

ST. MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

**THE PRACTICE OF RELATIONSHIP MARKETING AND CUSTOMER
LOYALTY**

WITH REFERENCE TO ethio telecom

BY
MIERAF TADESSE

JUNE 2013
SMUC
ADDIS ABABA

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WITH REFERENCE TO ethio telecom

A SENIOR ESSAY

**SUBMITTED TO THE DEPARTMENT OF
MARKETING MANAGEMENT**

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**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF BACHELOR OF ARTS IN
MARKETING MANAGEMENT**

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DECLARATION

I the undersigned student researcher declare that this senior essay is my original work; prepared under the guidance of Abera Yilma and the source of materials used for the manuscript preparation have been duly acknowledged.

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Abbreviations

CRM – Customer Relationship Marketing

CAAZ – Central Addis Ababa Zone

CEO – Chief Executive Officer

CS – Customer Service

TT – Trouble Ticket (A number given for follow up when a fault got registered)

GOTA – A kind of service provided by ethio telecom for a certain organization in order to have a peer to peer communication and in Ethiopia it is mainly used by Ministry of Defense. (like a wacky talky)

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The concept of relationship marketing has emerged within the fields of service marketing and industrial marketing. “Marketing is to establish, maintain, and enhance relationship with customers and other partners as a profit so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises.” Such relationships are usually but not necessarily always long terms. (Shajahan 2005:30).

Customer relationship management is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. It deals with all aspects of acquiring, keeping and growing customers. (Kotler & Armstrong, 2006:13) Relationship marketing is a strategy designed to foster customer loyalty, interaction and long-term engagement. However, there is no universally accepted description until now since numerous scholars and researchers proposed different definitions according to their own philosophy of RM in their mind.

Interest in customer relationship management (CRM) began to grow in 1990s (Ling and Yen, 2001; Xu et al., 2002:442-452). Regardless of the size of an organization, businesses are still motivated to adopt CRM to create and manage the relationships with their customers more effectively. An enhanced relationship with one’s customers can ultimately lead to greater customer loyalty and retention and also, profitability. In addition, the rapid growth of the internet and its associated technologies has greatly increased the opportunities for marketing and has transformed the way relationships between companies and their customers are managed (Bauer et al., 2002:315).

Ethio telecom is one of the biggest governmental infrastructures in Ethiopia. Few years back the Ethiopian government has decided to transform the telecommunication infrastructure and services to world class standard, considering them as a main focus to the development of

Ethiopia. Thus, ethio telecom is born from this ambition in order to bring about a paradigm shift in the development of the telecom sector to support the steady growth of our country. Currently ethio telecom has over 17 million subscribers of its services (fixed telephone, Mobile, Data and Internet Service) throughout the nation. As per the contractual agreement with the Ethiopian government, France Telecom was striving to improve and modernize the organizations overall business aspect through implementing better work process, human resource capacity building tasks as well as applying customer focused services with best customer handling practices. Since last December 31, 2012 the management contract was terminated but still ethio telecom is working with France Telecom experts (including the CEO) under a new and separate agreement.

With this, the present study is designed to describe the gap between the company's activity and customers expectation; as well assess the marketing relationship activities of ethio telecom and its customers' loyalty in relation with some of the relationship marketing (RM) underpinnings (trust, commitment, communication and conflict handling).

1.2. Statement of the Problem

The American Marketing Association's definition of marketing, revised in 2004, indicates that "marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders" (emphasis added). Thus, the overall definition of marketing identifies the process of managing relationships as one of its key charters, equivalent to traditional marketing-mix factors. (Palmatier, 2008:1).

Relationship marketing adopts a customer focused activities and its main benefits include greater customer retention, increased loyalty, reduced marketing costs, and greater profits (Stavros & Westberg, 2009, J-12/3).

Furthermore expressed, Building a long lasting customer relationship creates a superior customer value and satisfaction. Satisfied customers are more likely to be loyal customers and to give the company a larger share of their business. (Kotler & Armstrong, 2006:13).

It is given that any company's profitability and life is dependent on its customers; especially for a service giving organization treating the customers in a highly professional way is essential.

Ethio telecom is the only telecom service provider in the country but still it is vital to work on relationship marketing as well customers' retention to keep its customers loyal. Even if ethio telecom has a vast customer base; the company is putting a very little effort (like hosting events for the Enterprise customers). However, as of the student researchers observation while working on a position which have a direct contact with customers; complaints on the service which is being provided by ethio telecom and their issue in relation with trust, commitment, communication, and compliant handling is leading customers to lack trustworthiness, reliability, confidence, and more importantly it is turning customers in to disloyalty. From these grounds, the study had tried to do a further assessment on describing the subject matter.

1.3. Research Questions

- How can ethio telecom improve its relationship with customers in terms of trustworthiness, reliability and confidence?
- How can relationship underpinnings contribute for the determination of customer relationship in ethio telecom?
- What other factors will help ethio telecom to retain its customers?

1.4. Objective of the Study

1.4.1. General Objective

- The main objective of this study is to describe the relationship marketing and customer' loyalty in ethio telecom.

1.4.2. Specific Objective

- To identify ways that can help ethio telecom improve its relationship with customers in terms of trustworthiness, reliability and confidence.
- To examine the contribution of the relationship underpinnings on determining the customer relationship in ethio telecom.
- To investigate the factors that ethio telecom needs to consider on retaining its customers.
- To identify the association between marketing relationship and customer loyalty at ethio telecom.

1.5. Scope of the Study

This study is conducted in ethio telecom setting, and may not be generalized in other service industries. Specifically the study focuses on the customer service department. The service category for this study is delimited with a Mobile, Data and Internet service users only. This study only covers from the time of ethio telecom's establishment 2010 to 2012G.C. and focused on Central Addis Ababa Zone customers. In addition, this research's concern is on the more common relationship marketing underpinnings (trust, commitment, communication and compliant handling) as identified by past studies.

1.6. Significance of the Study

- This study will assist the company on a better management of its existing firm-customer relationship in achieving higher level of loyalty among customers.
- It provides room for the company to apply relationship underpinnings to keep itself in the market if a potential competitor arises.
- The student researcher will also develop a better and concrete knowledge on the specific area.
- This study will also be relevant for other researchers to broaden the cover and to make a deep analysis on the existing research topic.

1.7. Research Design and Methodology

1.7.1. Research Design

The descriptive research type has been applied since the student researcher aims at describing the present status of the mentioned problem. The study used both quantitative and qualitative approach. The research will use survey research strategy (part of a descriptive research method were participants answer questions administered through questionnaire and interview); which helps the student researcher in order to gain a deeper understanding of the customers' view point on the subject matter.

1.7.2. Population, Sample Size and Sampling Techniques

So as to gather appropriate information that is relevant to the study (relationship marketing and customer loyalty in the case of ethio telecom); the populations involved are;

- Central Addis Ababa Zone /CAAZ/ customers and
- Employees of the specific branch who are in charge of customer service activities.

Since it is difficult to get the exact number of ethio telecom's (Central Addis Ababa Zone) customers; it was not possible to determine the sample frame. Therefore, according to Malhotra (2006), when there is no sample frame, the minimum sample size that is usually taken is 200. The student researcher has also incorporated 2 staff members (one customer service manager and the other sales representatives' supervisor) of Central Addis Ababa Zone to get some relevant information from the company's side. Since elements are chosen arbitrarily and there is no way to estimate the probability of any one element being included in the sample; also, no assurance is given that each item has a chance of being included as well it is impossible either to estimate sampling variability or identify possible bias; the student researcher has implemented a non-probability (convenience) sampling technique to choose respondents from customers. Additional reason to use this technique was sample units were selected only if they can be accessed easily and conveniently. For selecting respondents from employees, the student researcher applied (purposive-judgmental) technique for selecting employees who have a direct contribution with the subject matter as well those have a potential to answer the questions.

1.7.3. Types of Data Collected

For this research, both qualitative and quantitative data are gathered from primary and secondary sources. Primary data has been collected from Central Addis Ababa Zone customers as well the student researcher incorporated the CRM (Customer Service Manager) and a sales executive supervisor.

The secondary data on the other hand, is obtained from company's profile and website, published documents and literatures, books from library and the internet (e-books) those are relevant to this study. In addition, this research instrument allowed the student researcher to carry out the quantitative approach effectively with the use of statistics for data interpretation.

1.7.4. Method of Data Collection

The student researcher used survey questionnaire as the main data gathering tool to collect data from customers. The used questions were structured using an open ended and likert format; where choices are provided for every question or statement. Since the addressed customers are found in UNECA compound and St. Mary's University College premises as well it is being used in the educational system the survey is prepared in English language. In addition, to gather data from the employees" an interview has been conducted by the student researcher.

1.7.5. Method of Data Analysis

Data analysis consists of examining, categorizing, tabulating, testing or otherwise recombining both quantitative and qualitative evidence to address the initial propositions of the study. The fining will be presented in percentage and tabular form.

1.8. Limitation of the Study

Some of the limitations that the student researched faced while conducting this research were not getting many books on the subject matter from the library, and also unavailability of the sales representatives' supervisor of the company to participate in the interview session for different reasons.

1.9. Organization of the Study

The research paper is organized of four chapters. The first chapter contains background of the study; which includes introduction on the subject matter, statement of the problem, research objective, scoop, significance as well design and methodology used. The second chapter deals with review of related literature and the third chapter is concerned with data analysis and interpretation. Lastly, the fourth chapter tries to answer the initial questions for the study those were raised in the first chapter by summarizing, concluding and pointing out the possible recommendations. In addition appendixes are also attached.

CHAPTER TWO

REVIEW OF RELATED LITRERATURE

To gain a better understanding of Relationship marketing this chapter presents a theoretical review which sole aim is to provide a relevant literature in the subject area of the study. Further, the chosen relevant theories will be assessed and will be used to develop the emerged theoretical frame.

2.1. General Overview

Relationship marketing is defined as the process of establishing and maintaining mutually beneficial long-term relationships among organizations and their customers, employees and stakeholders. This shift to building relationships is offered as a solution to organizations in promoting sustainable relationships in this era of ever-increasing competition (Rensburg & Cant, 2003:119).

Customer relationship, marking (CRM) became the number one focus when today's competitive markets were getting more saturated and competitive. Now the marketing model is changing from the product centered stage to the customer centered stage. The new data base technologies enable people get the knowledge of who the customers are, what they bought, and even predictions based on the historical behavior. Now more than ever, the ability to understand and manage a close relationship with the customer is central to delivering these business goals. This is the ultimate challenge for marketing in any business. CRM helps deliver customer centric relationships. Successful companies in the future will use customer information wisely to build relationships with their customers; on the level that the customer wants and will work towards developing a long term relationship through retaining customers by delivering delighted customers.

CRM is the core business strategy that integrates internal process 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. (Buttle 2009:15).

The focus of CRM increased companies' abilities to understand the customers' current needs, what they have done in the past, and what they planned to do in the future to meet their own objectives. The goal is to improve the customer's experience of how they interact with us, which hopefully, in turn, creates more satisfaction, which yields more loyalty, which ideally, yields more sales of products and services. (Xu et.al., 2002, PP 442-452)

Relationship marketing and customer relationship management have taken a central position in marketing strategy in the past two decades. A confluence of factors, including the transition to service-based economies; advances in communication, logistics, and computing technologies; increased global competition; and faster product communication have enhanced the salience of "relationship based loyalty" to sellers compared with other marketing mix factors.

Moreover, (Palmitier.2008:IX) expressed relationship marketing as an interesting component in conducting business transactions embedded with relationship since customers' desires are increased for the unique characteristics found in relationship-based exchanges (e.g., reduced perceived risk, higher trust, enhanced cooperation, and greater flexibility).

2.2. Customer, Relationship and Relationship Marketing?

Who is a Customer?

Before beginning to consider how organizations relate to their customers it is necessary to consider who the customer actually is. Customer can be classified into two;

Internal customers are members of staff or outside suppliers that contribute towards the service provided to external customers. Good customer service to internal customers will help to establish good working relationships between staff members which will lead the business to function effectively. As an example, working in a pleasant environment where staffs are supportive of each other can keep staff turnover and absenteeism costs to a minimum.

External customers are the people who we more usually associate with the term „customer“, i.e. the people that actually buy or use an organization's products and services.

On the other hand, (Monga, Anand 2003:546); argued that "a customer is not just someone who comes to your showroom or whom you contact personally for business. He is beyond that, he is a colossus in disguise who has the key to the fate of your business."

A key point to remember is that there are many occasions in which a business comes into contact with its external customers.

In the meantime, for this study the student researcher will focus on the company's definition of customers. ethio telecom has categorized its customers into two main and three sub parts.

1. Residential

These are customers who buy ethio product and services for their own personal use and groups who cover a big size of ethio telecom's customer type definition. They are individual customers, who are eligible to subscribe any service.

Even if they represent the largest volume of the segmentation, same cannot be said in terms of the revenue they generate. This group also gets more focus regardless of the impact it has on revenue as part of the social and development objective the company has

2. Enterprise

Key Account Customers

- These are huge organizations and are very dependent on telecom's services with a need of consistent follow-up.
- These are organizations which are responsible of generating high revenue for the nation not only that; but also most of the company's revenue is collected from this customer segment.
- Their subscription is more than only one service type from ethio telecom and their accounts are managed by specially organized task force.
- NGO, Embassy, Financial Organizations, University and Colleges and Ministry of Defense are some of the examples.

SME (Small & Medium Enterprises)

- These groups are relatively smaller than key account customers in terms of their contribution to revenue and business sensitivity.
- They also have huge role in the economic development of the country as well as the contribution they have in revenue generation.
- Small Share Companies and PLCs are included in this category.

SOHO (Small Office-Home Office)

- They are relatively bigger than Residential but the least one in the Enterprise category. They use telecom services to do businesses and have a very small office.
- Business center and internet café are included in this group.

What is relationship?

A relationship is composed of a series of interactive episodes between parties over time. Similarly, a relationship has been said to exist only when the parties move from a state of interdependence to dependence or interdependence.

A relationship is a social construction. That is to say, a relationship exists if people believe that a relationship exists and they act accordingly. It is also apparent that relationship can be unilateral or reciprocal; either one or both of the parties may believe they are in a relation. (Buttle 2009:28).

What is Relationship Marketing?

Although CRM has become widely recognized as an important business approach, there is no universally accepted definition. Relationship marketing (RM) is the process of identifying, developing, maintaining, and terminating relational exchanges with the purpose of enhancing performance. (Palmatier.2008:3)

CRM also is defined as an enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability. (Swift. 2001:12).

CRM is the strategic use of information, processes, technology, and people to manage the customer's relationship with the company (Marketing, Sales, Services, and Support) across the whole customer life cycle. (Kincaid 2003:41). Furthermore, relationship marketing is defined as a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value. (Parvatiyar and Sheth 2001:5).

These definitions emphasize the importance of viewing CRM as a comprehensive set of strategies for managing those relationships with customers that relate to the overall process of marketing, sales, service, and support within the organization. Moreover, information technology (IT) and information systems (IS) can be used to support and integrate the CRM process to satisfy the needs of the customer.

2.3. Evolution of CRM

Competition has forced changes along marketing dimensions.

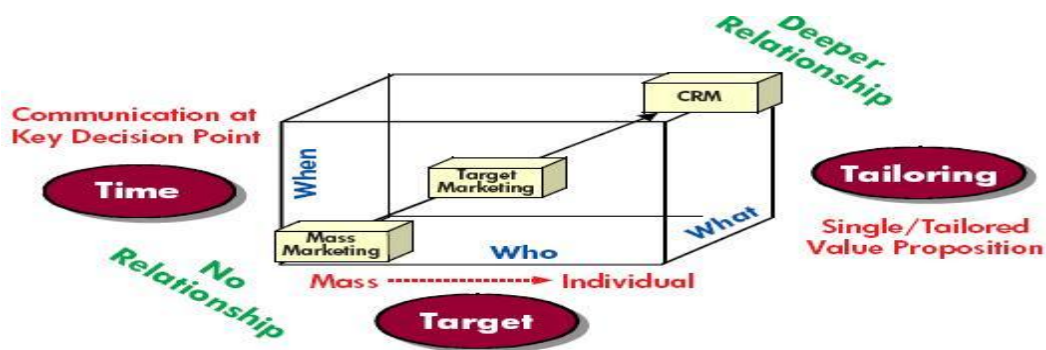


Figure I Customer and Product Marketing dimensions

(Source, Hewlett-Packard Publications by Jose Janjicek)

Mass marketing (one to many interactions)

Fifty years ago, Mass Marketing replaced the intimacy of door to door sales forces. This business strategy was measured by market share and relied on pushing product and creating brand recognition among the masses. Various channels such as T.V., radio, newspaper, and magazines served as enablers to communicate to large populations simultaneously with the identical sales and marketing message. Although successful initially, this marketing approach lost impact with respect to client loyalty and trust, since the industry wanted excellence in operations, and not excellence in serving the customer. The client loyalty plus client retention resulted in smaller share of wallet and a decrease in revenue.

Target marketing (one to target group interaction)

In the early 80s, a revolutionary approach to telemarketing, direct mail, and electronic mail permitted easier selection of target clients with the capability of receiving a direct response. Database marketing applications sifted through mass populations and potential clients. This still resulted in multiple channels generating their own unique marketing potential client lists. This business strategy was also measured by market share (daily product sales) and not the lifetime value of relationship. The final result for Target Marketing is that it is expensive, ineffective, and irritating to the customer. In addition, marketing to the averages resulted in average marketing results.

Customer relationship marketing (one to one interaction)

In the 90s, studies have shown that “it is 6 time more expensive to gain a new customer than to retain an existing one”. Statistics like these have pushed the industry want to become more knowledgeable and intimate with customers. Business drivers were determined to qualify and justify development initiatives such as:

- Increasing the loyalty of profitable customer
- Improving cost efficiency and effectiveness of marketing campaigns
- Reducing customer attrition/churn
- Tailoring prices, offers, or product components to specific types of customers
- Provision of single point of contact with a customer

Changing Attitudes of Customers

Customers today are prepared to look further and further for enhanced service and facilities not just for the lowest prices. Customers have become used to choice and quality. Today’s customer challenges and wants to know the why and not just the how. The medical and legal professions, local and national government, newly privatized industries, and education have all been required to become more responsive to the needs of their customers. The development of improved communication systems after World War II, in particular the telephone and the television, helped bring about a consumer revolution. It became much easier for consumers to exchange information, and the development of commercial broadcasting, meant that viewers were exposed to increasing amounts of advertising, making them more aware of the choices available in the marketplace. (Cartwright, 2003)

Satisfying customer needs

To succeed or simply to survive, companies need a new philosophy. To win in today's marketplace, companies must be customer-centered they must deliver superior value to their target customers. They must become adept in building customer relationships, not just building products. They must be skillful in market engineering, not just product engineering. (Kotler et.al. 2005:463)

Customer retention and loyalty

The most important consideration to attain high customer loyalty is for firms to deliver high customer value. (Kotler 2000:507-09). He continued to stress that it has been the practice by firms to devote much attention and effort to attracting new customers rather than retaining existing ones, adding that traditionally firms emphasis more on making sales rather building relationships, on pre-selling rather than caring for the customer afterwards.

Although it is not easy to retain all the existing customers, a company does try it because of the cost involved in marking new customers is much more than that involved in retaining them. (Monga, Anand 2003:553)

Kotler (2000) states the critical factor to attaining customer loyalty is customer satisfaction because a customer who is highly satisfied will exhibit the following characteristics;

- Stay loyal longer
- Buys more as the company introduces new products and upgrades existing ones
- Talks favorably about the company and its products
- Pay less attention to competing brands and advertising, and is less sensitive to price
- Cost less to serve than new customers because transactions are reutilized

2.4. Nature of Service Relationships

Although some services involve discrete transactions, in other instances purchasers receive service on a continuing basis. But even when transactions are separate and independent, there may still be opportunities to create an ongoing relationship. The different nature of these situations offers an opportunity for categorizing services.

Type of relationship between the service organization and its Customers

Nature of Service Delivery	“Membership” relationship	No Formal Relationship
Continuous Delivery of Service	<ul style="list-style-type: none"> • Insurance • TV subscription • College Enrollment • Banking 	<ul style="list-style-type: none"> • Radio Station • Police Protection
Discrete Transaction	<ul style="list-style-type: none"> • Long Distance Call From Subscriber Phone • Health treatment 	<ul style="list-style-type: none"> • Car Rental • Mail Service • Pay Phone • Public Transportation

Table.1 shows the resulting matrix, with examples in each category. (Christopher Lovelock I. PP 100)

A *membership relationship* is a formalized relationship between the firm and an identifiable customer, who signs up in advance for service. Firms in the top left quadrant of Table .1 are natural "membership" organizations; customers must apply in advance before they can receive service. Such relationships have the potential to offer special benefits to both parties, because the potential exists for both sides to get to know each other better.

The advantage to the service organization of having membership relationships is that it knows who its current customers are, what they spend, and (usually) when, where, and how often they use the services offered. This information can be valuable for segmentation purposes if good records are kept and the data are readily accessible in a format that lends itself to computerized analysis.

Discrete transactions when each usage involves a payment to the service supplier by an essentially "anonymous" consumer are typical of services like transportation, restaurants, cinemas, and shoe repair shops. The problem for marketers of such services is that they are usually less informed about who their customers are and what use each customer makes of the service than their counterparts in membership-type organizations. But firms that sell their services on a transactional basis to anonymous customers can create relationships with frequent

users by selling the service in bulk (for instance, a theater series subscription or a music concert ticket on public transport or restaurants) and recording the customer's name and address. Another approach is to offer extra benefits to customers who agree to register with the firm so that their usage can be tracked (for example, loyalty programs for hotels, airlines, and car rental firms). In this way, an organization can shift at least part of its customer base from the bottom right quadrant of the matrix shown in Table .1 to the bottom left one.

2.5. Benefits of customer relationship

According to (Swift 2001:12), companies can gain many benefits from CRM implementation. He stated that the benefits are communally found in one of these areas:

1. *Lower cost of recruiting customers*: the cost of recruiting or obtaining customers will decrease since there are savings to be made on marketing, mailing, contact, and follow up, fulfillment services and so on.
2. *No need to acquire so many customers to preserve a steady volume of Business*: the number of long term customers will increase and consequently the need for recruiting many new customers will decrease.
3. *Reduce cost of sales*; the costs regarding selling are reduced owing to existing customers are usually more responsive. In addition, with better knowledge of channels and distributions the relationship become more effective, as well as that cost for marketing campaign is reduced.
4. *Higher Customer Profitability* ; the customer profitability will get higher since the customer wallet-share increases, there are increases in up selling ,cross-selling and follow-up sales, and more referrals come with higher customer satisfaction among existing customers
5. *Increased Customer Retention and Loyalty*; the customer retention increases since customer stay longer, buy more and buy more frequently. The customer does also often take initiatives which increase the bounding relationship, and as a result the customer locality increases as well.
6. *Evaluation of customers Profitability*; A firm will get to know which customers are profitable, the one who never might become profitable, and which ones that might be profitable in the future. This is very important since the key to success in any business is to focus on acquiring customers who generate profit and once a firm has found them, never let them go.

2.6. Relationship Marketing Values

Relationship marketing is all about creating value by generating higher profits for the company and providing a better experience for its customers. Some of the values are;

Increase Customer Engagement

Every day more opportunities to talk to your customers arise, from new digital channels to more personalized means of communication. But mastering and integrating so many channels represents a big challenge to engaging customers in meaningful ways that also drive higher sales and profits.

Because of our multi-channel heritage, we're experts at engaging customers across both digital and traditional channels, in ways that provide a consistent and positive experience for customers. At each touch point, we monitor customer reactions and gauge their opinions in order to improve the quality of our interactions with them. And behind everything, our technology creates a foundation for efficient and consistent interactions with customers.

The net result is a highly tailored, multi-channel conversation with your customers: We do away with the single voice, single vision approach of old-world mass advertising and develop conversations through the right channel, at the right time.

Retain Your Best Customers

Your customers are the foundation of your business, and preventing customer attrition is one of our core competencies at Fulcrum. For every customer that leaves, we need to contact many more prospects in the hope of finding a replacement. That is why Fulcrum has developed a wealth of capabilities to increase customer retention.

Our proactive approach to customer attrition begins with an integrated marketing strategy that first acquires customers who will remain loyal and then on-boards them in ways that foster the relationship. For established customers, our early-warning systems zero in on which customers

are at risk for leaving, permitting us to deliver timely, relevant marketing interventions that re-engage customers and increase retention.

Protect your most valuable investment. Whether you need to solve the immediate pain of customer attrition, or want to increase retention and loyalty systematically, Fulcrum is ready to secure your foundations.

Sell More to Existing Customers

No marketing initiative can provide more enterprise value than an integrated approach to cross-selling. But to be effective, cross-selling cannot be a free-for-all with multiple product offers, promotions, and bundles competing for the customers' attention.

Acquire More Valuable Customers

Most marketing budgets are weighted toward acquiring new customers. But given the expense, it's doubly important that we make sure acquisition programs deliver exceptional value. Too often, companies focus on driving up acquisition rates no matter what value new customers generate.

At Fulcrum, we strive to make acquisition budgets leaner, smarter, and more efficient by adhering to one simple maxim: Acquire customers who generate higher value. In one recent example, we transformed a response-driven lending program into a results-driven one: Prospects not only responded, but actually booked loans at a much higher rate. And we've helped many other companies find, acquire, and convert prospects into high-value customer relationships.

The key to Fulcrum's effectiveness is careful prospecting. We isolate the highest potential and then deploy our full marketing capabilities to reach out, engage, nurture, and win over the best customers. Better acquisition drives dividends in higher customer value and reduces customer attrition.

Win and Protect Market Share

While smart customer management is critical to success, the full power of customer management is realized when it is fully integrated with macro-level strategies, such as winning greater market share, penetrating new markets, and defending existing positions from competitors. Too often, customer relationship marketing is executed separately from the larger strategy, when it really should be informing that strategy from the outset.

At Fulcrum, we are passionate about driving not just better marketing performance, but moving the needle on the strategic goals of our clients. For example, we've helped a top-ten bank understand its market performance at multiple levels: the national level, the local level, and the customer level and devise integrated strategies that extend to many areas, including branch operations and human resources management. And we've helped many other companies with diverse needs optimize their distribution networks and implement product merchandising strategies.

Because we understand customer management so well, the high-level strategies we develop with our clients are readily implemented in ways that help forge better customer relationships and that generate tangible returns in short order.

2.7. Relationship Marketing Underpinnings

Trust

Trust is being able to rely on another party to perform as promised and in the way expected. The communications of marketers are filled with promises. Companies, like people, who keep their promises will earn trust. (Harrell and Frazier 1999:45)

Trust results from keeping promises among other factors. Fulfilling promises that have been given fans the fire of trust and in turn enhances relationship quality. (Ndubisi and Chan, 2005:542-57).

The development of trust is an investment in relationship building which has a long term payoff. Trust emerges as parties share experiences, and interpret and assess each other's motives. As they learn more about each other, risk and doubt are reduced. For these reasons, trust has been described as the glue that holds a relationship together across time and experience.

When mutual trust exists between partners, both are motivated to make investment in the relationship. These investments, which serve as exit barriers, may be either tangible (property) or intangible (knowledge). Such investment may or may not be retrievable when the relationship dissolves. If trust is absent, conflict and uncertainty rise, while cooperation falls. Lack of trust clearly provides a shaky foundation for a successful customer-company relationship. (Buttle 2009:29).

Commitment

Commitment arises from trust, shared value and belief that partners will be difficult to replace. It motivates partners to cooperate in order to preserve relationship investment. Commitment means partners avoid short term alternatives in favor of more stable and long term benefits associated with current partners. Where customers have choice, they make commitment only to trustworthy partners, because commitment entails vulnerability, leaving them open to opportunism. (Buttle 2009:30).

Commitment is an essential ingredient for successful, long-term relationship. Morgan and Hunt define relationship commitment as; Commitment is shown by an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum effort to maintain it; that is, the committed party believes the relationship is worth working on to insure that it endures indefinitely.

Communication

Communication refers to the ability to provide timely and trustworthy information. Both content and style in communication are important in building quality relationship with customers. Marketing entails much more than developing a good product, pricing it attractively and making it readily available to the target customers. Organizations need to communicate with their current and potential customers. They have to fulfill the role of communicator and promoter (Kotler, 2000:550).

Organizations have to establish, maintain and manage complex marketing communications systems with their customers, distributors, suppliers, and various other publics. Each group communicates with the organization and also provides feedback to each other. Thus, for most companies the issue is not whether to communicate but rather what to say, how, when, where and for whom to say it.

According to Duncan (2002:8), marketing communication is a process for managing the customer relationships that drive brand value. More specifically, it is a cross-functional process for creating and nurturing profitable relationships with customers and other stakeholders by

strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialogue with them. Therefore, communication is vital in the marketing process. The interaction between customers and sales personnel and the exchange of information between buyer and seller is an indispensable part of marketing and relationship building.

Compliant Handling

A company's compliant handling way has a big impact on the relationship with its customers as well the company image. According to Monga, Anand (2003:554) company should behave in the following points to handle customers with complaints.

- Don't become impatient with such customers. Instead, show them that this time you are mistaken, but next time you will be not. This surely makes the customer visit the next time also. The most snobbish of the customers will calm down once you are normal with them.
- Don't send the customer aback either without solving his problem or assuring him of the same to be solved in the near future. After the problem is solved it doesn't mean that the duty is over. The organization has to be regularly in contact with him to know how satisfied he is with the solution.
- Don't argue with him publicly. He is the one who decides your business. If you make him feel embarrassed he will never turn up. He has various other joints to shop at, but you will surely lose your prospective customers.

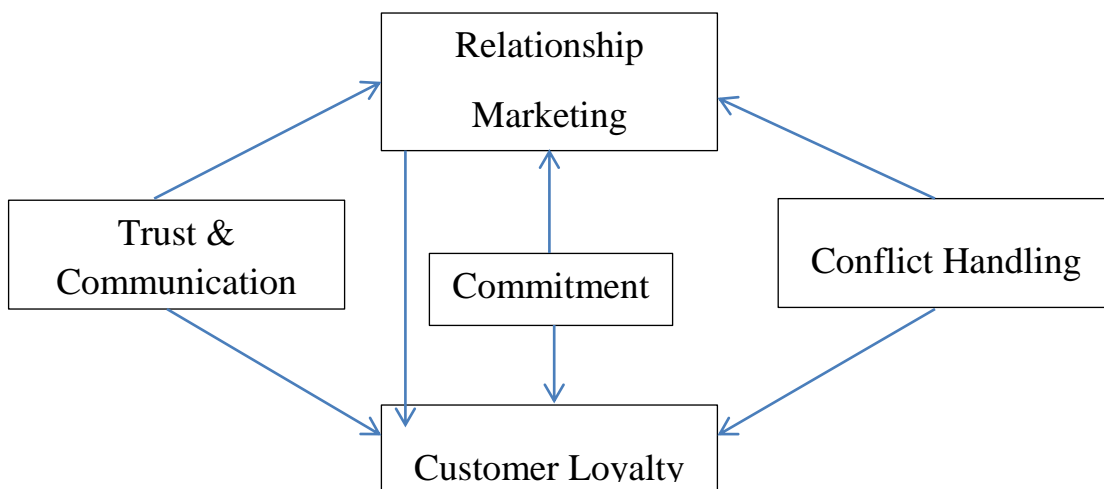


Figure II *The research frame work (Adopted from Nelson Oly, 2004-2007)*

CHAPTER THREE

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

In this chapter, a brief overview of respondents will be presented. The presentation, analysis and interpretation of data are based on the gathered information from respondents (customers of ethio telecom in Central Addis Ababa Zone) and the Customer Service Manager of the company. The data was obtained through the use of a questionnaire which contains both closed and open ended questions and the rest was gathered by the conducted interview with the manager.

3.1. General Characteristics of the Study and Respondents

For this research, the student researcher prearranged a population that includes 200 respondents from customers, 1 supervisor and 1 customer service manager of ethio telecom. However, the research excluded 31(15.5%) questionnaire for the reason of non-returned as well the response of the sales executive supervisor because of unavailability.

Generally, from total sample size 169(84.5%) of respondents filled and returned the questionnaire responsibly as well the customer service manager has been interviewed on general issues those could possibly be raised in relation to marketing relationship and customer loyalty.

From the collected data of this study, the response rate is 84.5% which is near to 100 and it is possible to say that sample taken is representative.

Table 1 – Subscription Time for the Service

Item No.	Profile	Description	No. of Respondent	Percentage
1	How long it has been since you subscribed for telecommunication services (in years)	Less than a year	-	-
		1 – 3	5	3
		4 – 6	-	-
		7 – 9	43	25.4
		10 and more	121	71.6
Total			169	100

Table 1 on the previous page indicates, 121(71.6%) of the respondents had subscribed for telecommunication service for 10 years and more, 43(25.4%) are categorized from 7-9 years of subscription, and only 5(3%) had been customers for years in between 1-3. This implies that the popular numbers of customers was subscribed or are customers of ethio telecom for long; so they are relevant to the study since the student researcher is focused to get concrete information on the subject matter.

Table 2 – Gender, Age and Marital Status Representation

Item No.	Profile	Description	No. of Respondent	Percentage
1	Gender	Male	90	53.3
		Female	79	46.7
Total			169	100
2	Age category	18 – 25	22	13
		26 – 35	43	25.4
		36 – 45	74	43.8
		46 – 55	25	14.8
		56 and more than that	5	3
Total			169	100
3	Marital Status	Single	75	44.4
		Married	93	55
		Divorced	1	0.6
		Widow	-	-
		Widower	-	-
Total			169	100

Table 2 item 1 shows, the study addressed 90(53.3%) of Male and 79(46.7%) of Female customer of ethio telecom.

Table 2 item 2 indicates the age structure of customers. 22(13%) of respondent were 18-25 years old; 43(25.4%) were found between the age of 26-35; 74(43.8%) of customers positioned themselves on 36-45 years old; 25(14.8%) of them placed their age on 44-55 years and the rest 5(3%) were aged 56 and above.

Table item 3 describes, from the total respondents 93(55%) were marrieds; 75(44.4%) are singles and only 1(0.6%) of respondent is divorced.

The implications for the table on the previous page is that the research has addressed slightly bigger number of Male respondents than Females and also the age structure shows the greater number respondents are categorized in the age from 26-35; in addition marital status data shows higher number of respondents are marrieds. From this, one can conclude that the questions for this study are filled in a responsible routine.

Table 3 – Educational Background and Income Level

Item No.	Profile	Description	No. of Respondent	Percentage
1	Educational background	High school graduate	-	-
		Certificate/Diploma	64	37.9
		First Degree	88	52.1
		Second Degree	15	8.9
		PhD and more	2	1.1
Total			169	100
2	Monthly income (in birr)	500 and less	-	-
		501 – 1500	-	-
		1501 – 2500	31	18.4
		2501 – 3500	57	33.7
		3501 and above	81	47.9
Total			169	100

Table 3, item 1 shows, the educational background of respondents where by 64(37.9%) are a certificate/Diploma holders; 88(52.1%) were those have a first degree; 15(8.9%) of respondent disclosed as second degree and the remaining 2(1.1%) were graduated in PhD.

Accordingly table 3, item 2 indicates, higher number of respondents 81(47.9%) have a monthly income of birr 3501 and above; 57(33.7%) get an income between 2501-3500; and finally 31(18.4%) of groups earn in between 1501-2500 birr per month.

The education background implies that the respondents have attempted the questions with an understanding. On the other hand, the income group implies a direct relationship with the company's revenue as they have segmented their market with a residential and enterprise customers based on the income they generate for the company.

3.2. Analysis on Major Findings

3.2.1. Quantitative Data Presentation and Analysis

The following part covers responses obtained from ethio telecom customers who are essential for the analysis of the stated problems and in order to articulate their respective interpretation.

Table 4 – Opinion on Fulfillment of Obligation and Professionalism

Item No.	Profile	Description	No. of Respondent	Percentage
1	ethio telecom fulfills its obligation to the customers.	Strongly Agree	-	-
		Agree	-	-
		No Opinion	56	33.1
		Disagree	83	49.1
		Strongly Disagree	30	17.8
Total			169	100
2	ethio telecom shows high professionalism in its services.	Strongly Agree	-	-
		Agree	15	8.9
		No Opinion	7	4.1
		Disagree	91	53.8
		Strongly Disagree	56	33.2
Total			169	100

According to table 4, item 1, customers of ethio telecom were asked if the company is fulfilling its obligation. 56(33.1%) have no opinion; 83(49.1%) disagreed and the remaining 30(17.8%) of respondents strongly disagreed. As of customers response on the open ended questions; this implies that customers believe ethio telecom did not bear out its obligation to its customers.

As of table 4, item 2, indicates 91(53.8%) of respondents disagrees; 56(33.2%) strongly disagreed, 15(8.9%) agreed and the remaining 7(4.1%) had no opinion on ethio telecom's practice of showing high professionalism in its services. The implication is since higher numbers of respondents were with ethio telecom for more than 10 years and from their experience; customers do not believe that the company is working in a professional way.

Table 5 – Avoidance of Issues for a Potential Conflict

Item No.	Profile	Description	No. of Respondent	Percentage
1	ethio telecom avoid issues for potential conflicts.	Strongly Agree	-	-
		Agree	30	17.7
		No Opinion	-	-
		Disagree	84	49.7
		Strongly Disagree	55	32.6
Total			169	100

As table 5 discovered, customers were asked on the avoidance of issues for potential conflicts in ethio telecom.30(17.7%) number of respondents agreed that the company is working on the issue; 84(49.7%) replied that they disagree and the remaining 55(32.6%) strongly disagreed to express that telecom is not putting an effort to avoid issues for a potential conflicts. This indicates that ethio telecom has gaps on handling and avoiding of issues for a potential conflict those could be raised on the process of service delivery.

Table 6 – Opinions on Availability of Timely and Trustworthy Information as well reliability of promises

Item No.	Profile	Description	No. of Respondent	Percentage
1	ethio telecom provided a timely information.	Strongly Agree	-	-
		Agree	27	16
		No Opinion	50	29.6
		Disagree	92	54.4
		Strongly Disagree	-	-
Total			169	100
2	ethio telecom provided a trustworthy information.	Strongly Agree	-	-
		Agree	58	34.3
		No Opinion	35	20.7
		Disagree	42	24.9
		Strongly Disagree	34	20.1
Total			169	100
3	ethio telecom promises are reliable.	Strongly Agree	-	-
		Agree	59	34.9
		No Opinion	39	23.1
		Disagree	71	42
		Strongly Disagree	-	-
Total			169	100

According to the data on the previous page, Table 6, item 1 demonstrates, customers response about receiving a timely information from the company and 92(54.4%) disagreed; 50(29.6%) had no opinion and the remaining 27(16%) agreed on the issue.

Based on table 6, item 2's indication for the question of providing a trustworthy information; 58(34.3%) were agreed to the question; 42(24.9%) disagrees 34(20.1%) strongly agreed that ethio telecom is proving a trustworthy information; and the rest 35(20.7%) of respondents grouped themselves with no opinion.

Table 6, item 3 shows customers' respective confirmation with regard to reliability of promises; and 59(34.9%) of them responded that they agree, 39(23.1%) answered as if they have no opinion and the rest 71(42%) conformed that promises made by ethio telecom are not reliable.

The implications are information's those are being provided by ethio telecom is neither timely nor trustworthy. A simple example could be sending a text to its customers of new service or product found in every telecom shops and the fact; only few shops are providing it for different reasons which create an issue of being trustworthy. As also described on the open ended responses a great number of customers believe that the company's promises are not reliable.

Table 7 – Willingness to Accept Compliant and Giving Response

Item No.	Profile	Description	No. of Respondent	Percentage
1	ethio telecom employees are willing to receive complaints	Strongly Agree	48	28.4
		Agree	71	42
		No Opinion	-	-
		Disagree	50	29.6
		Strongly Disagree	-	-
Total			169	100
2	ethio telecom is giving a quick response to complaints raised by its customers	Strongly Agree	-	-
		Agree	-	-
		No Opinion	48	28.4
		Disagree	67	39.6
		Strongly Disagree	54	32
Total			169	100

According table 7 item 1 on the previous page, customers gave their answer on willingness of ethio telecom employees to receive complaints. The ratings are, 48(28.4%) answered as they strongly agree; 71(42%) replied with an agreement and the remaining 50(29.6%) replied as if they disagree with the idea.

Likewise, table 7 item 2 shows, opinions of respondents on getting a quick response to complaints raised are; 54(32%) strongly disagreed, 67(39.6%) disagreed that the company is giving a quick response to customer's questions and the other 48(28.4%) had no opinion on whether complaints are getting resolved efficiently or not.

With reference to the interview conducted with the CS manager complaints are acceptable by the company but there are limitation of resources and other related constraints to solve the problems in < 24 hours. This implies that both the company and customers have noted that employees of the company are willing to accept complaints but there is a gap on resolving the problem in short period of time.

Table 8 – Opinions on Fulfillment of Expectations and Adjustment Making

Item No.	Profile	Description	No. of Respondent	Percentage
1	My relationship with ethio telecom fulfills my expectations.	Strongly Agree	-	-
		Agree	-	-
		No Opinion	41	24.3
		Disagree	73	43.2
		Strongly Disagree	55	32.5
Total			169	100
2	ethio telecom makes adjustments to suit my telecommunication service needs.	Strongly Agree	-	-
		Agree	-	-
		No Opinion	89	52.7
		Disagree	47	27.8
		Strongly Disagree	33	19.5
Total			169	100

According to the above table item 1, customers have given their opinion on ethio telecom's fulfillment of their expectations and the frequency shows that 73(43.2%) of respondents has disagreed; 55(32.5%) voted with a strong disagreement and the remaining 41(24.3%) respondents replayed with no opinion.

As table 8, item 2 of the previous page describes, higher number of respondent 89(52.7%) has not opinion; 47(27.8%) answered with a disagreement on ethio telecom is making an adjustment to their telecom service needs and the rest 33(19.5%) expressed their feelings with a strong disagreement on the issue. This implication will be ethio telecom's performance is highly less than its customers' expectation.

Table 9 – ethio telecom's Effort on Retaining Customers

Item No.	Profile	Description	No. of Respondent	Percentage
1	ethio telecom is putting enough effort on retaining customers.	Strongly Agree	-	-
		Agree	-	-
		No Opinion	-	-
		Disagree	55	32.5
		Strongly Disagree	114	67.5
Total			169	100

As of the above table, customers have given their judgment for the question and 55(32.5%) has disagreed that ethio telecom is putting enough effort on retaining customers; the rest 114(67.5%) expressed their view with a strong disagreement. The inference is that even if the CS manager said the company is doing business in a way not being practiced before; customers believe ethio telecom is not putting any effort on retaining its customers and it has high interaction with it is being a monopoly company.

Table 10 –Opinions on Issues Related with Satisfaction and Loyalty

Item No.	Profile	Description	No. of Respondent	Percentage
1	Avoiding the mobile network problem will help ethio telecom to keep its customers satisfied.	Strongly Agree	-	-
		Agree	5	3
		No Opinion	43	25.4
		Disagree	101	59.8
		Strongly Disagree	20	11.8
Total			169	100
2	Customers 'involvement in the processes has a big impact on keeping customers committed to the company's product and services.	Strongly Agree	83	49.1
		Agree	46	27.2
		No Opinion	40	23.7
		Disagree	-	-
		Strongly Disagree	-	-
Total			169	100

On the previous page table 10, item 1 indicates, 101(59.8%) disagreed and 20(11.8%) replied with a strong disagreement expressing their feelings; that avoiding the mobile network problem will not make them satisfied. 43(25%) had no opinion and only 5(3%) of respondents agreed that avoiding the network problem will help customers satisfied.

Based on table 10th, item 2 data, a greater number of respondents 83(49.1%) answered with a strong agreement; 46(27.2%) of the total respondents replied with an agreement and the rest 40(23.7%) has replied with having no opinion for the question that addresses customers’ involvement in the process brings a big impact on keeping customers committed to the company’s product and services.

This implies that “Delighted customers are more likely to be loyal” (Kotler & Armstrong, 2006:13) and to create this satisfaction which leads to loyalty; (Swift. 2001:12). “An enterprise should have an approach of creating a meaningful communication”. Based on the scholars and response of customers ethio telecom cannot make its customers satisfied just by fixing the mobile network problem instead they want to be well communicated and involved in the process.

Table 11 – Response to Confidence on the Company and Switching to Competitor

Item No.	Profile	Description	No. of Respondent	Percentage
1	I have confidence in the overall ethio telecom activities.	Strongly Agree	-	-
		Agree	-	-
		No Opinion	-	-
		Disagree	68	40.2
		Strongly Disagree	101	59.8
Total			169	100
2	I am very likely to switch to another service provider, if I got a competitive company	Strongly Agree	78	46.2
		Agree	44	26
		No Opinion	38	22.5
		Disagree	9	5.3
		Strongly Disagree	-	-
Total			169	100

Table 11, item 1 of the previous page describes, customers have given their answers on having a confidence on the overall activities of ethio telecom. Out of the total respondents 101(59.8%) replied as they have no confidence at all by choosing strongly disagree. Likewise, 68(40.2%) of respondents conformed that they do not have a confidence on the company by disagreeing to the question.

According to table 11, item 2 on the previous page, a significant number of respondents 78(46.2%) strongly agreed; 44(26%) agreed that they can do switch to other competitor company if they got any; 38(22.5%) has no opinion on the issue and the remaining 9(5.3%) of respondents expressed that they will not switch to a competitor company even if they have an option.

The implications are, ethio telecom has a big issue on winning its customer's confidence for different reasons and because of these customers are willing to switch to another service provider if they got any.

Table 12 – Patience of Customers on Problems

Item No.	Profile	Description	No. of Respondent	Percentage
1	When a problem occurs I prefer to try to understand the situation and wait patiently for the solution.	Strongly Agree	-	-
		Agree	23	13.6
		No Opinion	61	36.1
		Disagree	78	46.2
		Strongly Disagree	7	4.1
Total			169	100

The above table indicates, 78(46.2%) disagreed on being patient when problems occur; 7(4.1%) expressed their feelings with a strong disagreement; 61(36.1%) of respondents reserve themselves from giving any opinion on the subject matter and the remaining 23(13.6%) agreed on understanding the situation and waiting patiently till it got solved.

This denotes that, for different reasons and for not having a quick response to questions customers are not willing to wait for a solution patiently.

Table 13 – Attitudes on Marketing Relationship & Feelings towards the Company

Item No.	Profile	Description	No. of Respondent	Percentage
1	What is your attitude towards ethio telecom’s marketing relationship?	Positive	11	6.5
		Negative	158	93.5
Total			169	100
2	I feel happy to be with ethio telecom as it is my service provider.	Strongly Agree	-	-
		Agree	-	-
		No Opinion	29	17.2
		Disagree	69	40.8
		Strongly Disagree	71	42
Total			169	100

Table13, item 1 shows, only 11(6.5%) has a positive attitude on ethio telecom’s marketing relationship activity and the rest 158(93.5%) of respondents have a negative attitude on marketing relationship.

As of table 13, item 2 indicates, for the question which addresses customers feeling of being with ethio telecom the frequency of responses are; 29(17.2%) no opinion, 69(40.8%) disagreement and the remaining 71(42%)s are with a strong disagreement.

The implications will be, for different and repetitive problems customers“ has developed a negative attitude towards ethio telecom as well they are not happy with the company as their service provider.

3.2.2. Qualitative Data Presentation and Analysis

From the open ended questions, the student researcher has learnt that majority of respondents’ associate the company’s performance with the service quality and customer relationship management.

Accordingly, higher number of respondents“ observation of problems is mainly attached with network quality. The Customer Service Manager accepts the existence of the problem, but claims

that the customers' expectation is high to manage as well there are external factors which hinder the service quality like: resource shortage, frequent power fluctuation, constructions of buildings, road, railway and water pipe has a significant influence on the frequent outage and as well it takes longer time to repair than expected. He thought that most customers do not tolerate such problems as these days business is highly dependent on telecom services and service interruption affects their business a great deal.

Service expensiveness, confidentiality and customer handling problems are among the other points raised by the respondents via the open ended questions. However, from the interview with the Customer Service Manager, the student researcher has learnt that, the company is working on different new approaches to reach customers. The CSM explained that one of the new approaches is to organize a new structure to address all customers and least them based on their contribution to the company and the county, there by introducing two major divisions:

Residential – a division which only works with individual customers.

Enterprise – a division that main focus is companies.

According to the CSM, the company also arranged different visits to address the needs of important customers providing special offers and personalized services like GOTA service. In addition, the manager revealed that the company has a compliant handling system; and the techniques used for this is by categorizing key account customers in two (VIP and Key accounts) they have dedicated customer service handlers who receive their complaints directly and follow the progress and inform them back with the solutions. The complaints are expected to be solved in 24hrs maximum and if that is not the case there is an escalation process. For the rest they can call on 980 (still it is with better privilege than medium and small businesses) and they will register their troubles and they follow through their TT number.”

On what should be done to improve the image, respondents recommended that service quality should be improved, prices for different services should be in line with average person's income, new technologies should be introduced consistently, advanced training should be provided for employees (specially front line) and more importantly, the company should avoid the mentality of 'no other option' and give active response to customers issues.

The manager responded for some questions saying, the company has now a good structure in place to follow the feedback of customers and change them into different service and products with their marketing research department. Furthermore, the manager stated that these days the company's image is changing in a positive way for using a better customer handling technique (communications and treatment). He emphasized the company is communicating with its customers on issues related to the service and their experience as well their queries, as his reference the only issue that customers are not happy with is the service quality which will be minimized as much as possible since it is difficult to avoid all the problems at a time.

CHAPTER FOUR

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This is the last chapter of the research paper; here the summary of major findings, conclusions and possible recommendations will be presented with the aim of reaching the research purpose and to answer the research questions.

4.1. Summary of Major Findings

- Customers of ethio telecom were asked if the company is fulfilling its obligation and higher number 83(49.1%) of respondents expressed their feeling with a disagreement.
- For the questions related to professionalism of the company, majority of respondents 147(87%) replied that ethio telecom is not performing in a professional way.
- Regarding the company's ability on avoidance of potential issues for conflict; greater number of customers 139(82.3%) has a negative experience.
- Majority of respondents 92(54.4%) believe that ethio telecom is not providing timely information but again 58(34.3%) of respondents said the information is trustworthy.
- The question that addresses the reliability of promises majority of respondents 71(42%) replied that the company's promises are not reliable.
- The extent of agreement on the matter of ethio telecom employees' willingness to accept a compliant has got rated with a significantly greater number 71(42%) of the total response.
- A significantly greater number 121(71.6%) of respondents replied that they don't get a quick response to complaints rose.
- From the total response majority of customers 128(75.7%) replied that ethio telecom is not fulfilling their expectations. On the other hand, greater number 89(52.7%) of customers has no opinion on the company's adjustment making.
- On the question related to ethio telecom's activity of putting enough effort to retain its customers. The reaction shows, 169(100%) of respondents agreed that the company is not putting enough effort on retaining its customer. Likewise, all the responses 169(100%) shows that customers do not have confidence on the overall activities of the company.

- Popular number of response 101(59.8%) shows that avoiding the mobile network problem will not make them satisfied.
- The response which addresses customers' involvement in the process brings a big impact on keeping customers committed to the company's product and services. The response indicates, majority 129(76.3%) of the total respondents answered by agreeing with the issue.
- Customers' response on switching to another service provider if they got any shows; higher number 122(72.2%) of respondents replied that they will shift to a competitor company if they got any.
- For the question that addresses individuals' preference of understanding problems and waiting patiently for a solution when there is any; greater number 78(46.2%) of the total response expresses customers are not willing to wait patiently for a solution by understanding the problem.
- The customer's attitude towards ethio telecom's marketing relationship; majority 158(93.5%) of the response shows customers has a negative impression. In addition, majority of the respondents 140(82.8%) expressed their feelings that they are not happy for being with ethio telecom.

4.2. Conclusions

Based on the major findings of this research; the student researcher has come up with the following conclusions about ethio telecom's practice on relationship marketing and customer loyalty activities. The below shown conclusions will also be used as a base for the possible solution and recommendations.

- From the above findings, on the company's relationship with its customers in terms of trustworthiness, reliability and confidence, major gaps are identified. The time gap between making a media advertisements about availability of products at all telecom shops and the actual preparation is too long, over utilization of telecom infrastructures which brings frequent interruption of services, and inability to give timely response for customer complaints on post sales services respectively.

- The research shows there is high association between the relationship underpinnings (trust, commitment, communication and compliant handling) and the excellence of customers' journey with ethio telecom; a mistake on one of the factors can lead the company to failure to maintain customers' loyalty.
- From the findings of the open ended questions, in addition to the relationship underpinnings, factors that affect customer retention in ethio telecom are; pricing of its service, poor network quality, technical expertise of employees and confidentiality (checking other customers' account).

In conclusion, the research finding shows that there are major gaps in the way ethio telecom conducts marketing relationship practice, which would suggest if other international telecom operators are going to be allowed in the sector, it would put the company in a difficult position to be competitive

4.3. Recommendations

The following recommendations are driven from the above mentioned conclusion as well the overall research findings.

- ethio telecom can improve its trustworthiness through communicating a timely information to its customers, reliability of the company could be developed by keeping its promises and providing uninterrupted telecom service. In addition, ethio telecom can gain the customers confidence by using various channels like the call center and web portal to give a quick response on complaints raised.
- Since service by its nature is intangible, it is basic for the company to keep its promises and needs to earn trust of its customers. In addition, the company should handle customers' compliant by communicating timely and trustworthy information, follow up the problems until they are solved and update customers with the progress. The absence of one or more of these factors would result in mediocrity of company's relationship with customer.

- Beyond the contribution of relationship underpinnings, reducing service price, improving the network quality, providing a continuous training on technical expertise and customer handling techniques, avoiding 'no other option' mentality, keep customers confidentiality by setting strict rules and motivating its employees will help ethio telecom become a better telecom operator.

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Appendix – A

Questionnaire for measuring Marketing Relationship and Customer Loyalty

(To be filled by Customers)

This questioner is prepared by the student researcher and prospective graduate of 2013 G.C. in the field of Marketing Management and to be presented for St. Mary's University Collage. Its objective is to gather relevant information on Relationship Marketing and Customer Loyalty in the case of ethio telecom. Please note that the information obtained from you is strictly confidential and highly important for the research; therefore I kindly request you to attempt each questions and give your answer. I thank you very much in advance for your cooperation.

NB - No need of writing your name on the questionnaire.

- Please put ✓ mark for the close ended questions and use the space provided for the open ended questions.

Part I – Characteristics of the Respondents

Please indicate your answer by putting ✓ mark in the box given for each choice.

1. How long it has been since you subscribed for telecommunication services? (*in years*)

Less than a year

7 – 9

1 – 3

10 and more than that

4 – 6

2. Gender

Male

Female

3. Age category

18 – 25

46 – 55

26 – 35

56 and more than that

36 – 45

4. Marital Status

Single

Widow

Married

Widower

Divorced

5. Educational background

High school graduate

Second Degree

Certificate/Diploma

PhD and more

First Degree

6. Monthly income (*in birr*)

500 and less

501 – 1500

1501 – 2500

2501 – 3500

3501 and above

Part II –Questions Directly Related to the Study

Given below is the section focusing on your experience with services provided by ethio telecom. Please indicate to what extents you agree or disagree with the statements under different categories; while selecting please put ✓mark and **give only one response per statement** based on the representation.

Strongly agree (**SA**), agree (**A**), have no opinion (**NO**), disagree (**D**), or strongly disagree (**SD**).

Items		SA	A	NO	D	SD
Underpinnings contribution for the gap						
1	ethio telecom fulfills its obligations to the customers					
2	Ethio telecom avoids issues for potential conflicts					
3	ethio telecom shows high professionalism in its services					
4	ethio telecom provided a timely information					
5	ethio telecom provided a trustworthy information					
6	ethio telecom promises are reliable					
7	I have confidence in the overall ethio telecom activities					
8	ethio telecom Employees are willing to receive complaints					
9	Ethio telecom is giving a quick response to complaints raised by its customers					
10	My relationship with ethio telecom fulfills my expectations					
11	ethio telecom makes adjustments to suit my telecommunication service needs					
12	Ethio telecom is putting enough effort on retaining customers					
13	Avoiding the mobile network problem will help ethio telecom to keep its customers satisfied					

Items		SA	A	NO	D	SD
Loyalty						
14	I am very likely to switch to another service provider, if I got a competitive company					
15	When problems occur I prefer to try to understand the situation and wait patiently for the solution					
16	I feel happy to be with ethio telecom as it is my service provider					
17	Customers' involvement in the process has a big impact on keeping customers committed to the company's product and services.					

18. What is your attitude towards ethio telecom's marketing relationship?

a) Positive

b) Negative

19. For question number 14 please give your justification.

20. What measures do you take to evaluate ethio telecom's service as good or bad?

21. Please list some of the problems that you observe on the organization in relation to customer service activities.

22. Please point out the possible solutions for the problem revealed in the organization on customer relationship.

Thank you for your Time & Energy

Appendix – B

Interview checklist for employees of ethio telecom (Management)

An Interview checklist is prepared to gather relevant information on Marketing Relationship and Customer Loyalty in the case of ethio telecom. This research is conducted for academic purpose only. Please note that the information obtained from you is strictly confidential and highly important for the research; therefore I kindly request you to attempt each questions and give your appropriate answer. I thank you very much in advance for your cooperation.

1. What is the company's practice of relationship marketing?
2. Is there a visiting program on key account customers and personalize services offers? If yes;
 - How often do you visit them?
 - What are these personalized services, please mention one or two?
3. Is there a complaint handling system in the company? If yes;
 - What are the techniques?
 - How do you testing whether a customer is satisfied or not?
4. What is your attitude on the gap between customers' expectation and actual performance?
What could be the possible reasons?
5. How is the company's communication with its customers on relevant and reliable information?
6. How committed is ethio telecom to keep its customers satisfied on the service being provided and improve areas which needs rectification?