

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

An Assessment of CRM Practice of Awash International Bank S.C

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SMUC
ADDIS ABABA

AN ASSESSMENT OF CRM PRACTICE OF AWASH INTERNATIONAL BANK S.C

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OF ARTS IN MARKETING MANAGEMENT

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Relation management approach draws attention to the importance of retaining as well as attracting customers with the emphasis being placed on the development of long term relationships with existing customer. Relationship marketing is about retaining customer using defensive strategies (minimizing customer) turnover and maximizing of loyal customers can result in significant financial is about developing mutual trust and commitment(Baron and Kimeharvis, 2003:154-155).

CRM is the functional head of relation marketing of many organizations. Customer relation management is about gathering information that is essential to serve customers in a better way. Customer relation management is growing in importance due to the challenging business environment faced by organizations throughout the world today. It is particularly critical in industries undergoing changes in traditional channel configuration. CRM is a means of addressing of increasing competition, changing economic conditions and promotional dependence through the use of intimate customer knowledge; knowledge gained through relation development and past marketing programs. CRM is increasing prominence because it focused on current users who are the source of the majority of business revenue and the best option for improving in uncertain time. The better a business can manage their relationship with its customers, the more successful it will be CRM is not just an application but it is a strategy to be learn more about customers need and behaviors in order to develop strong relationships with them(Buttel, 2004:23-24)

CRM is a learning resource both for students of CRM and form managers wanting a better appreciation of the role that customer relation management can play in their own organizations. CRM is about marketers, sales peoples, service staff, and their managers can use technologies to be better understanding and meet the requirements of

customers; whilst also meet organizational goals and objectives that it is both theoretically sound and managerially relevant(Buttle, 2004:14-15).

In our country CRM is a new concept of relation marketing. This is not much assessed by other researcher's; few of researcher students try to explain the improvement required for better CRM implementation of different organizations like private and government bank, telecommunication agency and government administration sectors. Since CRM implementation in our countries is new for many organizations this study try's to contribute some effective way to get more benefit from implementation of CRM and improve customer satisfaction of awash international bank S.C. This stud's tried to assess the practical implementation of CRM within the chosen bank.

Awash International Bank S.C (AIB) is the pioneer private commercial bank in Ethiopia after the downfall of the military regime and introduction of market economic policy in 1991. It was established by 486 founder shareholders with a paid up capital of birr24.2million .licensed on November 10, 1994, it started banking operation on February 13, 1995. It was named after the popular river "Awash" which is the most utilized river in the country especially for irrigation and hydroelectric power.

The number of shareholders and paid-up capital increase continuously and currently reached over 300 and birr 910 million, respectively .Awash international bank is the first private bank to build its own headquarters at the hub of what is growing into the Ethiopian financial district. The twins building name that found around bihearawi is "AWASH TOWER" built at a cost of more than birr 217 million in collaboration with its sister company awash insurance company S.C. was inaugurated in 2010.Architectural design works for building in Hawassa and towns as well as in Addis Ababa is also underway.

Currently the bank has 86 branches spread throughout the county, thus boosting the wider branch network next only to the state owned, commercial bank of Ethiopia. All

city branches and almost half of the outlying branches are providing on line services. Its principal place of business is in Addis Ababa, Ethiopia .The company project aim is replacing the existing core banking system with a new one in order to improve its service and promote efficiency similarly, the company in corporate with Nib International BankS.C. and United Bank S.C. has established a share company known as “PREMIERE SWICH SOLUTION S.C.

1.2. Statement of the problem

Sustainable and continuous survival an organization is many dependent on its business relation with its customers. When business firms direct their resources and all their effort for a better accomplishment of their intended purpose, weather service deliveries, growth and profitability is entirely influenced by the quality and reliability of their service(Zeitahman and Binar, 2003:57).

To do all the above method issues, organizations need some mechanism that could increase customer handling approach in coordinate and change oriented bases. One of the mechanism that can give such benefit is CRM is a process that help organization to desire to achieve them for continuous transaction relationship.CRM done by gathering related information of customer in organized manner ,analyzing and interpret it so to that it can help the organization to truck the need its customer. Using the data base system the firm can collect and summarize all the information about its customer.

Coming to Awash International Bank S.C, currently using Indian bank CRM system directly and it has compatibility problem since there is a technological difference between the countries.Furthermore, the company handles customer complaints via phone and customers are expected to call at their expense in which they only communicate when it reaches the highest and also there is no a specific strategies in place in the development of successful CRM system.

The application of CRM is crucial thing these days Because of a fierce competition all over the world and the effect of globalization. Being reluctant to accept CRM will cost

the organization a big deal of lose in many directions; losing a potential customer and market share ,letting down the reputation of the organization ,lagging behind industry leaders, shortage of information from customers that could give big advantage therefore, to avoid this damage companies develop CRM in the consideration of developing mutual benefit for both.This gave a chance lead to failure to fulfill its vision, mission and goal.

1.3. Research question

- To what extent does the company identify and focus on customer value?
- What specific programs are designed by the company that geared towards CRM?
- How far the company creates (established) a mutually beneficial environment with their customers?
- What does the companies policy looks like with reference to customers demand for privacy?

1.4. Objectives of the study

1.4.1 General objective

The major objective of this research is to explore and give clear picture of better CRM. The student research tries to assess the extent to which managers recognized the importance of real CRM in Awash International Bank S.C.

1.4.2 Specific objective

- To examine how the company identify and be considerate of customer values.
- To explore the specific programs designed by the company that does have practical relevance to CRM.

- To examine the level to which the company has established a mutual beneficial environment with its customers.
- To analyze the relevance of the company's policy to the customer's demand for privacy.

1.5. Scope of the study

The topic coverage of a study focused on assessing CRM process practices in relation to overall organization activities of the selected branches. These are located in Dilgebeya, World Bank, Lideta and Bihearawi head office. The study is limited on the CRM practice of Awash International Bank S.C which covers from year 2003 up to 2005.

Even if the company has many customers under the different branches in different section like borrowers, account holders, investors and others that found all over the country, this study has been confirmed only in A.A within the selected branches for its difficulty on practical implementation.

1.6. Significance of the Study

The paper serves the company to identify its problems that would trigger practical actions to be taken on the basis of alternative solutions to be forwarded.

It has served as a source for other researches who have undertaken research on CRM activities and related areas and for the researcher it helped to develop structured way of research should have done.

1.7 Definition of terms

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 highly quality customer related data and enabled by information technology. It is a term defined to describe how the company's internal and proactively manage their customer relationships. It is particularly important to understand that CRM is really a system in the trust sense. The system of how company work with their customers solve problems for them, encourage them to purchase services and deals with financial transactions (Cunningham, 200:102).

1.8. Research design and methodology

1.8.1 Research method

To accomplish the above objectives, to seek answer to the research question and to reveal how the above problems took place the student researcher has used descriptive types of research method since it has helped to describe and determine the CRM practice of Awash Bank S.C. The student researcher has used both the quantitative and qualitative measurement methods. The qualitative measurement helped to interpret ideas which are going to be gathered through interview and open ended questions and the quantitative measurement method has helped to interpret ideas which are going to be gathered through closed ended questions.

1.8.2. Population and sampling method

In this study customers and employees of Awash Bank S.C has been considered as participants of the research study. For the reason that the exact number and list of population is not known. The student researcher has used non probability sampling

approach. Based on the recommendation of Malhotra (2006:339) a total number of 200 customers have been taken as a reliable sample size. For this research study the student researcher has used convenience sampling techniques because it helped to choose samples based on the researchers conveniences in terms of time and space.

1.8.3 Types of data to be collected

The student researcher has used both primary and secondary data. The primary data has been collected by interviewing and distributing questionnaires to customers and employees of the company. The secondary data has been obtained from the company documentation center, relevant books and internet.

1.8.4 Methods of data collecting

To support the research findings by primary data the student researcher has collected questionnaires and conduct interview. The questionnaires have been distributed among the company's customers and interviews have been conducted with the company's managers and employees.

1.8.5 Data Analysis

Data analysis is important in interpreting the results so that the information can be put in use of decision making. As a result, the responses from the quantitative method have been put in terms of percentage and qualitative once has been put in qualitative description method.

1.9. Limitation of the study

Due to shortage of time and money the student researcher cannot go further in the study and include all branches, customers and employees. But if the student researcher had enough money and much time, the research conduct would have gone through all Addis Ababa private banks to check the practice of their CRM. The collections of primary data through interview were impossible because the general manager was out of country for training.

1.10 Organization of the study

This research paper is composed of four chapters. The first chapter includes introduction, statement of the problem, objectives of the study and research design and methodology. The second chapter includes review of literature.

The third chapter deals with presentation and analysis of data. The last chapter include summary of the findings, conclusions and recommendation has been present.

CHAPTER TWO

REVIWE OF RELATED LITERATCHER

2.1 An Overview of CRM

Relationship marketing represents a shift with in marketing away from a transaction on focus toward a retention relationship focus.It's a philosophy of doing business a strategic orientation that focuses on keeping and improving current customers rather than on acquiring new customers. (Clow, 2003:157)

CRM is about people on both sides of an exchange understanding each other. In economics-speak, it is also about deriving some form of utility or satisfaction from that exchange. The challenge for any supplier organization is to maximize the utility derived by the customer, because if utility is maximized, the customer is more likely to repeat purchase. (However, certain caveats have to be applied. Making value judgments about the customer is implicit in any CRM process). Customer relationship management (CRM) is about understanding the nature of the exchange between customer and supplier and managing it appropriately. The exchange contains not only monetary consideration between supplier and customer but also communication. The challenge to all supplier organizations is to optimize communication between parties to ensure profitable long-term relationships. (Peel and Gancarz, 2002:3)

2.1.1 Definition of CRM

CRM is perhaps the important concept of modern marketing.Unit recently; it has been defined narrowly as a customer data management activity. By this definition, it involves managing detailed information about individual customer and carefully managing customer "touch point" In order to maximize customer loyalty more recently however CRM has taken on a broader meaning. In broader sense, CRM is the overall process of building and maintaining profitable customer relationship by delivering superior customer value and satisfaction (Kotler and Armstrong, 2003:13).

CRM is not about launching yet another campaign, and it is not about formulating one more promotion. It is much more, even, than the sum of database marketing, targeted advertising, collecting information about customers, and offering new services. It is about creating an experience, personalizing the interaction with individual customers in ways directed by the customer, and thereby developing relationships (Newell, 2003:7)

2.1.2 History of CRM

Before 1993, CRM included two major markets (Financial Times, 2000:25):

1. Sales Force Automation (SFA) and
2. Customer Services (CS).

Sales Force Automation was initially designed to support salespersons in managing their touch points and to provide them with event calendars about their customers. SFA's meaning expanded to include opportunity management that is supporting sales methodologies and interconnection with other functions of the company such as production. Compared to SFA, Customer Service (CS) is an after sales activity to satisfy customers. The goal of Customer Service is to resolve internal and external customer problems quickly and effectively. By providing fast and accurate answers to customers, a company can save cost and increase customer loyalty and revenue. Customer services include call center management, field service management, and help desk management. (Gray and Byun, 2001:4)

CRM has been part of marketing literature for some decades past. Interestingly, there is still much debate over what exactly constitutes CRM.

According to Parvatiyar and Sheth (2001:34) some of the themes represent a narrow functional marketing perspective while others offer a perspective that is broad and paradigmatic in approach and orientation.

A narrow perspective is to view CRM as database marketing (Peppers and Roger, 1995) emphasizing promotional aspects of marketing by leveraging customer databases. Other narrow approach includes electronic marketing (Berg and Deighton, 1991). Electronic marketing encompasses all marketing efforts supported by information technology while after marketing efforts focus on customer bonding after the sales is made. In order to develop a comprehensive list of CRM practices, it is essential to identify the key constructs of CRM.

2.1.3 Purpose of CRM

The purpose of relationship marketing is to build long term connections between the company and its customers and to develop broad and firm loyalty. Firms operating in the customization and functional service quality sector do well with relationship marketing programs. The long term goal of relationship marketing is to build brain loyalty. (Ibid,2006:333)

2.1.4 Functions of CRM

As Kenneth and Dow (2003:333-335) put the following functions of CRM

Social reinforcement –appeals to customers esteem and officiating needs

Reassurance -involves the concept of true worthiness i.e. liability, commitments and concern staying with customers provides reassurance.

Benefit reinforcement -involved telling customers why a service is beneficial to them and reduce cognitive dissonance.

Solve customers' problem - the goal of relationship marketing is to solve customers' problem not just sell or provide them a service solving problem develop relationship

Customization -involves making customer steel special through modifying the service to meet his/her particular relationship.

Service enhancement -involves giving customers something extra or especial as a thank you for their business.

2.1.5 Role of CRM in Improving Customer Relationships

According to Sumathy & Tamilselvan (2008:5-6) CRM programs, implemented by firms, help to improve the relationship between the customers and the firm. The effective implementation of CRM results in:

Tracking of customer interests, needs, and buying habits, likes, dislikes, tastes and preferences on a continuous basis and formulation of dynamic marketing strategies. This enables the customers to avail of exactly what they want.

CRM can be employed to micro-segment, the buying centre and can help in balancing the conflicting and changing purchase criteria in case of customers of industrial market segments.

CRM ushers in improvements in customer service to facilitate long-term sustained customer satisfaction. It thus paves the way for enhanced customer satisfaction, encouraged repeat purchase, improved customer loyalty, reduced customer switch-over, economization of marketing costs, and augmentation of the sales revenue, thereby contributing towards a great profit margin for the firm throughout life.

CRM establishes an in-depth understanding between the firm and its customers, thus enabling the firm to attain a higher rate of repeat purchases.

2.1.6 Benefits of CRM

2.1.6.1 for the Customers

Social benefits- developing sense of familiarity and even a social relationship with their service provider.

Confidence benefits these benefits comprise feelings of trust or confidence in the provider along with a sense of reduce anxiety and comfort in knowing what to expect.

Special treatment benefit includes being given a special deal or price or getting preferential treatment.

2.1.6.2 for the Organization

Increase purchase overtime

Low cost - reduced advertising cost, promotion costs getting to know the customers.

Free advertising to firm's thorough word of mouth.

Employee retention because firm has stable base of satisfied customers. (Dow, 2003:159-161)

As Sugandhi (2003:9) discussed CRM helps the organization to identify customer needs and re-focus its strategy to serve him better. It helps the company to achieve business growth through development of competitive edge and excellence. Some of the major issues it addresses are:

- Identify customer needs.
- Help in rediscovering the customer and understanding him
- Identify untapped business potential.
- Identify fields requiring new technology and development
- Identify strong and weak points of supplier
- Provide feedback to the supplier on his total operation

- Provide feedback and new information on competitors
- Bench marking to achieve global excellence
- Details on the aspects on which customer is happy with the supplier and on those where he feels that improvement needs to be incorporated
- Action plan to make organization customer-centric

CRM helps in providing uniqueness to the organization to help it build up differentiation from its competitors. This is achieved through:

- Comprehensive approach tailored to meet customer's specific needs
- To build up customer focused operating environment and culture
- To prepare and implement result oriented action plan
- Continuous up-gradation of competencies to provide enhanced benefits and satisfaction to customer

CRM is a strategic business and process issue. The principles of CRM are developed out of market/customer focus, methodology involving the understanding of need based segments, the development of segment based segments proposition and the management of delivery against those propositions to maximize the customer value. CRM is the understanding of this segmental relationship and the ability to generate action plan to help the staff working in different segments to devise a plan to maximize benefits to the customer.

2.1.7 Components of CRM

There are three components in applying CRM which includes;

2.1.7.1 Operational CRM

This implies supporting the 'front office' business process, which includes customer contact. The outcome of these processes is forwarded to relevant employees who are engaged in it. It is possible to have a 360° view of the customers. While interacting with

them. Some of the operational CRMs in practice are in the form of Sales Force Automation (SFA). SFA facilitates the automation of sales management functions such as lead management, contact management, quota management, forecasting, keeping track of customer preferences, buying habits and demographics, and performance management.

Customer service and support (CSS)

Some service requests, complaints, product returns and information requests are automated through CSS in the name of call center support, with the help of multiple channels, and key infrastructure requirements like computer telephony integration.

Enterprise marketing automation (EMA)

This provides information about the business environment including competitors, industry trends and other macro-environmental variables. CRM software is used to store all the details of the company's customers. When a customer calls, the system can be used to retrieve and store information about a customer in one place. By storing full information about a customer in one place, a company can savings and acquiring more new customers.

CRM solutions allow customers to perform their own service through computer, internet and phone. For example, a bank customer can check his bank balance without talking to any person, which saves transaction cost for the bank and time for the customers

2.1.7.2 Analytical CRM

The data gathered in operational CRM are analyzed to segment customers or to identify the potential for enhancing a relationship with a client. This helps expand the list of customers of a bank. The main objective of analytical CRM is acquisition, retention,

information and modification of the customers' list. Some useful and relevant analyses which are possible in analytical CRM are:

- Campaign management and analysis
- Contact channel optimization
- Contact optimization
- Customer segmentation
- Customer acquisition/re-activation/retention
- Customer satisfaction measurement
- Sales coverage optimization
- Fraud detection and analysis
- Financial forecasts
- Pricing optimization
- Product development
- Programme evaluation
- Risk assessment and management

2.1.7.3 Collaborative CRM

Collaborative CRM facilitates interactions with customer through all channels such as personal, letter, fax, phone, e-mail, etc., and supports co-ordination. This solution brings people, processes and data together, and enables companies to offer better serves while also retaining their customers.

This component provides the following additional benefits:

The companies can carry out efficient and productive interactions with customers

The companies can have web collaboration to reduce customer service costs

It facilitates multi-channel personal customer interaction through integrated call centers (Sendhilvelan&Karthikeyan, 2008:10-11)

2.2 Development of Successful CRM Program

According to Buttle (2009:10) the first step in building a successful CRM program is to identify the level of company and customer value for each customer. This requires a complete understanding of individual customer profitability. A data base marketing program is a key to developing this understanding, but CRM is much more than just technology. Successful CRM actually develops and maintains one on one relationship with customers. Outlined here are four steps that are critical to the success of any CRM program.

Step 1-Qualify potential CRM customers based on attractive levels of potential customer value and company value.

Step 2-Understand individual customers needs, product preferences and use behaviors and establish one on one customer touch points in building and sustaining this relationship.

Step 3-Track customer experiences and all aspects of customer satisfaction to ensure high level of customer satisfaction and customer loyalty are achieved. Every interaction with a customer or a potential customer is a touch point. All possible areas of a business where customers communicate with that business. It can be both internal and external to the company. Touch point includes obvious interactions such as store fronts websites, voice mail systems, direct mail advertising. Mass mail messages, order desks and service calls. Indirect customer touch points are less obvious, but sometimes even more important in developing potential customers into actual customers. These are often informational contacts such as news articles, word of mouth advertising, yet they shape the beliefs and attitudes of potential customers towards the business and its products and services. The way a business manages each customer relationship from the first touch point determines the long run profit potential of that customer.

Sumathy & Tamilselvan, (2008:7-8) explained; the following steps would ensure the successful implementation of CRM in any firm:

Managers should only think about providing quality customer services rather than concentrating more on the CRM label. The success lies in implementation of CRM and not in following vague policies.

In order to understand the specific CRM needs, the firm has to re-examine the vital CRM areas like strategy, communication, software tools, etc.

The effective implementation of CRM necessitates the availability and allocation of adequate funds.

CRM implementation can be undertaken on a small scale in the initial stages, which will help the firm find out the pitfalls and practical difficulties. This would help the firm to adopt the required corrective measures at the time of the full-fledged implementation of CRM.

The firms should focus on the CRM integration and data mining.

Instead of abandoning the existing systems and data, the firm must retain them when introducing new CRM strategies.

The firm must carry out proper periodical evaluation to measure the success of its CRM strategy.

The firm must wait for the right opportunity to reap benefits arising out of the implementation of new CRM strategies.

The motto of the CRM strategy of the firm should be to enhance the sharing of the information between the firm and its customers for maintaining a long-term sustained relationship. This would enable the firm deliver better service to the customers.

2.2.1 The Customer Life Cycle

The customer life cycle is made up of three core customer management processes customer acquisition, customer retention and customer development. The major strategic purpose of CRM is to manage, for profit a company's relationship with customers through three stages of customer life cycle .customer acquisition, customer retention and development. These three processes determine how companies identify and acquire new customers, grow their value to the business and retain them for the long term (Lamb et.al, 2003:35)

An effective CRM results in maximizing business and profits throughout the customer lifecycle. CRM maximizes the value of company's customer portfolio through convergence of marketing, service and sales (Sugandhi, 2003:10)

2.2.1.1 Customer Identification

Systematic customer management begins with the definition of target group and the collection of quantitative and qualitative data on this group. A customer segment is chosen which is most attractive to the firm. For example, customer identification delivers information on the characteristics of profitable customers. It is important to know which product and service are of significant to the latter. Customer identification also analyzes the customers that are being lost to the competition and how they can be won back. The tools of customer identification are customer segmentation, customer marketing research and customer target group analysis. (Kracklauer et.al, 2004:4-5)

2.2.1.2 Customer Acquisition

Acquiring new customers is a tricky process that requires careful customer relationship marketing. It is common to think of every new customer as beneficial to the business. Unrestricted acquisition of new customers can result in customers who are neither loyal nor profitable. This results in an even higher loss given the cost of customer acquisition with little or no offsetting income. Thus, it is important to understand the difference

between target customers and non-target customers. A customer acquisition and raise customer retention rates to the degree a business can attract target customers and avoid non target customers the business can reduce the overall cost of new customer acquisition and achieve higher rate of customer retention. A customer can be new in one of two sense. (Buttel, 2009: 228)

New to the product category

Are customers who have either identified a new need or have found a new category of solution for an existing need .new to category customers may or may not be expensive to recruit.

New to the company

The second category of new customers is customers that are new to the company. new to the company customers are won from competitors they might switch to your company because they feel you offer a better solution or because they value variety generally new to company customers are the only option for growing customer numbers in mature markets where there are very few new to category customers. Customer acquisitions focus on particular prospects.

2.2.1.3 Customer Retention

Customer retention is the maintenance of continuous trading relationships with customers over the long term. Customer retention is the mirror image of customer defection or churn high retention is equivalent to low defection churn .the aim of a customer retention strategy to keep a high proportion of valuable customers by reducing customer's defections (churn) and a customer development strategy aims to increase the value of those retained customers to the company. Retention and development focus on particular customer as customer s acquisition. (Monga, 2003:6)

2.2.1.4 Customer Development

The consistent expansion of transaction intensity, transaction value, and individual customer profitability is the goal of customer development. An increase in the wallet share is accomplished by leading the customer to other product or service offerings. This can be done, for example, by bundling together different products of a single manufacturer and selling them together at a discount. A valuable analysis concept in customer development is customer life-time value, which provides visibility to the transaction potential of the observed target group. Examples of tools for customer development are up-and cross selling and product and service bundling. (Kracklauer et al., 2004:5-6)

2.3 Principles of CRM

The overall processes and applications of CRM are based on the following basic Principles.

- **Treat Customer Individually:** Remember customers and treat them individually. CRM is based on philosophy of personalization. Personalization means the 'content and services to customer should be designed based on customer preferences and behavior.' (Hagen, 1999) Personalization creates convenience to the customer and increases the cost of changing vendors.
- **Acquire and Retain Customer Loyalty through Personal Relationship:** Once personalization takes place, a company needs to sustain relationships with the customer. Continuous contacts with the customer especially when designed to meet customer preferences – can create customer loyalty.
- **Select "Good" Customer instead of "Bad" Customer based on Lifetime Value:** Find and keep the right customers who generate the most profits. Through differentiation, a company can allocate its limited resources to obtain better returns. The best customers deserve the most customer care; the worst customers should be dropped.

In summary, personalization, loyalty, and lifetime value are the main principles of CRM implementation (Gray and Byun, 2001:28-29)

In addition to the above idea Strene (2000:294-294) explained that; “loyal” customers are those who are so pleased with your organizations product and service that they don’t consider purchasing comparable inputs elsewhere. Loyalty is when customers are happy with your service and they tell others. Loyalty goes one step beyond retention. Customer loyalty is never founded solely on price of goods and in fact is rarely founded on just a single aspect of your organization represents product service and price. You can identify a loyal customers based on three common criteria. (1) Desire to purchase incremental products and/or service from your company. (2) Willingness either to be a reference for your organization and products and/or to provide frequent word of mouth recommendations for your organizations and products (3) Proactive offering of product and or service improvement suggestions to your organization.

Life time value –which is a measure of a customer’s or customer segment’s profit generation for company.LTV is the present day value of all net margins earned from a relationship with a customer (Buttle, 2009:37).

2.4 Effective CRM

As Finnegan and Willcocks, (2007:7) quoted from Christensen and Overdorf (2000), superior performance would seem to come from orchestrating all three components of the customer relating capability: (1) an organizational orientation that makes customer retention a priority, and gives employees wide latitude to satisfy customers, as part of an overall willingness to treat different customers differently, (2) information about relationships, reflecting the availability, quality and depth of relevant customer information and the systems for sharing this information across the firm, and (3) a configuration that includes the structure of the organization, processes for personalizing the offering and the incentives for building relationships. Because these three

components have to mesh together like gears in a transmission, any initiative that concentrates on one at the expense of the others is bound to disappoint.

2.5 Maintaining Customer Privacy

Privacy issues and data protection are major concerns to legislators around the world. Customers are increasingly concerned about the amount of information commercial organizations have about them, and the uses to which that information is put. In fact, consumers are not aware of just how much information is available to companies. There have been two major responses to privacy concerns of customers. The 1st is self-regulation by companies and associations. The 2nd response has been legislation. In 1980, the Organization for Economic Cooperation and Development (OECD) developed a set of principles that has served as the foundation for personal data protection legislation around the world. This principle has voluntarily guided laws to protect individuals against abuses by data gatherers. The principles are as follows

Purpose specification: -at the time of data collection, the consumer should be provided with a clear statement of the purpose for which the data is being collected.

Data collection process: -data should be collected only by fair and lawful means.

Limited applications: -data should be used only for valid business purposes.

Data quality: - personal data should be relevant for the purposes used and kept accurate, complete and up to date.

Use limitation: -personal data should not be disclosed, sold, made available or otherwise used for purposes other than as specified at the time of collection unless the consumer gives consent or as required by law.

Openness: -consumers should be able to receive information about developments, practices and policies with regard to their personal data. Consumers should have access to the data controller.

Access: - consumers should be able to access their data in readable form, to challenge the data and, if the challenge is successful have the data erased, corrected or completed.

Data security: - personal data should be protected against risks such as loss; unauthorized access, distraction, use, modification, or disclosure.

Accountability: - a data controller should be accountable for compliance with these measures.

Legislation guarantees certain rights to citizens on the protection of individuals with regard to the processing of personal data and free movement of such data.

Notification: - individuals are to be advised without delay about what information is being collected, and the origins of that data, if not from the individual.

Explanation: - of the logic behind the results of automated decisions based on customer data.

Correction/Deleting/Blocking: of data that do not comply with legislation.

Objection: individuals can object to the way in which their data are processed. Where the objection is justified, the data controller must no longer process the information.

Data controllers are also required to comply with certain obligations including:

- Only collect and process data for legitimate and explicit purposes
- Only collect personal data when individual consent has been granted, or is required to enter into fulfill a contract or is required by law.
- Ensure the data is accurate and up to date
- At the point of data collection, to advise the individual of the identity of the collector, the reason for data collection, correction and deletion.

Customer privacy is an important issue in CRM. CRM deals with large amounts of customer data through various touch points and communication channels. The personalization process in CRM requires identification of each individual customer and collections of demographic and behavioral data. Yet, it is the very information that most customers consider personal and private (Gray and Byun, 2001:29)

As per Lamb et.al, (2003:648) CRM is one of the hottest concepts in business today. However a key component of CRM is often overlooked privacy. To remain competitive, businesses must consider adding privacy CRM to their business practices. The capture of personal data for marketing purpose is a long standing practice. Today however, policies and laws that govern what businesses can do with customer information are changing.

2.6 Creating Customer Value

Creating customer value is a major source of competitive advantage and consists of three key elements these are :

- the value the customer receives
- value the company receives from its customers
- maximizing the life time value of desirable customer segments.

2.6.1 Value

The role of value creation in business has grown as the idea has taken hold that successful customer relationship management is based on the company and the customer exchanging 'value' rather than money, goods and services. company's now pay more attention to value and how to create convey and exploit it better .researchers agree that value play a key role in building and sustaining vital customer relationships and are increasingly interested in learning how to balance the value company give to and received from its customers.(Simon and Adrian, :101-104)

2.6.2 Values in Companies View

Before going any further, we should define company value and how it defined from customer value in building a one-on-one customer relationship. Customers achieve greater customer value when the overall perceived benefits derived from product, service and brand exceed by a meaningful margin the costs of obtaining these benefits. Customer value through personalized communications, extra services, customized products and special price offerings. Of course these added customer benefits come at some cost to the customer. When the customer perceived the overall benefits exceeding the overall costs by a meaningful margin, there is an attractive level of customer value in the one-on-one customer relationship (Best, 2006:20)

Its economic terms higher level of repeat purchase extended over longer periods of time create a higher life time customer value. As customers loyalty grew and customer retention increase the lifetime value of the customer relationship also increases (Best, 2006:20)

2.7 Customer focus Customer Satisfaction and Profitability

A customer focused business creates greater customer value and manages customer loyalty. The primary benefit of a strong customer focus and level of customer satisfaction is a higher level of customer loyalty. Keeping good customers should be the first priority of market based major and it's crucial to business survival and the economic health of nation. A strong customer focus is in the best option to develop and implement strategies that deliver high levels of customer satisfaction and loyalty. In turn customer satisfaction and loyalty drive customer profitability (J. Best, 2006:8-9)

Methods of measuring customer satisfaction

As Kumurthi (2003:6) discussed that managing customer's satisfaction effectively is one the biggest challenge an organization face. The tools to measure customer satisfaction need to be defined sophisticatedly to fulfill the desired norms.

Direct method-directly contacting customers and getting their valuable feedback is very important.

-getting customer feedback through third party agencies.

-getting customer feedback through face to face conversation/meeting

-feedback through complain/appreciation lower

-direct customer feedback through surveys and questionnaires

Indirect method -the major drawback of direct is that it turns out to be very costly and requires a lot of pre compiled preparations to implement. for getting the valuable backs the supplier totally depends on the customer due to which they loses options and chances to take corrective measure at correct time.

-customer complaints: if the complaints under a particular segment going in a specific period of time then the performance of the organization is degrading in that specific segment but if the complaints diminish the organization is performing well and customer satisfaction level is also higher.

-customers loyalty :it is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer loyalty these loyal customers are the satisfied ones and hence they are bounded with a relationship with the supplier. Hence by obtaining the customer loyalty index, suppliers can indirectly measure customer satisfaction.

CHAPTER THREE

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The primary data used for the research study is collected from two categories of respondents. The first is by interviewing the General Manager and the other is distributing questionnaires to Awash International Bank S.C. customers.

These two categories are selected in order to get relevant and meaningful information and to study the problem properly. Accordingly 200 questionnaires were distributed for the customer, and from the questionnaires only 175 were filled and returned correctly. The respondents offered relevant information which enabled the researcher to see things from different angles.

Table 3.1 General Characteristics of Respondents

Item No.1	Item	Description	NO. of Respondents	Percentage (%)
.	Sex	Male	90	51
		Female	85	49
		Total	175	100
2.	Age	15-20	10	6
		21-26	35	20
		27-32	45	26
		33-38	30	17
		39-44	55	31
		>44	0	0
		Total	175	100
3.	Education	12 complete	43	25
		Certificate	60	34
		Diploma	0	0
		1 st degree	45	26
		Master and above	27	15
		Total	175	100
4.	Occupation	Student	25	14
		Employee	65	37
		Retired	0	0
		Merchant	85	49
		Total	175	100
5.	Customer	1year	20	12
		2year	48	27
		3year	75	43
		>3year	32	18
		Total	175	100

In the table 3.1 item no. 1 90 (51%) of the respondents are male while the rest 85 (49%) are found to be female from the total of 175 respondents. This means males are the one who uses the banks service at large.

In the above table item no. 2, respondents that are found in the age 15-20 are 10 (6%), 35 (20%) are in the age between 21-26, 45 (26%) are found in the age 27-32, while the rest 30 (17%) and 55 (31%) are in the age of 33-38 and 39-44 respectively. This implies that customers are mature enough to answer the questions without any interference.

In the same table item no. 3 which deals with the educational background, 43 (25%) completed grade 12, 60 (34%) have certificate, 45 (26%) are 1st degree holders, and the rest 27 (15%) have masters and above. This denotes that customers are well aware of the company's service.

From the above table item no. 4 25 (14%) are students, 65 (37%) are employees, and the rest 85 (49%) are merchants. From this one can say that the customer's have a purchasing power of the banks service.

In the last item of the above table, 20 (12%) out of the 175 respondents are customers for a year, 48 (27%) have been customers of the bank for 2 years, the rest 75 (43%) and 32 (18%) have been customers of the company for 3 years and above 3 years respectively. This means the customers well know the company's service.

Table 3.2 Customers Expectation

Item No.2	Item	Scale	NO. of Respondents	Percentage (%)
.	I expect higher value form the company	Strongly Agree	0	0
		Agree	55	31
		Neutral	40	23
		Disagree	75	43
		Strongly Disagree	5	3
		Total	175	100

In the above table 3.2 from the total of 175 respondents, 55 (31%) responded agree, 40 (23%) responded neutral, 75 (43%) replied disagree while the rest 5 (3%) replied strongly disagree. This denotes that the customers were not sure about the bank's value creation for them.

Table 3.3 Customers Satisfaction Level

Item No.3	Item	Scale	NO. of Respondents	Percentage
.	I am satisfied by the company's service	Strongly Agree	15	9
		Agree	23	13
		Neutral	71	41
		Disagree	48	27
		Strongly Disagree	18	10
		Total	175	100

Regarding customer satisfaction 15 (9 %) of respondents strongly agree that the company's service satisfy customers, while 23 (13 %) agree and 48 (27 %) disagree that the company's service satisfy customers and 71 (41 %) of the 175 respondents are neutral while the rest 18 (10 %) replied strongly disagree. This implies that the company didn't fully assess the needs of customers or it doesn't organize its resource as it is required.

Table 3.4 Company's Service Goodness

Item No.4	Item	Scale	NO. of Respondents	Percentage
.	I tell about the goodness of the company's service for others	Strongly Agree	7	4
		Agree	38	22
		Neutral	107	61
		Disagree	23	13
		Strongly Disagree	0	0
		Total	175	100

Regarding the company's service goodness, out of a total of 175 respondents 7 (4 %) strongly agreed and 38 (22 %) agreed that the company provides with good service in one hand and 23 (13 %) disagreed on the issue while 107 (61 %) are neutral. From this one can say word of mouth is really undergoing by customers of the bank

Table 3.5 Customers Life Time Value

Item No.5	Item	Scale	NO. of Respondents	Percentage
	The company regularly assess the life time value of each customer	Strongly Agree	15	9
		Agree	30	17
		Neutral	61	35
		Disagree	69	39
		Strongly disagree	0	0
		Total	175	100

From the 175 respondents as it is shown in the above table 30 (17 %) responded agree, 15 (9 %) replied strongly agree, 61 (35 %) responded neutral, 69 (39 %) responded disagree. This implies that the company doesn't consider the use of life time value of the customers.

Table 3.6 Service Delivery

Item No.6	Item	Scale	NO. of Respondents	Percentage
	I get fast service	Strongly Agree	24	14
		Agree	57	32
		Neutral	65	37
		Disagree	22	13
		Strongly Disagree	7	4

		Total	175	
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In the above table out of 175 respondents 24 (14 %) strongly agree, 57 (32 %) agree, 65 (37 %) answered neutral, 22 (13 %) disagree and 7 (4 %) strongly disagree on the issue the company provides with fast service. This denotes that the banks employees are flexible and fast in delivering customers with the service.

Table 3.7 Customer Relationship Maintenance

Item No.7	Item	Scale	NO. of Respondents	Percentage
.	I think the company is maintaining good customer relationship through its service	Strongly Agree	21	12
		Agree	29	17
		Neutral	36	21
		Disagree	69	39
		Strongly Disagree	20	11
		Total	175	100

In the above table 3.7 from the total of 175 respondents, 21 (12%) responded strongly agree, 29 (17 %) agreed, 36 (21 %) responded neutral, 69 (39 %) replied disagree while the rest 20 (11 %) replied strongly disagree. From this one can say the bank doesn't design any means of contacting customers other than in from desk to create good relation with customers.

Table 3.8 Bank's Service Design

Item No.8	Item	Scale	NO. of Respondents	Percentage
	The company involve me as a customer in service design	Strongly Agree	0	0
		Agree	40	23
		Neutral	53	30
		Disagree	70	40
		Strongly Disagree	12	7
		Total	175	100

In table 3.8 above, 40 (23 %) agreed, 53 (30 %) were neutral, and 70 (40 %) disagreed, 12 (7 %) strongly disagreed that the company involves customers in service design. This implies that the bank is designing the service without having prior information about the customers need.

Table 3.9 New System Design

Item No.9	Item	Scale	NO. of Respondents	Percentage
	The company design new systems with the consideration	Strongly Agree	15	9
		Agree	40	23
		Neutral	60	34

	of customer	Disagree	51	29
		Strongly Disagree	9	5
		Total	175	100

From the total of 175 respondents 15 (9 %) strongly agreed, 40 (23 %) agreed, 51 (29 %) disagreed, 9 (5 %) strongly disagreed and 60 (34 %) answered neutral for the issue the company design new systems in accordance with customers as it is shown in the above table. This implies that the bank while designing new system it is in a way that is not as per the totality of its customers.

Table 3.10 Attractiveness of The Company's Service

Item No.10	Item	Scale	NO. of Respondents	Percentage
	The company offer service attractiveness to keep customers in long	Strongly Agree	23	13
		Agree	84	48
		Neutral	38	22
		Disagree	23	13
		Strongly Disagree	7	4
		Total	175	100

In the above table that presents a data about attractiveness of the service 23 (13 %) of the respondents said strongly agree, 84 (48 %) responded agree, 38 (22 %) said neutral, 23 (13 %) and 7 (4 %) responded disagree and strongly disagree respectively. This illustrates the service which is provided by the bank is attractive enough to its customers.

Table 3.11 Customer's Relation With The Company

Item No.11	Item	Scale	NO. of Respondents	Percentage
	I have good relation with the company	Strongly Agree	24	14
		Agree	32	18
		Neutral	59	34
		Disagree	34	19
		Strongly Disagree	26	15
		Total	175	100

In regard of company's relation with customers 24 (14 %) and 32 (18 %) out of the 175 respondents strongly agreed and agreed respectively that they have good relation with the company while 34 (19 %) and 26 (15 %) responded that they disagree and strongly disagree respectively in the issue, and the rest 59 (34 %) said neutral. This means that the bank is not creating a relationship improving mechanism for all of its customers.

Table 3.12 Company's Meeting With Customers

Item No.12	Item	Scale	NO. of Respondents	Percentage
	I have regular meetings with the	Strongly Agree	9	5
		Agree	32	18
		Neutral	70	40
		Disagree	57	33

	company	Strongly Disagree	7	4
		Total	175	100

From the total of 175 respondents asked if they have regular meetings with the company, 9 (5 %) responded strongly agree, 32 (18 %) of them replied agree, 70 (40 %) answered neutral, 57 (33 %) responded disagree and the rest 7 (4 %) replied strongly disagree. From this one can say the bank is not assigning its resource to share ideas with and between customers in a form of a meeting.

Table 3.13 CRM and Brand Association

Item No.1	Item	Scale	NO. of Respondents	Percentage
3				
	I associate the companies brand with the CRM activities	Strongly Agree	79	45
		Agree	88	50
		Neutral	5	3
		Disagree	3	2
		Strongly Disagree	0	0
		Total		175

From the total of 175 respondents asked if they associated the company's brand with CRM activities, 79 (45 %) responded strongly agree, 88 (50 %) of them replied agree, 5 (3 %) answered neutral, 3 (2 %) responded disagree. This implies that CRM and brand has high degree of relation in which case if the company's CRM is poor the customers think so is the brand.

Table 3.14 Communication About The New Service With Customers

Item No.14	Item	Scale	NO. of Respondents	Percentage
	The company informs me about the new service or change in the service on time	Strongly Agree	26	15
		Agree	30	17
		Neutral	41	30
		Disagree	46	26
		Strongly Disagree	32	12
		Total	175	100.0

From the 175 respondents 26 (15 %) replied strongly agree, 30 (17 %) agreed, 45 (26 %) responded neutral, 46 (26 %) disagree and the rest 29 (16 %) strongly disagreed on the question if the company informs customers with new services or changes in the service. This illustrates the bank is not in a position to give a timely information about the service changes to its customer for better customer satisfaction.

Table 3.15 The Responsiveness Of Company employee To Help Their Customer

Item No.15	Item	Scale	NO. of Respondents	Percentage
	The employees are willing to help me in responsive manner	Strongly Agree	105	60
		Agree	44	25
		Neutral	16	9
		Disagree	10	6
		Strongly Disagree	0	0
		Total	175	100

From the above table 105 (60 %) of the respondents has Strongly Agreed, 44 (25 %) of the respondents has Agreed, 10 (6 %) of the respondents has Disagreed while the rest 16 (9 %) of the respondents said neutral. From this one can say the bank's employees are more of customer interface which means employees are well accepted in the eyes of customers.

Table 3.16 Data Base Maintenance By The Company

Item No.1 6	Item	Scale	NO. of Respondents	Percentage
	The company maintains a	Strongly Agree	25	14
		Agree	30	17
		Neutral	70	40

comprehensive data base of its customer	Disagree	40	23
	Strongly Disagree	10	6
	Total	175	100

From the above table 25 (14 %) of the respondents has Strongly Agreed, 30 (17 %) of the respondents has Agreed, 40 (23 %) of the respondents has Disagreed, 10 (6 %) strongly disagreed while the rest 70 (40 %) of the respondents said neutral. This denotes that the bank's data base system is not well organized in a form all of customer's don't require to fill a form every time they enter the bank to get service.

Table 3.17 Availability of Customer's Information

Item No.17	Item	Scale	NO. of Respondents	Percentage
.	I believe that individual customer information is available at every point of contact	Strongly Agree	34	19
		Agree	46	26
		Neutral	55	32
		Disagree	25	14
		Strongly Disagree	15	9
		Total	175	100

From the total of 175 respondents asked if individual customer information is available at every point of contact, 34 (19 %) responded strongly agree, 46 (26 %) of them replied agree, 55 (32 %) answered neutral, 25 (14 %) responded disagree and the rest 15 (9 %) replied strongly disagree. This implies that the customer's information is available at customers contact point.

Table 3.18 Customers Confidence to Use The Service

Item No.18	Item	Scale	NO. of Respondents	Percentage
	I use the company's service with confidence	Strongly Agree	10	6
		Agree	18	10
		Neutral	80	46
		Disagree	46	26
		Strongly Disagree	21	12
		Total	175	100

In regard of confidence of customers in using the service, 10 (6 %) and 18 (10 %) out of the 175 respondents strongly agreed and agreed respectively that they have confidence while 46 (26 %) and 21 (12 %) responded that they disagree and strongly disagree respectively in the issue, and the rest 80 (46 %) said neutral. This means that customer's have a drought about the banks service this may lead customers to switch between banks.

Table 3.19 Personal Information Security

Item No.19	Item	Scale	NO. of Respondents	Percentage
	The company secure my personal information	Strongly Agree	27	15
		Agree	83	48
		Neutral	32	18
		Disagree	33	19

		Strongly Disagree	0	0
		Total	175	100

From the above table in the issue on the security of personal information, 27 (15 %) of respondents said Agree, 83 (48 %) of the respondents said agree, 32 (18 %) replied neutral, and 33 (19 %) responded Disagree. This illustrates that the bank assures the confidentiality of its customers information this creates a sense of security in the minds of its customers.

Table 3.20 Company's Attention To Customers

Item No.20	Item	Scale	NO. of Respondents	Percentage
.	The company gives attention for me as a customer	Strongly Agree	20	12
		Agree	77	44
		Neutral	53	30
		Disagree	25	14
		Strongly Disagree	0	0
		Total	175	100

In regard of company's attention for customers, 20 (12 %) and 77 (44 %) out of the 175 respondents strongly agreed and agreed respectively while 25 (14 %) responded that they disagree in the issue, and the rest 53 (30 %) said neutral. This denotes that if the customers have a complaint or a question to the bank it considers it in a good manner.

CHAPTER FOUR

SUMMARY, CONCLUSION, AND RECOMMENDATION

4.1 Summary

- From the total of 175 respondents, 55 (31%) responded agree, 40 (23%) responded neutral, 75 (43%) replied disagree while the rest 5 (3%) replied strongly disagree that they expect higher value.
- Regarding customer satisfaction 15 (9 %) of respondents strongly agree that the company's service satisfy customers, while 23 (13 %) agree and 48 (27 %) disagree that the company's service satisfy customers and 71 (41 %) of the 175 respondents are neutral while the rest 18 (10 %) replied strongly disagree.
- Regarding the company's service goodness, out of a total of 175 respondents 7 (4 %) strongly agreed and 38 (22 %) agreed that the company provides with good service in one hand and 23 (13 %) disagreed on the issue while 107 (61 %) are neutral.
- Regarding the life time value of the customers, 30(17 %) responded agree, 15 (9 %) replied strongly agree, 61 (35 %) responded neutral, 69 (39 %) responded disagree regarding regular assessment of life time value of customers.
- Out of 175 respondents 24 (14 %) strongly agree, 57 (32 %) agree, 65 (37 %) answered neutral, 22 (13 %) disagree and 7 (4 %) strongly disagree on the issue the company provides with fast service.
- From the total of 175 respondents, 21 (12 %) responded strongly agree, 29 (17 %) agreed, 36 (21 %) responded neutral, 69 (39 %) replied disagree while the rest 20 (11 %) replied strongly disagree that the company maintains good CR.
- Regarding to the customer involvement of the company service design, 40 (23 %) agreed, 53 (30 %) were neutral, and 70 (40 %) disagreed, 12 (7 %) strongly disagreed that the company involves customers in service design

- From the total of 175 respondents 15 (9 %) strongly agreed, 40 (23 %) agreed, 51 (29 %) disagreed, 9 (5 %) strongly disagreed and 60 (34 %) answered neutral for the issue the company design new systems in accordance with customers
- about attractiveness of the service 23 (13 %) of the respondents said strongly agree, 84 (48 %) responded agree, 38 (22 %) said neutral, 23 (13 %) and 7 (4 %) responded disagree and strongly disagree respectively
- In regard of company's relation with customers 24 (14 %) and 32 (18 %) out of the 175 respondents strongly agreed and agreed respectively that they have good relation with the company while 34 (19 %) and 26 (15 %) responded that they disagree and strongly disagree respectively in the issue, and the rest 59 (34 %) said neutral.
- From the total of 175 respondents asked if they have regular meetings with the company, 9 (5 %) responded strongly agree, 32 (18 %) of them replied agree, 70 (40 %) answered neutral, 57 (33 %) responded disagree and the rest 7 (4 %) replied strongly disagree
- From the total of 175 respondents asked if they associated the company's brand with CRM activities, 79 (45 %) responded strongly agree, 88 (50 %) of them replied agree, 5 (3 %) answered neutral, 3 (2 %) responded disagree.
- From the 175 respondents 26 (15 %) replied strongly agree, 30 (17 %) agreed, 45 (26 %) responded neutral, 46 (26 %) disagree and the rest 29 (16 %) strongly disagreed on the question if the company informs customers with new services or changes in the service.
- Regarding to the willingness of the company's employee, 105 (60 %) of the respondents has Strongly Agreed, 44 (25 %) of the respondents has Agreed, 10 (6 %) of the respondents has Disagreed while the rest 16 (9 %) of the respondents said neutral that the employees are willing to help customers.

- A comprehensive data base maintenance of its customer 25 (14 %) of the respondents has Strongly Agreed, 30 (17 %) of the respondents has Agreed, 40 (23 %) of the respondents has Disagreed, 10 (6 %) strongly disagreed while the rest 70 (40 %) of the respondents said neutral that the company maintains customers data base.
- From the total of 175 respondents asked if individual customer information is available at every point of contact, 34 (19 %) responded strongly agree, 46 (26 %) of them replied agree, 55 (32 %) answered neutral, 25 (14 %) responded disagree and the rest 15 (9 %) replied strongly disagree.
- In regard of confidence of customers in using the service, 10 (6 %) and 18 (10 %) out of the 175 respondents strongly agreed and agreed respectively that they have confidence while 46 (26 %) and 21 (12 %) responded that they disagree and strongly disagree respectively in the issue, and the rest 80 (46 %) said neutral
- In the issue on the security of personal information, 27 (15 %) of respondents said Agree, 83 (48 %) of the respondents said agree, 32 (18 %) replied neutral, and 33 (19 %) responded Disagree
- In regard of company's attention for customers, 20 (12 %) and 77 (44 %) out of the 175 respondents strongly agreed and agreed respectively while 25 (14 %) responded that they disagree in the issue, and the rest 53 (30 %) said neutral

4.2 Conclusions

- The customers were not sure about the bank's value creation for them
- That the company didn't fully assess the needs of customers or it doesn't organize its resource as it is required
- Word of mouth is really undergoing by customers of the bank
- The company doesn't consider the use of life time value of the customers.
- The banks employees are flexible and fast in delivering customers with the service.
- The bank doesn't design any means of contacting customers other than in from desk to create good relation with customers.
- The bank is designing the service without having prior information about the customers need
- The bank while designing new system it is in a way that is not as per the totality of its customers.
- The service which is provided by the bank is attractive enough to its customers.
- The bank is not creating a relationship improving mechanism for all of its customers
- The bank is not assigning its resource to share ideas with and between customers in a form of a meeting.
- The bank is not in a position to give a timely information about the service changes to its customer for better customer satisfaction
- The bank's employees are more of customer interface which means employees are well accepted in the eyes of customers

- The bank's data base system is not well organized in a form all of customer's don't require to fill a form every time they enter the bank to get service.
- The customer's information is available at customers contact point.
- Customer's have a drought about the banks service this may lead customers to switch between banks.
- The bank assures the confidentiality of its customers information this creates a sense of security I the minds of its customers.
- If the customers have a complaint or a question to the bank it considers it in a good manner.

4.3 Recommendation

- Awash International Bank has to design its CRM in a way that guarantee sustainable customers interaction with the company so that both the company and the customer will get a benefit out off it.
- The bank should welcome customers with complaints and inspirational ideas or suggestions by developing a well organized and well managed complaint handling systems or mechanisms that make customers feel at home, with this the company can reduce the number of customers that take their complaint home with them.
- The bank should give trainings for its employees especially for those who are found in the area of customer contact, be it front desk or otherwise, regarding how to handle customers with respect and empathy that have different need, attitude or intention, this might reduce customer's flow to competing firms.
- It would be much better for the company to prepare customer's day in which customers of the bank, at least loyal customers, meet and share their experience, thoughts, and forward their suggestions to the bank as well as for the bank to show customers that the bank works in the best interest of its customers.

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Bibliography

Appendix A

St Mary's University College

Faculty of Business

Department of Marketing Management

Questionnaire to be filled by Customers

This questionnaire is prepared by the third year student of St. Mary's University College in the field of marketing management for the partial fulfillment of a B.A degree. This questionnaire is prepared to assess the overall CRM practice of Awash International Bank S.C.

The validity of your response has high contribution for success of my senior essay. Due to this, I would like to ask with due respect to give the right response. All information you provide to this study will be kept strictly confidential.

Thank you for your sincerely cooperation!

Instruction

- This questionnaire mainly focuses on CRM practice of Awash International Bank S.C
- Give your response by placing " ✓" or " X" sign in the box of your choice.
- No need to write your name.
- If you want to give additional comments with regard to the CRM of the company use the blank spaces provided at the end.

I. General Questions

1. Personal information

1.1. Sex Male

Female

1.2. Age 15-20

21-26

27-32

33-38

39-44

Above 44

1.3. Educational Background

12 Completed Certificate Diploma 1st Degree Master and above

1.4 Occupation

Student Employee Retired Merchant

If it is other than this please specify _____

2. For how long you have been customer of the company

3. < 1 year 1-2 years 3-4 years > 4 years

II Questions Directly Related to the Study

SA=Strongly Agree; A=Agree; N=Neutral, DA=Disagree; SDA=Strongly Disagree

Item no.	Description	SA	A	N	DA	SDA
Questions Related to Research Question number 1						
1.	I expect higher value from the company					
2.	I am satisfied by the companies service					
3.	I tell about the goodness of the companies service for others					
4.	the company regularly assess the life time value of each customer					
5.	I get fast service					
Questions Related to Research Question number 2						
6.	I think the company is maintaining good customer relationship through its service					
7.	The company involve me as a customer in service design					
8.	The company design new systems with the consideration of customer					
9.						
Questions Related to Research Question number 3						
10.	I have good relation with the company					
11.	I have regular meetings with the company					

12.	I associate the companies brand with the CRM activities					
13.	The company informs me about the new service or change in the service on time					
14.	The employees are willing to help me in responsive manner					
Questions Related to Research Question number 4						
15.	The company maintains a comprehensive data base of its customer					
16.	I believe that individual customer information is available at every point of contact					
17.	I use the company service with confidence					
18.	The company secure my personal information					
Additional questions						
19.	The company gives attention for me as a customer					
20.	I have heard about CRM before from the company					

21. Other Customer Suggestions (if any)

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20.?-----

Appendix B

Interview Checklist

This interview is prepared by the graduate student of St. Mary's University College. The purpose of this interview is only to support the research paper. No need of writing your name or any other identification.

1. What regular meetings do you conduct with the customer?
2. What program designed or set to protect the customer's privacy?
3. How does the company maintain its customer through CRM?
4. To what extent do you provide full information of the candidate at the time of recruitment?

5. How do you inform employees and customers about the new service or change in the service on time?
6. How does the company maintain a comprehensive data base of its customer?
7. How the company does continuously monitors and maintains its customer information?
8. What CRM responsibility of each employee clearly defined, assigned and understood?
9. What training programs are designed to develop the skills to implement CRM?
10. What measurements are designed to assess the employee's effectiveness in meeting customers' needs?
11. How do you describe employees in sharing their knowledge between themselves and the managers to increase the value of customer information?
12. How do you consider the essentiality of customer lifetime in serving customers?
13. What effort does the company involve in providing customer information at every point of contact?
14. What system do you develop to measure customer satisfaction?

Appendices

DECLARATION

Candidate's Declaration

I undersigned declare that this senior essay is my original work prepared under the guidance of Ato Terefe Feyera all sources of materials used for the manuscript have been duly acknowledged.

Name: yordanos kebedde

Signature_____

Place of Submission: - ST.MARY'S UNIVERSITY COLLEGE DEPARTMENT OF
MARKETING MANAGEMENT

Date of Submission_____

ADVISOR'S DECLARATION

This paper has been submitted for examination with my approval as the university college advisor

Name: Terefe Feyera

Signature_____

Date_____