.4%	100.0%
Total	Count	3	3	19	27	48	100
	% within Banks	3.0%	3.0%	19.0%	27.0%	48.0%	100.0%

Table 4.11.4 shows, 6.6% of the respondents disagree with the statement about putting customer centric operation to increase sales growth in Awash International Bank. This helps to preserve the existing customer to minimize customer turnover to sister banks. However, about 23.3% of the respondents were neutral whereas 70% of the respondents agree with the statement.

On the other hand, almost all of the respondents of Zemen bank 92.3% of them agree whereas 7.7% of the respondents are neutral with the statement. Additionally, Commercial Bank of Ethiopia 5.3% of the respondents disagrees about the putting customer centric operation to increase sales growth. On contrary to this, 21.1% of the respondents neither agreed nor disagreed with the statement whereas 73.7% of them agree with the statement.

In conclusion, it's possible to observe that banks are paying high attention on customer centric operation to increase sales growth and improving marketing performance through providing quality services.

4.11.5. Attitudes of customer officers about marketing strategy to satisfy customers

Table 4.11.5: Summary of marketing strategy

		q24					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
AIB	Count	0	5	13	6	6	30
	% within Banks	0.0%	16.7%	43.3%	20.0%	20.0%	100.0%
Zemen	Count	0	0	2	2	9	13
	% within Banks	0.0%	0.0%	15.4%	15.4%	69.2%	100.0%
CBE	Count	1	8	20	21	7	57
	% within Banks	1.8%	14.0%	35.1%	36.8%	12.3%	100.0%
Total	Count	1	13	35	29	22	100
	% within Banks	1.0%	13.0%	35.0%	29.0%	22.0%	100.0%

As indicated in Table 4.11.5, 16.7% of AIB respondents disagree with the statement that the marketing strategy to satisfy customers. However, 43.3% of the respondents are neutral regarding to the statement whereas 40% of the respondents agree with the statement the marketing strategy Banks satisfy the customers. On the other hand, 15.4% of Zemen Bank respondents are neutral with the statement about marketing strategy to satisfy customers while 84.6% of the respondents agree with the statement. To this end, about 15.8% of CBE respondents disagreed on this statement. In addition to this, 35.1% of the respondents neither agree nor disagree with the statement whereas the remaining 49.1% of them agree that the marketing strategy satisfy the customers. This shows that the marketing strategy of AIB and CBE were very low in comparison with Zemen Bank as stated in Table 4.11.5.

4.12. Descriptive statistics Analysis for the selected Banks (Awash International Bank, Zemen Bank, and Commercial Bank of Ethiopia)

4.12.1. Descriptive Statistics in terms of mean and standard deviation

As indicated in Annex I, the mean score of AIB on customized service is 4.07 with standard deviation of 0.691 whereas the mean of customized service offer of the Zemen Bank is 4.85 and with standard deviation of 0.376. On the other hand, the mean value and standard deviation of CBE is 4.19 and 0.718 respectively. This shows that the mean value of Zemen Bank accounts 4.85 and high deviation in CBE about 0.718. In addition to this, as observed from Annex I, customize offerings to key customers of AIB is mean value of 3.77 and standard deviation of 0.858 while Zemen Bank has mean value score of 4.62 with standard deviation on customize offerings to key customers. Similarly, CBE has mean value of 3.88 and the standard deviations of 0.781 on the issue of customize offerings to key customers of the bank.

It can be inferred from this analysis, the mean value of Zemen Bank similarly high regarding customize offering to the key customers. On contrary, AIB is more deviated than the rest of the banks in delivering customize offerings to the key customers. Furthermore, AIB on modifying service mean value is 3.83 with standard deviation of 0.913 while Zemen bank average scores is 4.62 with standard deviation of 0.650, but CBE mean value score is 3.70 with standard deviation of 0.886.

From this, it can be concluded that about modifying services to the customers among the banks. When we compare the mean score value of Zemen Bank is better regarding service modification upon the demand of the customers but the degree of deviation for AIB is higher than the two banks. On the other hand, customer centric performance standard establishment in all touch point

of the AIB mean score is 3.40 whereas the standard deviation is 1.07. Likewise, Zemen Bank mean value of performance standard establishments is 4.23 with standard deviation of 0.599 whereas the mean value score of CBE is 3.65 with the deviation of 0.855 for performance standard establishments in the bank.

To this end, AIB standard deviation and Zemen Bank mean value score are similarly and higher than the two banks. Moreover, the mean value for having clear business goals for AIB is 3.87 with standard deviation of 0.937 while mean value of Zemen Bank is 4.23 with standard deviation of 0.439 whereas the mean value score of CBE is 4.26 with deviation of 0.791. From this we can conclude that the average score of CBE is relatively better than AIB and Zemen Bank. But the level of deviation is high in AIB. The mean score value for AIB on training employee in the AIB is 3.57 with standard deviation of 1.278 whereas Zemen bank mean value score is 3.62 with 1.325 standard deviation of giving training to employee to develop their skills in customer relationship for the advancement of marketing performance. Additionally, the mean score of AIB in relation to hardware facility in the bank is very low (3.07) comparing with Zemen Bank mean value which is 4.46 and mean value of CBE. Finally, the mean value score of AIB is the smallest comparing with Zemen Bank which has mean value of 4.69 and 3.72 mean score value of CBE. On contrary, AIB has high deviation comparing with the two banks.

4.12.2. Spearman rank correlation analysis of the banks

Annex II shows the summary of Spearman correlation coefficient of the banks which consists of Awash International Bank, Zemen Bank and Commercial Bank of Ethiopia among twenty CRM explanatory variables and five explanatory of marketing performance. The positive correlation (+) shows an increase in values for one variables is associated with an increase in values for other variables .On the contrary, the negative correlation (-ve) shows an increase in values for one variable is associated with a decrease in values on another variable. The correlation coefficient between sales growth and customer expectation is 0.334. This shows that the sales growth of the bank increased while the customers' expectation when service exactly performed also high. On the other hand, the correlation coefficient between sales growth and maintaining comprehensive data base of customer is 0.356 which indicates that there is a positive correlation between maintaining customer database and sales growth.

The correlation coefficient between marketing strategy and sales and marketing expertise is 0.436. This reveals the existence of a significant positive correlation between the marketing strategy and having marketing expertise. There is a positive significant correlation coefficient between marketing strategy and individual customer information availability at every point of contact is 0.376. This indicates, both marketing strategy and availability of information for individual customer positively supports the marketing strategy in attracting, promoting the services of the banks. The correlation coefficient between market share and having sales and marketing expertise is 0.492. This indicates that, as the marketing share of the bank increase, similarly sales of the banks increased to succeed customer relationship management.

Likewise, correlation coefficient between market share and providing channels to enable ongoing two-way communication between our key customers is 0.443, this show as the bank market share increases, the two way communication with customer increases. On the other hand, the correlation coefficient between market share and Customers expectation exactly when services will be performed is 0.464, this depict that there is a significant positive correlation between market share and customers expectation exactly when services will be performed. There is a 0.400 correlation customer satisfaction and committing time and resources to managing customer relationships. This shows that, as the banks more committing time, customers' satisfaction also increased. In addition to this, there is a positive relationship between satisfying customers and ongoing two-way communication between key customers is 0.429. This shows that, as customer satisfaction is increased, banks more communicate on issues needs improvement by communicating with the customers. Moreover, there is a positive relationship between employee performance measurement and rewarded based on meeting customer needs and successfully serving them and customer retention is 0.439 a positive correlation coefficient. This implies that, as customer retention increased, the banks rewarding employees based on meeting customer needs.

Among those correlations between explanatory variables, the correlation between customize offerings through ongoing dialogue and customized service shows 0.584 correlation coefficient. This shows; the customizing services of the banks have positive relation with their marketing performance. The positive correlation coefficient between customize offerings and customized service reveals that as the customized service increased their level of customer offerings through ongoing dialogue to key customers are also increased. The other high correlation exists, between hardware facilities and maintaining comprehensive database of customers with a correlation

coefficient of 0.721. This is due to; different hardware facilities supported mostly customer database which in turn simplify the access of customer database easily by the privileged person. On the other hand, there is negative correlation coefficient between employee training programs are designed to develop the skills required for acquiring and deepening customer relationships and treatment of key customers with great care is -0.005, which shows inverse relation. Thus we can infer from this as treatment of key customers increased whereas the bank lower the employee training and cost of training. There is a significant correlation coefficient between having right software facilities and maintaining comprehensive database of customers which is 0.723. In reality, the existence of maintaining customer database more depends on the availability of software which supports the access of information.

To this end, there is a strong positive correlation between having the right software and hardware facilities is 0.846, showing that the availability of software facilities directly support the availability of hardware unless the existence of software can't be more fruitful without hardware facilities.

4.13. Data analysis quality assurance/reliability analysis

As indicated under Annex III, there is high consistency among elements due to the alpha coefficient reached 0.917 and standardized item alpha reached 0.917. The researcher tested the validity of the criteria used in the study by using alpha coefficient and standardized item alpha.

According to the stability coefficient Cronbach's Alpha (which measures the consistency and internal stability of elements measure the independent and dependent variables of the study) if the coefficient is less than 0.60, the consistency and internal stability is considered weak, if the coefficient varies between 0.60 and less than 0.80, it is considered as accepted But, if the

coefficient varies between (0.80 to 0.85), it is considered good. In case the coefficient is higher than 0.85 to one, it is considered excellent. Generally speaking, the closer the Alpha coefficient is to integral one, the more it is considered consistent and internally stability Sekaran (1992). Thus, since the coefficient is 0.917 which is higher than 0.85. This study shows the consistency and internal stability of elements it's considered as excellent.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The results of the study were obtained through a close ended questionnaire distributed to 100 customer Officers, and 22 dichotomous questionnaires to managers of Awash International Bank, Zemen Bank and Commercial Bank of Ethiopia. The study tried to assess the relationship between Customer Relationship Management and Marketing Performance of the selected banks in Addis Ababa. Based on the results of the study, the following conclusions were forwarded.

- ◆ The study indicated that there was no customer centric performance standard and supervision at all touches point of Zemen Bank.
- ◆ Majority of the banks are not solving problems in relation with technical support on utilization of computer technologies and banking technologies.
- ◆ The study also shows, there are variations among banks in providing technical support on utilization of computers and banking technologies
- ◆ Most of banks are exerted on increasing market share and sales growth to improve marketing performance.
- ◆ The study indicated that, three banks paid attentions to establish customer centric performance standards and supervision in all touch points of the banks.
- ◆ The study indicated that, customer retention strategy of AIB is not clearly implemented to have lifelong customer relationship.

- ◆ Banks are paying relatively high attention on customer retention to reduce customer's turnover and improving marketing performance through providing quality services.
- ◆ The study also shows that there is positive relationship between customer relationship management and marketing performance.

5.2. Recommendations

Based on the conclusion of the study, the researcher recommended the relationship between customer relationship management and marketing performance under this study; focusing on the key customers, organizational efficiency, customer knowledge management, customer relationship management based on technology and marketing performance. The three banks in Addis Ababa should pay attention on customer relationship management as it was found to have a direct, strong, positive and statistically significant correlation with the marketing performance. Therefore, the researcher recommended the three banks should apply the following recommendations.

1. Emphasis the following activities towards focusing on key customers focus:
 - They should apply effort in order to discover the needs of the key customers.
 - They should give attention to provide services in line with the needs and specializations of the key customers.
 - The marketing department of the three banks should show coordinated effort together with the employees to modify the service that the key customers need.
 - The three banks should have dialogue with key customers in order to identify where the demand of key customers lies and offering customized services to them.
 - It is important that all individuals in the three banks deal with great care with the main customers to gain their loyalty.

2. Organizational efficiency:

- The three banks should give attention to enhance employee performance measurement and to reward them on basis of their level of achievement in succeeding customer services.
- The three banks should provide the necessary resources to enhance the skills of the employees to obtain customers and building harmonious relationships with them by analyzing the training gap needs and implement cost effective training program for better competitive advantages.
- It is necessary to assign clear business goals related to obtaining and attracting new customers.
- The three banks should practice the necessary marketing experiences of banking and succeeding marketing performance.
- It is necessary to assign standards of customer centric performance and monitor them in all point of contact.
- The three banks should give more emphasis to time and other necessary resources to manage customer relationship.

3. Customer knowledge management:

- The three banks could provide ongoing two way communication to address different problems.
- The three banks should address problems related to the needs of the key customers.
- It is necessary to help customers exactly their expectation about the time of services' when their service is performed.

- The three banks should provide continuous two-way communication channels between the customers and themselves.

4. Incorporating Customer Relationship Management based Technology:

- The banks should maintain comprehensive databases of customers to improve their services.
- The banks should have necessary hardware and software facilities to address the dynamic need of customers towards advancement of banking technologies.
- The banks should be exerting more attention to provide individual customer information availability at every point of contact.
- It is necessary to adjust technical personnel support for utilization of computers and banking technologies to improve the capability of employees about the technologies.

5. Marketing performance :

- Banks should improve the marketing strategies to be profitable in the market since the industry is currently seeking stiff competition.

General recommendations

- ❖ Emphasis should be paid to the presence of banking technologies, so that they are supported with all information related to customers in order to address the demand of customers.
- ❖ It is necessary to disseminate practices of marketing through harmonious relationships based on the presence of life long relationships with the customer through total commitment to satisfy his/her needs towards the concerns of quality on the part of each individual in the banks of Addis Ababa.
- ❖ Customer-orientation through building relationships and directing the resources of the banks in Addis Ababa towards achieving the objectives and the needs of the customers and measuring the ability to provide a value for the customer to develop marketing practices.
- ❖ Attentions should be paid in continuous supervision and monitoring the quality of services that the key customers need.

5.3. Further Research

- ◆ The study focused on three banks in Addis Ababa. Additional research is necessary to determine if the relationships identified can be generalized to other banks through comparative studies.
- ◆ In addition to this, variables which are not included under this study such as enhancing the standard of sales growth and adding the net profit standard to sales.
- ◆ Furthermore, future researchers can be conduct research as banks in Ethiopia or regional wise.

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ANNEX

ADDIS ABABA UNIVERSITY
SCHOOL OF BUSINESS AND PUBLIC ADMINISTRATION
MASTERS OF BUSINESS ADMINISTRATION (MBA) PROGRAM
QUESTIONNAIRE TO BE FILLED CUSTOMER OFFICERS

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Research Topic: - Customer Relationship Management and Its relationship to Market Performance of Banking Industry in Ethiopia (Awash International Bank, Commercial Bank of Ethiopia, Development Bank of Ethiopia and Zemen Bank) Addis Ababa.

Dear Respondents:-

I would like to express my earnest appreciation for your generous time, honest and prompt responses.

Objective:

This questionnaire is designed to collect data about Customer Relationship Management and Its relationship to Market Performance of Banking industry in Ethiopia (Awash International Bank, Commercial Bank of Ethiopia, Development Bank of Ethiopia and Zemen Bank). The information that you offer me with this questionnaire will be used as a primary data in my case research which I am conducting as a partial fulfillment of the requirements for the degree of Master's of Business Administration in Management (MBA) at Addis Ababa University under the School of Business and Public Administration. Therefore, this research is to be evaluated in terms of its contribution to our understanding of Customer Relationship Management and Its relationship to Marketing Performance and its contribution to improvements in the area. I need your help and would appreciate your sparing 30 minutes to complete the attached questionnaire and answer the questions related to CRM practices in your company. Results will be used to help

and expand our knowledge and understanding of any major shift in Customer relationship Management practices. All answers will be kept strictly confidential and only aggregate results will be reported.

General Instructions

- There is no need of writing your name.
- In all cases where answer options are available please tick (√) in the appropriate box.
- For questions that demands your opinion, please try to honestly describe as per the questions on the space provided

Confidentiality

I want to assure you that this research is only for academic purpose authorized by the Addis Ababa University. No other person will have to access this data collected. In any sort of report I might publish, but, I will not include any information that will make it possible to identify any respondents.

Thank you again!

Section I: Participant Information

1. Sex: Male
 Female
2. Which of the following age categories describes you?
 20-25
 25-35
 35-45
 45-55
 55 and above
3. Number of years you have worked for the Bank (in years) :
 2-7
 7-12
 12-17
 17-30
 30 years or more
4. Educational Qualification:
 High school graduate
 College Diploma
 Masters Degree
 Other (please state) _____
 Technical school graduate
 BA/BSc Degree
 PhD

5. Your field of specialization for your highest educational status_____

Section II: Questions related to Customer Relationship Management and Its relationship to Market Performance.

The following statements concern the Custom relationship management practices of your Bank. Please indicate the extent of your agreement or disagreement with each statement by ticking (√) in the box corresponding to a number from 1 to 5 that represents your level of agreement or disagreement. Thus, your answers to these questions will enable the researcher to explore the effects of Customer Relationship Management on Market Performance in banking industry.

No.	Item	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
	Questions about key customer focus in your Bank					
1.	My Bank provides customized services to our key customers.					
2.	Through ongoing dialogue, we work with individual key customer to customize our offerings					
3.	When my Bank finds that customers would like to modify a service, the departments involved and make coordinated efforts to do so.					
4.	My Bank makes an effort to find out what our key customer needs are.					
5.	All people in my Bank treat customers with great care.					
	Questions about Organizing around Customer relationship management in your Bank					
6.	Customer-centric performance standards are established and monitored at all customer touch points					
7.	My Bank has established clear business goals related to customer acquisition, development, retention, and reactivation					
8.	My Bank has the sales and marketing expertise and resources to succeed in Customer Relationship Management					
9.	My Bank commits time and resources to managing customer relationships.					
10.	Employee performance is measured and rewarded based on meeting customer needs and successfully serving them.					
11.	Our employee training programs are designed to					

	develop the skills required for acquiring and deepening customer relationships					
12.	Our Bank structure is meticulously designed around our customers					
	Questions about Managing Knowledge in your Bank					
13.	My Bank provides channels to enable ongoing two-way communication between our key customers and us.					
14.	Customers can expect exactly when services will be performed.					
15.	My Bank fully understands the needs of our key customers					
	Questions about incorporating Customer relationship management-based Technology in your Bank					
16.	My Bank maintains a comprehensive database of our customers.					
17.	My Bank has the right hardware to serve our customers.					
18.	My Bank has the right software to serve our customers.					
19.	My Bank has the right technical personnel to provide technical support for the utilization of computer technology in building customer relationships.					
20.	Individual customer information is available at every point of contact.					
	Questions about marketing performance in your Bank					
21.	Putting customer- center operation enables the bank to increase its sales growth					
22.	My Bank marketing strategy is effective in promoting and attracting new customers					
23.	Marketing strategy of my Bank is successful in increasing market share and sales growth					
24.	My Bank marketing strategy satisfies customers					
25.	Marketing strategy of my Bank is successful in retaining customers					

Thank you again!

ADDIS ABABA UNIVERSITY
SCHOOL OF BUSINESS AND PUBLIC ADMINISTRATION
MASTERS OF BUSINESS ADMINISTRATION (MBA) PROGRAM
QUESTIONNAIRE TO BE FILLED BY MANAGERS

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Research Topic: - Customer Relationship Management and Its relationship to Market Performance of Banking Industry in Ethiopia (Awash International Bank, Commercial Bank of Ethiopia, Development Bank of Ethiopia and Zemen Bank) Addis Ababa.

Dear Respondents:-

I would like to express my earnest appreciation for your generous time, honest and prompt responses.

Objective:

This questionnaire is designed to collect data about the Customer Relationship Management and Its relationship to Marketing Performance of Banking Industry in Ethiopia (Awash International Bank, Commercial Bank of Ethiopia, Development Bank of Ethiopia and Zemen Bank). The information that you offer me with this questionnaire will be used as a primary data in my case research which I am conducting as a partial fulfillment of the requirements for the degree of Master's of Business Administration in Management (MBA) at Addis Ababa University under the School of Business and Public Administration. Therefore, this research is to be evaluated in terms of its contribution to our understanding of Customer Relationship Management and Its relationship to Marketing Performance and its contribution to improvements in the area. I need your help and would appreciate your sparing time to complete the attached questionnaire and answer the questions related to CRM practices in your Bank. Results will be used to help and expand our knowledge and understanding of any major shift in Customer relationship Management practices. All answers will be kept strictly confidential and only aggregate results will be reported.

General Instructions

- There is no need of writing your name.
- In all cases where answer options are available please tick (√) in the appropriate box.
- For questions that demands your opinion, please try to honestly describe as per the questions on the space provided

Confidentiality

I want to assure you that this research is only for academic purpose authorized by the Addis Ababa University. No other person will have to access this data collected. In any sort of report I might publish, but, I will not include any information that will make it possible to identify any respondents.

Thank you again!!!

Section I: Participant Information

6. Sex: Male
 Female
7. Which of the following age categories describes you?
 20-25
 25-35
 35-45
 45-55
 55 and above
8. Number of years you have worked for the Bank (in years) :
 2-7
 7-12
 12-17
 17-30
 30 years or more
9. Educational Qualification:
 High school graduate Technical school graduate
 College Diploma BA/BSc Degree
 Master's Degree PhD
 Other (please state) _____

Your field of specialization for your highest educational status _____

Note: This part is only filled by Managers at different positions of their Bank (will be considered managers as interviewee)

Section II: Semi-structured interviews.

1. Do you think that, your bank gives more emphasizes on key customers and provides customized services for them?

Yes No

2. If your answer is “No”? Why and if your answer is Yes , would you please justify it

3. In your opinion, do you think that customer-centric performance standards are established and monitored at all customer touch points?

Yes No

4. If your answer is “No”? Why and if your answer is Yes , would you please justify it

5. Do you think that, in your opinion your organization provides channels to enable ongoing two-way communication between key customers?

Yes No

6. If your answer is “No”? Why and if your answer is Yes , would you please justify it

7. In your opinion, do you think that your bank maintain a comprehensive database of the customers having the necessary hardware and software?

Yes

No

8. If your answer is “No”? Why and if your answer is Yes , would you please justify it

9. Do you think that, customer relationship management practices helped your bank in increasing marketing performance in terms of increasing number of customers, increasing customer satisfaction, market share, and sales growth than before?

Yes

No

10. If your answer is “No”? Why and if your answer is Yes , would you please justify or explain it

Thank you again for your cooperation!

