AN INVESTIGATION ON SERVICE QUALITY AND CUSTOMER SATISFACTION IN FIVE COMMERCIAL BANKS BRANCHES IN MACHAKOS TOWN, KENYA

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DECLARATION

I understand that plagiarism is an offence and I therefore declare that this project report is my original work and has not been presented to any other institution for any other award.

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DEDICATION

I dedicate this work to my departed father, Andrew Kavita Mulinge, and my mother, Veronica Kataki, who believed in me, continuously encouraged and pushed me to achieve greater academic levels.

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ABBREVIATIONS AND ACRONYMS

ABSA	:	Amalgamated Banks of South Africa
ANT	:	Actor Network Theory
ATM	:	Automatic Teller Machines
CBK	:	Central Bank of Kenya
CRM	:	Customer Relationship Management
FEP	:	Fountain Enterprise Programme
KBA	:	Kenya Bankers Association
KCB	:	Kenya Commercial Bank
KNBS	:	Kenya National Bureau of Statistics.
KWFT	:	Kenya Women Finance Trust
MFI	:	Micro finance Institution
NACOSTI	:	National Commission for Science, Technology and Innovation
RBVT	:	Resource-Based View Theory
RM	:	Relationship Marketing
SACCO	:	Savings and credit Cooperative Societies
SCA	:	Sustained Competitive Advantage
SERVQUAL	:	Service quality instrument
SMEP	:	Small and Micro Enterprise Programme
SPSS	:	Statistical Package for Social Sciences
VRIN	:	Valuable, Rare, Inimitable and Non-Substitutable

OPERATIONAL DEFINITION OF TERMS

Bank: A company carrying on banking business inKenya.

Customer retention:
Strategies
Activities that keep loyal customers who will contribute long-term profit to commercial banks.

Communication: It is the art of exchanging of information by speaking, writing, or using some other medium asthe understanding, interest, sharing and considerate care reserved for bank customers, the offering of thorough treatment Communication in this study refers to the way that a bank shares information with the customers.

Customer: Any person transacting a bank account, loanaccount.

Customer loyalty: This is the likelihood of existing customers to continue being faithful to the products beingoffered by a bank.

Customer retention: The practice of a bank working to satisfy customers' needs with the intention of developinglong term relationships with them.

Customer satisfaction: Is a psychological concept that refers to the sense of well-being and pleasure that comes from receiving what one hopes for and expects from anappealing product and/or service.

Infrastructure/Tangibles: It is the physical facilities, equipment, its upgrading and maintenance. It consists of core component's organizational structure, built infrastructure, digital artifacts and the people.

Bank Employee:
Responsiveness

This is the willingness of the bank to help customers and provide prompt service.

Service quality:

This refers to how well a delivered bank service matches customer's expectation.

Strategy:

Is a large scale, future-oriented plans by the bank for interacting with the competitive environment to optimize achievement of organizational objectives.

ABSTRACT

Banks are now facing greater competition on a global scale. In Machakos Town, new banks are frequently emerging, all attempting to capture a significant market share. Customers are more informed about their entitlements and hold higher expectations than in the past. The main aim of the study was to explore the relationship between customer satisfaction and service quality in five commercial bank branches located in Machakos Town. Specifically, the study aimed to identify links between communication and customer satisfaction, bank infrastructure and customer satisfaction, bank employee's responsiveness to customers, bank retention strategies and customer satisfaction and the relationships between the variables. Two theories and one view: the Resource Based View (RBV), the Actor Network Theory (ANT), and the Relationship Marketing (RM) theory served as thefoundation for the investigation. The study employed a descriptive survey design. The target population in Machakos Town was 74 commercial bank customers. The challenge encountered was that most clients were not willing to be interviewed on spot. They preferred to fill the questionnaire later. Structured questionnaires were used to collect primary data while data analysis was aided by descriptive statistics, correlation, and regression modeling. Research findings revealed that F statistic of model 1 was 33.236(p=.000). According to this, the relationship between customer satisfaction and service quality was statistically significant at the 95% confidence level. The five commercial bank branches in Machakos town could therefore measure client satisfaction using this methodology. The variance in customer satisfaction was explained by bank infrastructure, communication, bank employees' responsiveness, and client retention strategies. Customer satisfaction was statistically impacted by bank infrastructure, and a

one-unit improvement led to statistically significant gains. On the other hand, bank communication had statistically significant influence on customer satisfaction with a one unit change leading to a positive change in customer satisfaction. This was direct and statistically significant. Bank employees' responsiveness had insignificant influence on customer satisfaction with a one-unit change leading to an insignificant change in customer satisfaction. Moreover, customer satisfaction was significantly impacted by bank retention measures. Thus, by investing in cutting-edge innovation techniques that produce physically appealing features for customers, the management of those commercial banks should establish rules that can aid in customer sustainability. Also, management should establish guidelines supporting the modification of already-available products to develop new markets that cater for unique consumer needs.

1.0 INTRODUCTION

1.0 Introduction

The background information and purpose of the study is provided in this chapter. Major ideas of issues, problem statement, study's goal and objectives, research questions, and significance of this study are all explained, along with its restrictions, delimitations, and scope.

1.1 Background of the Study

Banking industry is customer-oriented service industry and customers are essential to the survival of banks in the marketplace. The emphasis is on the client, and what sets businesses apart is their customer service. A bank can set itself apart from rivals by offering superior customer support. Customer service effectiveness and forward movement are related. Customer satisfaction is portrayed as the cornerstone of achievements in the cutthroat banking sector (Belas & Gabova, 2016).

Commercial banks in Sri Lanka perceive service quality as a crucial element among banks in achieving client satisfaction. Banks in Sri Lanka's public and private sectors employ various significant tactics to raise the caliber of their services in a competitive market (Bolanda 2016). Public and private banks' physical locations, personnel attire, promotional programs, and usage of cutting-edge technology are all elements that determine how satisfied customers are with both types of banks (Anjalika & Priyanath, 2018). Hoang (2016) highlighted reliability, responsiveness, empathy, security, and tangibles as characteristics affecting the retail banks service quality in Pakistan.

According to Goyit and Nmadu (2016), the Nigerian banking sector frequently exhibits substandard service quality. Many clients are dissatisfied on the level of services offered by Nigerian banks, which may be demonstrated disproportionately by the large lines at ATMs and in banking halls, unjustified delays in handling complaints, the unusually long time it takes for interbank checks to clear, and patterns of clients switching between banks

and products. Both public and commercial banks in Ethiopia are engaged in extensive branch expansion plans to enhance their market penetration and clientele. Construction and Business Bank, one player in the sector, has been undergoing reformation to embrace new technologies and grow the volume of branches to improve assistance and accomplish its goals by providing high-quality services to consumers in a market that is fiercely competitive (Seyoum, 2015).

In Kenya, the banking industry remains the primary driver of financial intermediation, playing a crucial role in mobilizing savings and channeling them towards credit extension (Kenya Bankers Association, 2022). This dominance continues to be a defining characteristic of the Kenyan financial landscape. While carrying out their duties, they must contend with enormous modifications in the financial services industry and the innovation setting, as well as boosted competitive liberalization that has produced an endless variety of goods and services. They are therefore forced to change their concept of competition from one that emphasizes producers to one that acknowledges the banks' capacity to manage the link between businesses and consumers in order to lessen the impact of these issues. In order to accomplish this, they must produce good services to clients by keeping an eye on and assessing workflows at each level to guarantee that clients receive the services they pay for. Customers that receive quality services are satisfied. This is extremely important because clients stick with a company's products if it corresponds to their preferences and tastes.

1.1.1 Service Quality

Evaluating quality refers to a typical method of assessing worth of a product or service, and it involves taking into account the customer's needs. In their study, Markovic and Jankovic (2013) identified five crucial aspects of service quality: tangibles like equipment and facilities, reliability, bank employees' responsiveness, assurance and empathy, which may be measured using SERVQUAL instrument. The company's ability to provide high-quality services is crucial for achieving customer satisfaction. (Vivi N, Sitti R, Martha & Erwin H.2020) This can be affected by a variety of factors, including infrastructure, communication, bank employees' responsiveness, and customer retention strategies

(Gremler, 2023). Therefore, a business's success depends heavily on the provision of excellent customer service (Verhoef, 2020).

According to Bitta (2014), infrastructure involves things such as the way a company's personnel are dressed, as well as its buildings, supplies, and tools. Organizational structure, built infrastructure, digital assets, and people make up the essential elements of infrastructure (Alev, 2019). According to Tran Phi Hoang (2016), tangibles are "a collection of components serving as concrete proof of the existence of physical objects, including people, informational items, clothing worn by service professionals, and equipment supporting the provision of services." Services include bins, basic utilities such as water and electricity, and any other provisions. In this study bank infrastructure includes the bank building, banking hall space including teller spaces, waiting bay space and equipment, ATM (Automated teller machines), facilities such as tables, chairs furniture, and waste disposal. It will also include their maintenance and frequency of upgrading the infrastructure.

Service quality is a complex concept that has various components (Singh & Prashar, 2020). Communication is one of the factors that are assessed when evaluating impacts of service quality on customer satisfaction. To prosper in competitive markets, a company must provide quality service that meets customer expectations. This requires not only cooperation with supply chain partners, but also the appreciation of customers. Being responsive and addressing customer needs quickly can help build trust, which is essential for maintaining customer satisfaction. According to Hoang (2016), satisfied customers can contribute to the growth of a business, while dissatisfied customers can harm it. Therefore, a quality of service is critical for gaining a competitive edge and increasing profits. Studies show superior quality can lead to growing consumer trust, bank employees' responsiveness to requests, market share growth, and greater efficiency.

The goal of this research is to examine service and customer satisfaction in commercial bank branches in Machakos town. Prior to developing retention strategies, businesses must assess their customers, as noted by Siddiqi (2011) and Emma, Martin, & Garnesh. (2019).

According to Kotler and Keller (2006), customer satisfaction is a crucial factor that can be measured through post-purchase behavior, customer retention, and loyalty. In Kenya, commercial banks use customer relationship management (CRM), innovative product development, and personalized attention to high-value customers as customer retention strategies, according to Emma et al. (2015). Speed, performance quality, bank employees' responsiveness, and availability are some of the factors that differentiate services. To improve service quality, banks must utilize technology to streamline their operations and provide quality service to their customers. The ultimate goal is to meet the needs of customers in the most effective way possible in order to maintain and enhance service quality.

The quality of bank services is typically viewed as a crucial requirement for pleasing and keeping loyal customers. If service quality impacts on customer satisfaction, firms should first determine what the customers perceive as service quality. Service quality will help businesses improve sales, which will boost their profitability and, ultimately, their reputation (Al-Azzam, 2015).

1.1.2 Customer Satisfaction

Customer satisfaction is a measure of how well a company's product and service live up to or exceed client expectations (Ehigie, Emeke, & Jegede, 2018). It is the sensation of joy (or disappointment) that individuals have as a result of contrasting observed performance or outcome with their expectations (Bitta, 2014).

Satisfaction is defined as a psychological state of feeling fulfilled and gratified when a person compares effectiveness of a product or service in comparison to their aspirations. It is a crucial performance metric for businesses as it measures how well a company's goods and services meet or exceed the expectations of its customers. Essentially, satisfaction refers to the feeling of contentment that comes from receiving what one desires or anticipates from an enticing product or service (Zeithaml, Bitner, & Gremler, 2018) Due to its capacity to enable comparisons with expectations, perceived product performance is regarded as a significant construct. Since it offers marketers and business owners with an

analysis to utilize to manage and enhance their operations in which customer satisfaction is crucial. It serves as the most accurate indicator of a customer's natural tendency to make a future purchase. In a competitive market, businesses seek out customers. Customer satisfaction is viewed as a critical differentiator. Companies that takeprecedence customer satisfaction as a crucial component of their business strategy thrive in a highly competitive marketplace. By evaluating and tracking customer satisfaction, companies implement new processes and enhance overall levels of service to customers (Murugiah & Akgam, 2015).

Banks depend on customer for profits and survival in the market. The customer should therefore be their main focus. The internet has been their main focus. The internet has given customers choices, increasing competition much more. Zondiwe, (2018) service quality is a primary factor for customer satisfaction which leads to business success.

Goyit and Nmadu (2016) conducted research determining effects of banking services quality on bank profitability in five Nigerian banks, researcher used both primary and secondary data. They concluded that banks need to set up their operations in a way that would allow them to satisfy customers' expressed needs if they wanted to see repeat business in the increasingly competitive banking industry.

In Zambia, 150 consumers, 10 managers, and 18 agents comprised the target population for Zondiwe's (2018) study on impacts of service quality and multi-choice on customer satisfaction. Structured interviews together with questionnaires were employed to obtain data. According to the findings, client happiness and service quality have good direct relationship.

Gwaza, (2016), conducted a study in South Africa to evaluate the XCIB corporate bank's internal service quality. The study's methodology was quantitative. An organization staff sample of 130 people received questionnaires. The study's conclusions indicated that the bank's internal service quality was subpar and that staff members did not receive enough support. Customer service quality is produced by an organization's workforce and operational procedures.

In 2015, Murugiah and Akgam conducted research on customer satisfaction in Libya's banking industry. 150 bank clients were given a well-structured questionnaire, which was utilized to collect primary data. The findings indicated a significant and positive correlation between customer satisfaction, customer loyalty, and service quality.

Wachira, (2017) conducted a study on how Kenyan commercial banks' management perceived the impact of service quality on client happiness, using Equity Bank as a case study. Research employed a descriptive research approach with a sample size of 74 bank customers and managerial personnel participated in questionnaire-based interviews. Also, the researcher used secondary data from 2013 - 2017. Managers realized clients wanted good employee appearance provided by the bank so that they would be satisfied, according to the study's conclusion.

In Nairobi's banking industry, Bitta (2014) conducted research on customer satisfaction and service quality. The study employed descriptive research methodology. 44 commercial banks customers were issued with questionnaires. The study came to the conclusion that having good service available and having high standards for service delivery will increase customer satisfaction. Unfortunately, some executive banking sectors were not sent questionnaires, leaving out a significant portion of respondents. Also, because private and public banks were not separately studied, there may have been other factors that influenced the results.

The main advantages for a company are customer pleasure. They include increased customer loyalty, less price sensitivity, improved positive statement with a gain in market share, which together lead to higher long-term profitability (Zondiwe, 2018).

Wanjiku (2020) investigated the interrelationships among perceived customer expectations, the quality of the service encounter, and hotel guests' satisfaction. The research design employed was descriptive, with a sample size comprising 375 hotel visitors. Among the findings was the significant positive impact of customer satisfaction on the quality of the service experience, highlighting the pivotal role of customer

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contentment in shaping guests' perceptions of service quality during their hotel stay.

1.1.3 Service Quality and Customer Satisfaction

Customers often expect benefits from the products or services they purchase in exchange for the price they pay. If businesses want to make their customers happy, they must provide high-quality service. Service quality is a result of the solutions given by service providers in businesses which influences consumer satisfaction. Since happy clients are loyal to any business and spread the word about it, it is crucial for all businesses to prioritize customer satisfaction. Thus, a business that offers better service will generate more revenue, which will eventually result in profitability. Providing exceptional service will boost the organization's reputation as well as the employees' motivation (Jalagat, Bashayre,Dalluay,& Pineda.2017).

Service quality should be a top strategic concern for companies in service sectors if they want to succeed. High-quality service providers not only maintain high levels of customer satisfaction but also gain a long-lasting competitive advantage. Comparatively to similar organizations that have exhibited bad customer service, companies with exceptional customer service records enhance profit per employee. It also costs five times more to bring in new consumers than it does to keep existing customers (Al Karim, 2016).

1.1.4 Financial Institutions in Machakos Town

The Kenyan banking sector is governed by several regulations, including the Banking Act and Companies Act, which are published by the Central Bank of Kenya (CBK, 2023). The Kenya Bankers Association (KBA) plays a pivotal role in representing the interests of the banking sector and driving collaboration to address challenges and opportunities (Kenya Bankers Association, 2023). The growth of Kenya's banking industry has intensified competition, compelling banks to evolve beyond traditional services like cash deposits and withdrawals and prioritize the diversification of offerings to align with evolving consumer needs. As of 2023, Kenya's robust banking sector encompasses 42 operating banks (Central Bank of Kenya, 2023).

The banks operating in Machakos County are sixteen in number and several SACCOs among them; Mwalimu SACCO and Jaribu SACCO for County Government employees and Universal Traders SACCO. The financial sector in Machakos is not limited to commercial banks; there are also microfinance institutions that provide credit facilities to micro-enterprises and groups, such as self-help groups and community-based organizations. These microfinance institutions, including KWFT, FAULU, SMEP, and FEP, are highly competitive and operate in a dynamic environment. The existence of these institutions may create stiff competition for commercial banks in attracting customers. Some banks have responded by introducing agency banking in Machakos Town (KNBS, 2023). Machakos bank branches have adopted various banking innovations such as relationship banking, automated teller machines, infrastructure investment, telephone banking, internet banking, branch networking, electronic funds transfer, and real-time gross settlement systems with the aim of improving customer satisfaction.

1.2 Statement of the Problem

Most businesses are now adopting various methods to maintain market share and increased value for their stakeholders in the market therefore increasing global competition and shrinking profit margins. Organizations must concentrate on service delivery practices due to the demand of responding to change of markets constantly every day and the challenge of anticipating the different change. So, in order for a business to remain relevant as customers are the recipients of its products and services, it must work to fulfill their demands (Hirbo, 2018).

Customers are now more aware of their rights than ever before, and they have higher expectations. Several new banks are opening in Machakos Town, and consumers are frequently changing banks. When a company loses a customer, it means that a competitor gains one on the same day. So, financial institutions must concentrate their efforts on customer retention as well as customer acquisition in a crowded market (Verhoef, Lemon, Aditya & Zhu.2020). This can be accomplished by utilizing product, service, and process innovation to foresee and satisfy customer needs. The ability to continually deliver high-quality services that maintain consumers' satisfaction and loyalty is one of the most

prominent issues facing service delivery enterprises today (Gremler & Gwinner, 2023). The provision of consistently high-quality service is undoubtedly the most important aspect in establishing an organization's credibility and reputation among the general public (Zeithaml, Bitner, & Gremler, 2018). It is common knowledge that offering high-quality services improves the organization's bottom-line performance. Institutions dealing with finance have pioneered ideas like extending the hours allocated to business, emphasizing on their ATM network, offering mobile banking, and improving the amenities in their banking halls, among others, in an effort to improve their services and delight clients. Not all clients, however, are happy with the listed services since to some, their preferences since they are worried about the ingenuity of the bank. Customer satisfaction and service quality are related, according to previous studies (Rajesh R.2020).

There is no research on the association between customer satisfaction and commercial banks in Machakos Town; service quality characteristics (bank infrastructure/tangibles, communication, bank employees' responsiveness, and client retention methods). The aim of the study is to determine whether or not customer satisfaction is influenced by the service quality variables (bank infrastructure, communication, bank employees' responsiveness, and bank retention strategies).

1.3 Objectives of the Study

1.3.1 General Objective

The main aim of this study was to investigate how service quality affects customer satisfaction in commercial banks located in Machakos Town.

1.3.2 Specific Objectives

Specific objectives that guided this study were as follows:

  i.   To determine the relationship between bank infrastructure and customersatisfaction in commercial banks in Machakos Town.
 ii.   To establish the relationship between communication and customer satisfaction in commercial banks in Machakos Town.
iii.   To determine the relationship between bank employees' responsiveness and

customer satisfaction in commercial banks in Machakos Town.

iv.   To determine the relationship between bank customer retention strategies and customer satisfaction in commercial banks in Machakos Town.

1.4 Research Questions

Research questions answered by the study included.

i.   What is the link between bank infrastructure on customer satisfaction in commercial banks in Machakos Town?

ii.   Is there any relationship between communication and customer satisfaction in commercial banks in Kenya?

iii.   What is the relationship between bank employees' responsiveness and customer satisfaction in commercial banks in Machakos Town?

iv.   Do bank customer retention strategies influence customer satisfaction in commercial banks in Machakos Town?

1.5 Significance of the Study

Since it will shed light on the many service quality dimensions required by commercial banks to attain customer satisfaction, this study will be helpful for the banking sector in Kenya. Commercial bank management will rely on the recommendations as the foundation for developing customer satisfaction strategies and training programs that will enable staff to go above and beyond what customers are satisfied with. The research results will assist bank management to develop convenient ways for retaining happy and devoted customers. This will be of benefit to bank customers and their consumer federation of Kenya lobby. Customers who are pleased stay loyal and help the bank gain more market share. Profits increase when market share increases.

The study will help most institutions and companies create resources for which they can optimize their customer satisfaction. This will be by employing strategies that lead to customer satisfaction. There will be great importance of this study for my fellow researchers and academicians. The research will contribute to a knowledge base that will help attract other researchers to pursue the same or other concerns that arise in the delivery

of services.

In selecting companies that stand to benefit significantly from the findings of this study, several criteria were considered. Specifically, major commercial banks in Kenya were identified based on their market presence, existing challenges in customer satisfaction, commitment to growth, innovation, and collaboration with researchers and academics. These criteria were instrumental in identifying banks that are poised to leverage the insights and recommendations of the study to enhance their service quality and drive business success in the dynamic banking sector of Kenya.

1.6 Limitation of the Study

Respondents may at first conceal critical data out as they are concerned that the information, they provide will be used against them. The researcher dealt with the situation by providing a letter of introduction from South Eastern Kenya University and assuring them that the information provide will be confidentially treated and used solely for academic purposes. It was also anticipated that getting customers and the customer service attendants might be hard because they might be busy at work. To overcome the challenge of collecting data from bank customers, the researcher adopted tactics that improved convenience and efficiency. One strategy was to schedule appointments on clients' off days to accommodate their availability and assure their desire to participate. Furthermore, data gathering timings were changed to accommodate the consumers' preferences and schedules, resulting in little disruption to their daily routines.

Furthermore, to address the time constraints involved with conducting interviews or administering surveys to all clients at the 5 banks, the researcher engaged issue and pick questionnaire later method. By addressing these challenges and implementing effective solutions such as strategic scheduling and leveraging drop and picking questionnaires, the researcher not only solved the data collection problem but also strengthened the overall methodology, resulting in comprehensive and representative data from bank customers.

1.7 Scope of the Study

Research only scrutinized relationships between service quality and client satisfaction in five commercial banks in Machakos Town. It only focused on bank infrastructure, communication, employees 'responsiveness and bank retention strategies. Research only focused on commercial banks in Machakos Town and other financial institutions were exempted from the study because they are controlled by a dissimilar body. The research target population was drawn from customers in commercial banks in Machakos Town in 2022.

1.8 Organization of the Study

The study is divided into six sections, each of which includes various research components to effectively communicate the study's subject, methodology, findings, conclusions, and future research areas to the audience.

The first section content is introduction, context of the study, statement of the problem, specific and general objectives, research questions, significance of the study, limitations, and scope of the study. In chapter two, key theories, empirical literature review, research gap and conceptual framework are illustrated.

Chapter three outlines research design, target population, sample and sampling procedure, data collection instruments, pilot testing, and validity and reliability tests. It also includes a summary of the data analysis. Chapter four focuses on research findings and interpretation of the results, covering questionnaire response rate, descriptive analysis, diagnostic tests, correlation analysis, and multiple regression analysis.

Chapter five summarizes the study's main findings and discusses their implications in relation to the research questions. Finally, chapter six presents the conclusions based on research findings providing recommendations based on specific objectives.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This section provides summaries of literature that is relevant on influence of bank infrastructure, communication, bank employees' responsiveness, and retention strategies on customer satisfaction. Additionally, it presents the theoretical framework, summary of literature review and a realistic conceptual framework.

2.2 Theoretical Framework

Formulation of research theories seeks to explain, predict, and understand situations, and the theoretical framework explains the possible theories that can offer an explanation the research problem being looked into. These theories guide the research questions, data selection, and interpretation. The research used the following view and theories: Resource-Based View (RBV), Actor Network Theory (ANT), and Relationship Marketing theory (RM).

2.2.1 Resource Based View

Resource-Based View (RBV), formulated by Barney (1991), suggests that a company's strategic resources provide an opportunity for it to outperform its competitors in the market. The RBV evaluates the resources a company requires to have and use unique talents and competencies to compete. The theory proposes that a company must use its distinctive assets, skills, and competencies in a competitive business environment to seize opportunities, counter threats, and meet customer demands.

A company's competitive edge is based on its unique capabilities, competencies, and managerial skills in mobilizing resources to achieve superior performance. Company resources are categorized into three areas: intangible, tangible and personnel-based Employees are recognized as important assets. Sustained competitive advantage is predicated on acquiring, attracting, and retaining unique and difficult-to-imitate resources (Barney, 1991). A resource must be inimitable and non-substitutable to be a source of

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sustained competitive advantage (VRIN) (Freeman, Harrison, Wicks, Parman &Colle.2010). RBV complements stakeholder theory by emphasizing the importance of managing organizational resources and stakeholder relationships effectively for firms to be competitive. However, the view's primary flaw is that many businesses have only a few strategic assets and capabilities, leaving them vulnerable to competition.

RBV is the most sought out theoretical frameworks in organization literature, according to Ferreira et al (2010). Its main goal is to offer an explanation on the firms sustained competitive advantage internally. And its main goal is to ensure that a company achieves its Sustainable Competitive Advantage (SCA) goals it needs. The view proposes that banks in this study create a distinctive service to increase sales and profitability. Providing high-quality service helps banks increase the value of their services and build client loyalty. The view is relevant to this research because commercial banks' ability to compete depends on various resources, such as their infrastructure, which includes: physical facilities, equipment, technology, and human resources. By using these resources, banks can respond quickly to customer requests and increase customer satisfaction.

Resource-Based View (RBV) directly correlates with the variable of bank infrastructure, as it emphasizes the significance of leveraging resources, including physical, technological, and human assets, to gain a competitive advantage. In the context of banks, this entails investments in technology, branch networks, staff training, and other infrastructural elements to enhance operational efficiency, customer service, and overall performance.

2.2.2 Actor Network Theory

Latour, Callon and John in1980 (Latour 2013) developed the Actor Network Theory (ANT). The view contents that many relations are both semiotic and material. Thus, communication is also between concepts. As per ANT, the social and natural worlds are made up of continually changing networks of relationships. In this context, things, concepts, methods, and any other pertinent elements are regarded as being equally crucial to the emergence of social situations as people. According to Bencherki (2017), the idea

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that many others must also act in order for an actor to perform is captured by the ANT concept. This indicates that many different persons and things participate in an action. According to Noshir & Lugeand (2015) in their essay on the theoretical implications of creating multidimensional social networks, technology needs to be included naturally into social networks.

The theory presented highlights how networks and communication can foster a more connected and interdependent culture within an organization. It suggests that tactics such as seduction, pressure, and persuasion can help maintain the identities of different entities within the organization. Successful use of such tactics can result in entities being enrolled in an action program. Actor Network Theory emphasizes vast diversity and allows for multiple versions of every ordering attempt, according to Rene, Carina & Johanneson. (2013). As performers, everything is a result of relational practices, and thus nothing should be taken for granted. gathered and a recursive networking process is used to arrange structures.

Theoretical frameworks such as Actor-Network Theory (ANT) plays a pivotal role in understanding the dynamics of service quality and customer satisfaction in commercial banks. ANT emphasizes the intricate interactions and relationships between human and non-human actors within organizational contexts. It underscores the significance of technology, infrastructure, and communication processes as integral components influencing service delivery and customer satisfaction. (Benchercky 2017) Within the realm of commercial banks, ANT highlights how technology acts as a pivotal actor, impacting communication channels, operational efficiency, and customer interactions. It acknowledges the role of bank infrastructure as active participants in shaping service provision, including online banking platforms, branch networks, and digital channels.

Moreover, ANT provides insights into organizational communication dynamics, emphasizing the importance of bank employees' responsiveness and dialogue in fostering customer satisfaction. It elucidates how organizational differentiation and cultural

pluralism influence communication patterns and service delivery mechanisms within banks.

This theory directly relates with communication by the bank to customers. It also includes technological infrastructure. By employing a framework rooted in ANT, researchers can delve into the transformative processes through which commercial banks engage with stakeholders, adapt to changing market demands, and enhance service quality. Thus, there is an attempt to understand a horizon that is new to one's own. It also relates to Bank employees' responsiveness of a firm refers to its ability to listen, understand and respond to demands given to it by the stakeholders. A goal such as customer satisfaction can then be achieved. While using a framework of translation, one can direct attention towards the processes that are transformative through which organizations are joined and connected with others. This theory also shows the importance of technology in firms.

2.2.3 Relationship Marketing Theory (RM)
Morgan and Hunt created this theory in 1994. Based on this theory, providing value to customers strengthens a company's partnership with them, which increases customer retention. It underlines how important relationship qualities like commitment and trust are for retaining customers. This idea contends that a customer's perception of confidence in a company results in a commitment to the relationship, which lowers the likelihood that they would quit. Business results, such as profit, increase when a relationship is more like a friendship (Jonest, Taylor & Bansal.2009). Vasco (2006) recommended a transition to a relationship marketing paradigm away from the marketing management strategy. In order to achieve the goals of all parties concerned, it would also create, preserve, and improve connections with clients and other partners.

A study on the theoretical theories on relationship marketing viewed from numerous management-related disciplines was conducted by Vasco & Don Willson (2006). According to the survey, RM has become one of the predominant paradigms in marketing for organizations, consumers, or services. It also discovered that a comprehensive explanation for how RM came to be a coherent field of study may be provided. Yet, a

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company can only give complete customer satisfaction and forge lasting relationships when it successfully combines marketing with customer service and quality. It can then employ this skill to both attract in new customers and keep current ones. Their relationship marketing philosophy also reflects a consistent and alluring vision of themes usually acknowledged as vital to marketing and is built on the three pillars of marketing, customer service and quality.

According to Andre & Gerd (2009), RM is crucial to any firm. One of the essential factors in long-term business success is getting to know your consumers and building lasting relationships with them. The exchange of relationships between a company and its clients is the major focus of marketing. This theory directly relates to bank retention strategies, as well as communication and employees' responsiveness. The goal of the quality service in banks is to achieve holistic quality management across all organizational functional domains. As CA of banks are subjected to significant market share, this theory is pertinent to the topic at hand. A substantial market share can be achieved by having a large number of devoted customers who cannot not leave. Therefore, finding methods for relationship creation, growth, and maintenance is crucial for banks and other businesses. This is crucial if clients are to remain steadfast and refrain from leaving their banks. It is a tactic for keeping customers.

2.3 Empirical Review
This section will review other researches done earlier and are related to this study so as to recognize the research gaps that the current study aimed at filling up.

2.3.1 Bank Infrastructure and Customer Satisfaction
Physical evidence of service, including physical premises, how staff appear, and instruments or equipment's used for service delivery, is referred to as bank infrastructure or tangibles. The physical items and personnel who have anything to do with the service are also included. Funding will include supplies, staff attire, and lodging. Customers are supplied with tangibles, which include physical facilities and equipment such as a reading room, stress - relieving area, book shelves, washrooms and other amenities. ATM

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machines, cash and cheque deposit machines, and other bank facilities make payments, transfers, and deposits into accounts very convenient for bank customers (Zineldin, 2015). This includes infrastructure upgrades and maintenance.

Qadeer (2013) explored relationships between service quality and customer satisfaction and used qualitative research method with collection of primary data using interviews in a bank as professional service industry. The findings revealed service quality had significant effects on customer satisfaction as it influenced a variety of factors including human engagement, physical environment, value, cost, and efficiency. Otoo (2016) investigated the impacts customer service quality on customer satisfaction in Ghana and used descriptive research design. Three hundred and sixty commercial bank customers in Ghana were sampled using simple random sampling. Descriptive and inferential statistical tools in SPSS were employed on data analysis. Physical facilities of banks were discovered as significant determinants of customer satisfaction and their service quality.

Wanjiku (2020) studied impacts of service quality on customer satisfaction in Kenya's mobile telecommunications industry and utilized cross-sectional survey research design for the study while questionnaires were issued to collect information. Research revealed a positive relationship between service quality and bank physical facilities. Equipment in the mobile telecommunication industry in Kenya. Wachira (2017) did a case study of Equity Bank to determine management perceptions of influence of service quality on customer satisfaction among Kenyan commercial banks and used a descriptive research design for the study. Study's target population was one hundred and fifty (150) managerial employees and one thousand, five hundred (1,500) Equity Bank regular daily customers, with a sample size of one hundred (100) managerial employees and 82 bank customers. Respondents were sampled using stratified random sampling in the study. Primary data was gathered through a self-administered questionnaire, while secondary data obtained from five years of published annual reports (2013 - 2017). Bank clients expected the bank to provide excellent physical amenities and to use advanced technology equipment and they also expected their employees to be well-dressed.

The landscape of customer satisfaction in banking is practically linked to the quality of a bank's infrastructure. Other studies reveal a clear connection between convenient digital solutions and positive customer experiences. For instance, research by Chan & Yee (2018) in Taiwan found that customers who utilized internet banking reported a significant increase in satisfaction. Their empirical framework likely focused on the concept of perceived usefulness, a core tenet of the Technology Acceptance Model (TAM). TAM posits that users' perception of a technology's usefulness in enhancing their tasks influences their intention to adopt and ultimately, their satisfaction with it. In Chang et al.'s study, the convenience and efficiency of online banking platforms likely resonated with users as highly valuable, leading to increased satisfaction. This highlights the power of online platforms that allow for anytime, anywhere access to manage finances.

The landscape of customer satisfaction in banking is demonstrably linked to the quality of a bank's infrastructure. Studies reveal a clear connection between convenient options and positive customer experiences. For instance, research by Chen and Wu (2015) in China demonstrated that a wider network of branches led to increased customer satisfaction figures. Their empirical framework likely centered on service convenience, a well-established factor influencing customer satisfaction. Research by Cronin and Brady (2005) conceptualized service convenience as a multi-dimensional construct, encompassing factors like ease of access, timeliness, and effortlessness in interacting with a service provider. In the context of Chen and Wu's (2015) study, a wider branch network likely reduced perceived effort and improved ease of access for customers, particularly those who value face-to-face interactions or require branch-specific services. This underscores the importance of physical accessibility for certain customer segments, ensuring the bank caters to a wider range of preferences and enhances overall satisfaction.

Moreover, technological advancements such as mobile banking, AI-powered chatbots, and big data analytics have further elevated customer experience (Lee & Kim, 2020; Wang & Li. 2018). However, the growing reliance on technology also raises concerns regarding security and data protection, emphasizing the need for robust cybersecurity measures (Wang & Li 2018). In conclusion, a well-developed bank infrastructure, incorporating both

digital and physical elements, is essential for fostering customer satisfaction. Financial institutions thatprioritize innovation and data security will be better positioned to thrive in today'scompetitive landscape.

2.3.2 Bank Communication and Customer Satisfaction

Communication refers to the process of imparting or exchanging of information by speaking, writing, or using some other medium. According to Koontz and O'Donnell (2019), communication is the process by which one organization member shares meaning and understanding with another. Effective communication is both condemnatory and beneficial to any organization. Communication serves as a cornerstone for successful operations in virtually every facet of an organization, including product development, customer relations, and employee management (Shannon, 2018) It acts as a vital tool for exchanging information, fostering collaboration, and ensuring a seamless workflow within an enterprise.

Andualem W. (2019) carried out a research study on the influence of communication on customer satisfaction. Descriptive statistics (mean score and standard deviation) were used to investigate the customers' perceptions and current customer satisfaction status. The key results showed that there was a positive and significant effect of communication on customer satisfaction.

Hoang (2015) conducted a study on roles of communication with customers in service encounters in banking sectors in Vietnam. Study adopted qualitative research design. Data was collected through conducting interviews with bank tellers. Findings showed that bank tellers acknowledge that communication is key at the service counter and in customer relationship. Communication does have a direct effect on customer satisfaction and assists bank tellers in resolving issues with bank clients.

Mohammed, Rushami, Abdullah, & Ebrahim. (2015). Sought to establish relationships between communication and customer loyalty in Saudi Arabia Insurance Companies. The sample size was 399 insurance companies in Saudi Arabia and questionnaires was used as

a data collection method with findings indicating a positive and significant relationship between communication with customer loyalty.

Franciskofi (2017) examined effects of marketing communication tools on customer satisfaction and brand performance in financial services sector in Ghana. A quantitative research approach was used with a sample of three hundred and eighty-two managers chosen to take part in this study. Data collection was by use of questionnaires with findings revealing that communication tools having significant effects on customer satisfaction and brand performance.

Crucial components of services marketing, according to Rajasekhara (2008) in his work "Assessment of Effectiveness of Marketing Communications Mix Elements in Ethiopian Service Sector," is effective and creative client communication. In order to uncover ways to enhance the current communication and increase customer satisfaction, he assessed the efficiency of advertising and personal selling methods in the Ethiopian service industry. Rajasekhar discovered that personal selling and advertising are poor at establishing a company's image and instilling brand loyalty, but are fairly good at spreading knowledge and influencing attitudes.

Muriungi (2012) assessed effectiveness of communication on customer service of the KCB bank group. The descriptive survey was adopted and took into account 10 KCB branches in Nairobi and used a stratified random sampling with a sample size of 50 bank customers. Data collection used was questionnaires with findings revealing that banks provided a good access to information to its customers as its staff was available in timely manner for the provision of the information to the customers.

Kibet (2015) did a study to determine levels of customer satisfaction, service quality and communication in insurance industries in Kenya utilizing a cross-sectional research design with data being collected using questionnaires. The sample size was 150 customers who were selected randomly. According to the study, clients were not happy with how their insurance firms performed in terms of customer satisfaction, perceived service quality, and

communication focus. It also showed that effective communication and increased service quality are crucial components of consumer happiness.

2.3.3 Bank Employees Responsiveness and Customer Satisfaction

Zeithaml et al. (2016) defined responsiveness as a capacity assisting clients deliver prompt services. The aspect focuses on answering immediately and carefully to the requests, issues and complaints of the client. A prompt and adequate response is one key factor in determining quality of a service. Workers should be ready and equipped responding to questions or concerns in a timely manner and with substance. Customer satisfaction in retail banking sector is likely to be fundamentally and favorably impacted by a company's willingness to help customers. For instance, some female customers choose to speak with a female employee, demonstrating that they want the employees to have a responsive attitude (Siddiqi, 2015). Organizations can demonstrate responsiveness by informing customers about the expected timeframe for addressing their inquiries or resolving problems. However, it's crucial to evaluate responsiveness from the customer's perspective rather than solely relying on internal metrics set by the firm. This shift in perspective is essential for organizations to achieve customer satisfaction and long-term success (Buttle, 2009).

Fida, Hussain, Shariff, and Shah (2020) investigated the relationship between service quality, customer satisfaction, and customer loyalty within four major Islamic banks in the Sultanate of Oman. Their quantitative study employed questionnaires for data collection, utilizing convenience sampling to obtain information from 120 Islamic bank customers in Oman. Regression analysis results revealed that bank employees' responsiveness dimensions significantly and favorably influenced customer satisfaction.

Sichinsambwe, Chishimba, & Sikombe, (2017) studied analysis on relationships between service quality and customer satisfaction for both foreign and local banks in Zambia. It utilized quantitative survey design using a structured questionnaire to collect data from 120 bank staff. Result of the study showed that foreign banks were more willing to provide prompt service than local banks. Duodu and Amankwa (2011) studied effect of service

quality on customer satisfaction in insurance industry in Ghana and found that responsiveness is a functional quality dimension that was found to have significant impact on customer satisfaction.

Communication, Access, understanding customer, collaboration, continuous improvement, content, accuracy, ease of use, timeliness, aesthetics, and security are just a few of the 17 service quality dimensions of banking services identified by (Bitta, 2014) as improving customer satisfaction. Banks benefit from increased income, increased marketing exposure, and cost savings that result from satisfied customers. Research design employed descriptive research. The information and traits about the population or phenomenon under study are described in descriptive research. Sample for the study was created using a stratified sampling procedure with primary data collected via questionnaires. Quantitative data was examined using descriptive statistics. According to the survey, timeliness is one of the elements of service quality that boosts client happiness.

Maleeha (2015) conducted a study to ascertain the connection between customer satisfaction and service quality in Nairobi-based Islamic banks. study's research design was descriptive. The Gulf African Bank and First Community Bank employees, a total of 119 employees, were the study's target population. Semi-structured questionnaires were used to collect primary data. According to the study, banks make their services adaptable to their own customers' needs, and their employees are very friendly and warm, which leads to customer satisfaction. The staff's quick responsiveness to customer needs together with their appearance/mien ensure customer satisfaction.

Vivi N, Sitti R, Martha and Erwin H (2019) did research about "The role of employees' responsiveness in organizational performance" in Putera organization, west Sumetra in Indonesia. The methods used to collect data were correlation analysis, path analysis and t-test. The results showed that leadership style through employees' responsiveness had some positive and significant effect on organizational performance.

2.3.4 Customer Retention Strategies and Customer Satisfaction

There is a great importance on client's retention especially when it comes to providing a

competitive advantage in banking sector. An effective customer retention strategies support and award long-term relationships with customers rather than obstructing those relationships. Creating customer satisfaction, forging social and structural ties, and providing value that customers want are some effective customer retention techniques. Commercial banks value customer relationship management because it promotes customer acquisition and retention (Emma et al., 2015). Customer understanding is crucial for management at all times, and resources that maintain customer satisfaction must be used to maintain client retention (Ganesh, 2010).

Muhamed (2013) did a study in order to get an understanding on how Jordan banks go about to advertise long-term policies in on the effort to keep repeat business. A qualitative design explanatory was used while doing the research. Nine banks were included in the sample from Jordan. Results showed that commercial banks employ relational methods to keep customers. Furthermore, research has shown that internal marketing is critical for increasing retention. Gratification, commitment, similarity, dedication, flexibility, dialogue, and excellent service were identified as critical factors for banks to successfully use relationship tactics.

According to Tinashe and Chapoto (2016) in their research on impacts of retention of clients and its relationship on performance on commercial banks of Zimbabwe. Their study design made use of a descriptive research. 75 respondents, who were clients of five commercial banks, were collected using simple random sampling. Via interviews and questionnaires, primary data was gathered. The majority of Zimbabwe's commercial banks, according to findings, fall short of client expectations. The findings also revealed that customer loyalty and satisfaction are positively influenced by customer retention strategies. Buchichi (2013) conducted a research study titled "Client Service Development Initiatives at CFC Stanbic Bank Kenya." Utilizing a case study approach during research in Nairobi, data was gathered from the senior management team involved in strategy formulation. According to the study, the bank required the implementation of customer enhancement measures to bolster client loyalty. It was found that amidst increased competition among businesses, those capable of accurately discerning consumer needs through continuous

environmental monitoring and delivering optimal value to customers stand to gain the most.

Ouma, Ndirangu& Munyaka (2013) examined the impact of customer satisfaction strategies on customer retention at the Equity Bank Thika branch in Kenya. Their study employed a multistage sampling technique to obtain data from 100 customers, utilizing questionnaires for data collection. Findings revealed a strong positive correlation between customer retention strategies, the bank's distinctive client services, and customer retention.

Thenya (2016) aimed to establish the connection between Barclays (now ABSA) Bank of Kenya's performance and its customer retention strategy. A case study approach was used in this investigation. Five senior managers from the Barclays bank in Nairobi made up the research population. In-depth interviews were used to gather primary data and analysis done using content analysis. The research reveals that having invested in customer retention methodologies improves both the consumer-bank employee relation and the bank's reputation. People want association with companies that care about their customers' well-being, which is why this is the case. Customer retention tactics and efforts improve client satisfaction.

2.4 Research Gap

Existing research in the banking sector has demonstrated the positive impact of service quality dimensions on customer satisfaction. For instance, Wanjiku (2020) highlighted the role of the physical environment, while effective communication, as noted by Hoang (2015) and Maleeha (2015), also influences satisfaction. Additionally, Tinashe and Chapoto (2016) emphasized the importance of customer retention plans in fostering loyalty. However, a significant gap remains in understanding the relationship between service quality and customer satisfaction within the commercial banking sector in Machakos Town, Kenya. This is crucial due to the town's diverse banking landscape and evolving consumer preferences.

The choice of a descriptive survey design for this study on service quality and customer satisfaction in commercial banking sector is well-founded and advantageous for several reasons. Firstly, given the exploratory nature of the research, a descriptive survey allows for comprehensive data collection from a representative sample of customers, enabling the exploration of relationships between various service quality aspects and customer satisfaction. Secondly, the subjective nature of customer satisfaction necessitates a method that can effectively capture customer perceptions, which a descriptive survey design accomplishes through well-constructed questionnaires or interviews.

Bitta A, (2014) did research in banks in Nairobi on customer happiness and service quality. Unfortunately, some executive banking sectors were not involved, leaving out a significant portion of respondents. Also, private and public banks were not separately studied, there may have been other factors that influenced the results.

The relevance of banking needs to be exploited fully in Machakos' and indeed Kenya's development strategies and plan formulations. This is a gap touched by this study. Conducting a focused study in Machakos Town could provide valuable insights for banks, policymakers, and future research. There's a need for a deeper understanding of industry-specific factors, methodological diversification, and conceptual framework development. Addressing these gaps can significantly enhance customer satisfaction within commercial banks, not only in Machakos Town but potentially in similar contexts globally.

2.5 Conceptual Framework

A conceptual framework describes relationships between research variables that is given in schematic interpretation. Relationships between dependent and independent variables is depicted in Figure 2.1.

```
┌──────────────────────────────────┐
│ Bank infrastructure              │
│   • Building & physical equipment│────────┐
│   • Personnel                    │        │
│   • Maintenance of equipment     │        │
└──────────────────────────────────┘        │
                                             │
┌──────────────────────────────────┐        │    ┌────────────────────────────┐
│ Bank communication               │        │    │ Customer Satisfaction      │
│     • Online communication       │────────┼───▶│  ☐  Customer loyalty       │
│     • Bank automation            │        │    │  ☐  Customer retention index│
│     • Face to face meetings      │        │    └────────────────────────────┘
└──────────────────────────────────┘        │    Dependent Variables
                                             │
┌──────────────────────────────────┐        │
│ Bank employee responsiveness     │        │
│   • Attention & Provision of     │────────┤
│     service                      │        │
│   • Preparedness to help         │        │
│   • Complaint's attendance       │        │
└──────────────────────────────────┘        │
                                             │
┌──────────────────────────────────┐        │
│ Customer retention strategies    │        │
│  • Creating customer delight     │────────┘
│  • Creating social bonds         │
│  • Product value addition        │
└──────────────────────────────────┘
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Independent Variables

Source: Author

Figure 2.1: Conceptual framework

2.5.1 Bank infrastructure

Bank infrastructure is measured based on the availability and efficiency of various physical components and systems within a bank. This includes the presence and functionality of appliances such as ATMs, safes, deposit boxes, and teller systems, as well as the

appearance and demeanor of bank personnel. Additionally, the frequency of system upgrades and equipment maintenance is considered crucial in evaluating bank infrastructure.

2.5.2 Bank Communication

When we talk about bank communication, we're talking about the several methods that people and computers can communicate with one another across a computer network, like the internet. This applies to chat rooms, social media, email, and in-person communication. Bank automation refers to a system that operates the banking process in a highly automated manner, with minimal human involvement. It reduces the waiting time for credit applications and reduces paper work. Automated machines can assist with just about any task that a human teller can undertake, such as requesting printable statements as well as cash withdrawals. Bank automation also entails machine generated messages, online banking and mobile deposits. Face to face communication is social interaction carried out without any meditating technology.

2.5.3 Bank Employees Responsiveness

Bank employees' responsiveness is evaluated based on their ability to attend to and fulfill customer needs and requests. Bank employees' responsiveness entails attending to and performing work for the customer. A firm's responsiveness is defined as its ability to listen to, fully comprehend, and reply to requirements or grievances from stakeholders. They must also attend to customer complaints or concerns.

2.5.4 Customer Retention Strategies

Customer retention strategies focus on methods employed by banks to retain customers and enhance their loyalty. Customer retention strategies are centered on customer relationship management which endears the customers to the bank. These strategies include making the customer delighted by the provided special service/social bands creating personal friendship, and enhancing the value of the provided product or service.

2.5.5 Customer Satisfaction

Customer satisfaction is assessed as a general psychological condition measuring the level of gratification a customer experiences with a bank's products or services. Customers' satisfaction is a general psychological condition which measures gratification on a client is with a firm's product or service. In an organization this will be manifested in customer loyalty, retention and an increased market share.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a comprehensive overview of the research methodology. It covers the research design, target population, sampling procedures, research instrument, pilot testing, data collection procedures, data analysis and presentation, and ethical considerations.

3.2 Research Design

This study employs a descriptive cross-sectional survey design to investigate the relationship between service quality and customer satisfaction within commercial banks in Machakos Town, Kenya. This design focuses on gathering data at a single point in time (cross-sectional) to describe the characteristics and relationships between variables in the current population (descriptive) (Oppenheim, 2020). Justification for this choice lies in its ability to capture customers' current perceptions and experiences regarding service quality and satisfaction, while also allowing for the examination of potential associations between various service quality dimensions and customer satisfaction through surveying a representative sample of bank customers (Bryman, 2018). This approach aligns closely with the study's objectives, providing a comprehensive understanding of the dynamics between service quality and customer satisfaction within the commercial banking sector in Machakos Town, Kenya.

3.3 Target Population

A target population is any true member or inferential set of people, occurrences, items to whom researcher wants to generalize findings from a study. There were sixteen banks in Machakos town (KBA 2019) report. The estimated population of customers from Machakos banks was 426,579 which is 30% of the population (census 2019) of Machakos (KNBS2023). Customers of five Machakos Town's commercial banks were the target population. This was the researcher's judgmental sample and makes 30% of the bank branches in Machakos town. Banks were prioritized with a strong focus on customer

service. Previous experiences from referrals with banking have highlighted the importance of responsive and helpful support when dealing with inquiries or issues. Therefore, selection of banks that have consistently received positive feedback for their customer service, ensuring reliability on prompt assistance whenever needed. Thus, a sample of customers was selected from the 5 out of the 16 commercial bank branches in Machakos town. By choosing 30% of the banks, the study aims to capture a significant portion of the customer base from a diverse set of banks in Machakos Town. This percentage allowsfor a manageable sample size that is feasible to survey and analyze within the resources and time constraints of the study. Additionally, selecting customers from 30% of the banks provides sufficient variability in the sample to potentially uncover diverse perspectives and experiences regarding service quality and customer satisfaction across different banking institutions.

Table 3.1 Target population of Bank customers and Employees

	Customers					**Total**
Bank	Sample Population	Branch Manager	Asst. B Manager	Tellers & Others	Support Staff	
KCB	10		1	3	710	31
COOP	10		1	2	410	27
Equity	10		1	2	311	27
SCB	10		1	1	25	19
ABSA	10		1	2	58	26
TOTAL	**50**		**5**	**10**	**2144**	**130**

3.4 Sample and Sampling Procedures

A sample is a portion of a target group chosen for evaluation (Orodho, 2011). Two types of sampling were applied; for customers, purposive sampling was used while for employees simple random sampling was used. Since number of customers per bank is large; researcher used judgmental sampling. Purposive sampling is one applied after the researcher's judgement. (Lawrence, Palinkas & Kimberly 2015). As one leaves a bank, more customers may be joining it or even leaving to another bank. The researcher issued

questionnaires to 10 customers from each of the 5 banks through entry-exit survey. This was purely random. This translated to a total of 50 customers. With the help of some bank employees the researcher was able to get the filled questionnaires. In each Bank 30% of employees from different sections of the 5 banks filled the questionnaire. Kothari (2004) states a sample size of 30% as adequate for descriptive survey studies. Stratified random sampling minimizes the risk of bias and thus improves the study's objectivity (Kombo, 2006). However, given that each bank had only one bank manager, the study opted to conduct interviews exclusively with these managers. The rest were given questionnaires by the in-charge bank employee from different departments, according to their numbers. The respondents were expected to have knowledge and to provide suitable information. The table 3.2 shows results on sampling.

Table 3.2 Sample population of Bank customers and Employees

	Customers	**Employees**			**Total**
Bank	Sample Population		30%	Sample size	
KCB	10	21	6.3	6	16
COOP	10	17	5.1	5	15
Equity	10	17	5.1	5	15
SCB	10	9	2.7	3	13
ABSA	10	16	4.8	5	15
TOTAL	**50**	**80**	**24.3**	**24**	**74**

3.5 Research Instrument

Data collection was carried out using questionnaires, which served as the research instruments for obtaining responses from the respondents. A questionnaire contains either questions that are close or open-ended. Questionnaires were used in the study because they allow researchers collect a huge amount of data from diverse group of participants spread across large geographic area for a low cost. Provision of clear instructions and explanations about the purpose of the study and how the data was used. Transparency helps build trust

with participants and reduces concerns about bias in the questionnaire. They also give respondents ample time thinking about questions providing thoughtful responses (Rea & Parker, 2012). Data was gathered from bank employees and customers using questionnaires. There were three sections to the questionnaires. Background information was covered in Section A, service quality was covered in Section B, and customer satisfaction study variables were covered in Section C.

3.6 Pilot Testing of Research Instrument

Mugenda and Mugenda (2009) states a pre-test account for 1 to 10% sample size and a pilot study conducted on the selected five commercial banks in Machakos Town, in which eight (10% of the 74) respondents were randomly selected and given a questionnaire to complete. The same banks were used in piloting for consistency and avoidance of confusion during analysis. These included 2 managers (KCB and Coop bank),4 tellers (ABSA & Standard Chartered banks) and 2 support staff of Equity bank. Pilot test respondents did not participate in the final data collection.

3.6.1 Validity of Research Instrument

According to (Polit & Beck, 2017) definition of validity, it may also be thought of as utility, demonstrates how well instruments does what is supposed to measure. The researcher used validity of content that measures the degree to which questionnaires address all the research objectives. The assessment of content validity of a measure was carried by two supervisors from South Eastern Kenya University. These supervisors assisted in establishing if sets of items accurately represented the study's principal and assisted to improve the validity of content.

3.6.2 Reliability of Research Instrument

Research instrument's reliability is defined as its extent of internal consistency over time, Mugenda & Mugenda (2009). Utilizing the Cronbach's Alpha Coefficient approach, reliability was evaluated. As the tools are only used once, this method is favored. Because it evaluated the internal consistency of research instrument items, Cronbach's Alpha Coefficient was utilized. The alpha coefficient has a value between zero and one, and the

closer it is to one, the more internally consistent the scale's elements are (Zikmund, Babin, Carr & Griffin. 2010). Cutoff for Cronbach's Alpha Coefficient was 0.7, and any items of values below 0.7 deemed weak; as a result, they were either changed or omitted from the final questionnaire.

3.7 Data Collection Procedures

The researcher obtained a clearance letter from South Eastern Kenya University, which was then used to obtain a NACOSTI researchers permit. The researcher proceeded to collect data after checking validity and reliability of research instruments. Measures of central tendency, normality tests and measures of dispersion such as multicollinearity were done. Bank managers received a letter requesting formal permission to conduct the study. The researcher requested the bank attendants to allow her to interview the customers who filled the questionnaire out of their own free will. The respondents' permission was acquired prior to collection of data. After the respondents agreed to take part in the study, they were given research instruments. A few respondents accepted to answer the questionnaire on spot. Other questionnaires were dropped and picked at the earliest convenience once the respondents had completed them.

3.8 Data Analysis and presentation

The researcher reviewed the data, addressed issues of blank responses, sorted, coded, and categorized it before entering it into the SPSS 26 computer program to perform the actual analysis. Multiple regression assumption tests, including the normality, multicollinearity, and homoscedasticity tests, were carried out to guarantee the validity of the models created in this study.

To ascertain if the provided data was regularly distributed or not, normality tests were run. Histogram, normality, and scatter plot of residuals that were standardized against predicted values of customer satisfaction were used to test the data's adherence to normal, linear, and homogeneity. Hence, the histogram, Shapiro-Wilk, and Kolmogorov-Smirnov tests were applied.

Another test that was undertaken was multicollinearity which refers to a situation where by explanatory variables are highly correlated with each other (Jingyu li, 2003). Variance Inflation Factor (VIF) was used. The research also tested assumption of homoscedasticity (literally, same variance) which refers to a situation of having an error term that assumes equal values across all the predictor variables (Hair, William, Barry and Anderson, 2006). Homoscedasticity test determines the suitability of a regression model to correctly estimate variations of dependent variables. In normal circumstances, prediction should be consistent for all values assumed by the dependent variable. When the aforementioned situation reflects otherwise, it is a case of heteroscedasticity, implying that the error term has assumed irregular values across all predictor variables. The extent to which this violation impacts on relationship between the study variables was based on magnitude of change. Such that the larger the change, heteroscedasticity increases.

By evaluating the central and dispersion tendencies of variables using mean, frequency, standard deviation (SD), and percentage, the study employed descriptive analysis. The study also utilized correlation matrices with the Pearson product moment method to establish the relationship between two variables. Additionally, moment coefficient models and multiple regressions was used to further analyze the data. These methods help them understand the strength and direction of the relationship between variables, allowing them to draw meaningful conclusions from the data In this case, multiple regression models were used to analyze study variables, and F-test used to determine the equation's significance or the best fit. The coefficient of multiple determinations, known as the adjusted R^2, was also calculated to demonstrate the effectiveness of the best fit in explaining data variation.

Additionally, the significance level of each study variable's individual regression coefficient was determined using a slope test with the t-statistic, in addition to the R^2 test. The study developed linear multiple regression models to ascertain relationships between customer satisfaction and four variables such as infrastructure, communication to customers, bank employees' responsiveness, and customer retention strategies in commercial banks in Machakos Town. The models utilized various tests including Pearson correlation coefficient and regression models to evaluate the significance association between variables.

Regression model formula is represented as follows: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$

$+ \varepsilon$ Where: Y = Customer satisfaction X1 = Infrastructure X2 = Communication to customers X3 = Bank employees' responsiveness X4 = Customer retention strategies

β_0 = Constant term

β_1, β_2, β_3, and β_4 = Coefficient values of the independent variables X1, X2, X3, and X4, Respectively ε = Error Term.

The data collected was presented through frequencies, frequency polygons, and pie charts. The written responses were classified into general groups.

3.9 Ethical Considerations

Ethical issues according to Mugenda & Mugenda (2009), are critical on any research. Research that adheres to ethical standards is thought to not cause harm, obtain informed consent, and respect the rights of those being investigated. When it comes to the conduct of researchers, ethical considerations are a crucial part of research. Anonymity and confidentiality must be maintained, participants must not suffer harm, participation must be voluntary, deceit must be avoided, and fair reporting must be practiced (Babbie, 2009). Ethics guidelines were followed before, during, and after the study was conducted.

An effort was made to prevent the researcher's personal bias from impeding research process and to focus on ensuring that all stakeholders were given an equal opportunity to be considered in order to support objectivity in the investigation. The data was accurately provided by the researcher in the findings report and was only used to further the study's objectives. Best and Khan (2009) argued that researchers should not falsify data or information in order to suit their view but they should use the information given by their respondents when reporting research findings.

CHAPTER FOUR

4.0 RESULTS

4.1 Introduction

This section focuses on analysis and discussions of thematic aspects from specific objectives. These key perspectives include; response rate, validity test, reliability test, demographic characteristics, descriptive statistics, correlation test and multiple regressions, customer satisfaction in Machakos Towns commercial banks. Service quality which is composed of bank infrastructure, bank communication, bank employees' responsiveness to customers, and customer retention strategies.

4.2 Response Rate

A study selected a sample size of 74 bank customers, issuing questionnaires to both internal (bank employees) and external customers using a pick and drop method. According to Babbie (2003), a 50% response rate can be sufficient depending on the questionnaire used for evaluation. Moreover, a response rate of 60% is considered satisfactory for data analysis, while 70% is deemed excellent. This aligns with the social exchange theory by Homan Emerson (1976), which suggests that response rates to questionnaires are influenced by the perceived benefits and costs associated with participation. (Milan 2005).

Seventy-one (71) completed questionnaires were returned out of the seventy-four (74) distributed, resulting in a response rate of 95.9%. This high response rate, which was both sensibly high and satisfactory, suggests that the data collected was satisfactory and suitable for the study. The involvement of bank officials directly may have contributed to achieving such high response rates. Table 4.1 displays the results of the questionnaire return rate.

Table 4.1: Response Rate

Details	Response
Questionnaires distributed	74
Questionnaires correctly filled and returned	71
Response Rate	**95.9%**

A 95.9% response rate was achieved after 71 of the 74 questionnaires were completed and returned, as shown in Table 4.1. Low response rates, which are rarely greater than 50%, provide challenges for researchers. (Nachmias and Nachmias) (2004) proposed that a satisfactory response rate be a minimum 50% in order to provide a solid foundation for data processing. According to Kothari's (2014) opinion and Mugenda & Mugenda (2009) , it is believed that 50% response rate was sufficient for investigation and reporting. Additionally, 60% rate is good, and a 70% rate or greater is valued. As a result, the response rate of 95.9% was attained, according to authors is exceptional and enables the study proceed with analysis.

4.3 Results of the Pilot Study

The pilot study involved 8 respondents selected from each of the 5 commercial banks, totaling approximately 9.8% of the total target population of 82 respondents. The participants in the pilot test did not continue to participate until the end of data collection. This falls within the recommended range of 1% to 10% of the sample size for pre-testing, as suggested by Mugenda & Mugenda (2008).

Test on variable reliability using Cronbach's Alpha coefficients was also performed. Its goal was to evaluate the consistency and reliability of the study's variables across multiple assessments. Cronbach's Alpha is a reliability coefficient which measures how strongly connected the components of a set are. This objective was achieved by calculating the scores for each variable using Statistical Package for Social Science (SPSS). Alpha coefficients over 0.7 have all been assumed to be adequate for the study's advancement. Furthermore, when Cronbach Alpha is applied on reliability testing, the figure should not be less than 0.7, according to Sekaran and Bougie (2016). Cronbach Alpha test was finally run on five independent variables, with the results shown in Table 4.2.

Table 4.2: Reliability Analysis

Variable	Type of Variable	Cronbach's Alpha	Number of Items
Customer Satisfaction	Dependent	.797	5
Bank Infrastructure	Independent	.849	5
Bank Communication	Independent	.797	5
Bank employees' responsiveness	Independent	.869	5
Customer Retention Strategies	Independent	.804	4

From Table 4.2, it is revealed that all study variables were reliable for they had a Cronbach alpha coefficient above 0.7 which were considered to be good enough in a study. This was consistent with the proposition by Orodho (2009) which posited that a value of not less than 0.7 is sufficient and acceptable. The Cronbach alpha values established for the study variables, namely; customer satisfaction, bank infrastructure, bank communication, bank employees' responsiveness and customer retention strategies were assumed to have acceptable level of reliability.

4.4 Bank Customer Background Information

Diverse criteria were applied in this study to analyze the demographic characteristics of commercial bank customers, enabling the researcher to categorize potential respondents participating in the data collection process. These criteria included factors such as age bracket, gender, and education level. By applying these diverse criteria, the researcher could ensure that the sample of respondents chosen for the study represented a wide range of demographics within the customer base of commercial banks. This approach helps to enhance the representativeness and reliability of the study's findings. These groups were as follows: gender disclosure, age bracket, level of education disclosure, and being a customer of one or more banks in Machakos town. The researcher prioritized the demographic approach because it introduced other aspects of customer satisfaction that were not covered in the main links between service quality and customer satisfaction correlation.

4.5 Gender of the Bank Customers

The purpose of the study was to examine the gender of the commercial banks' customers and employees in Machakos town. The results are illustrated in Figure 4.1 below.
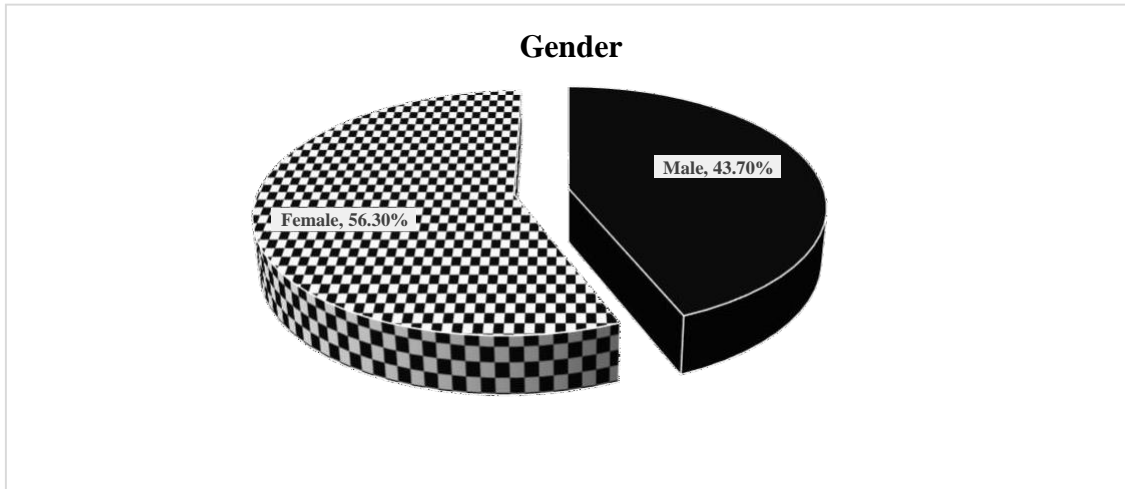
Figure 4.1: Gender of the Bank Customers

According to Figure 4.1, female customers were the significant number across all banks with 56.3% while male bank customers were 43.7% of the total. This suggests that, in contrast to male customers, more female customers visited the commercial banks during that period.

4.6 Age Category of Bank Customers

Figure 4.2 displays result findings for the age ranges of bank customers who took part in this research study.
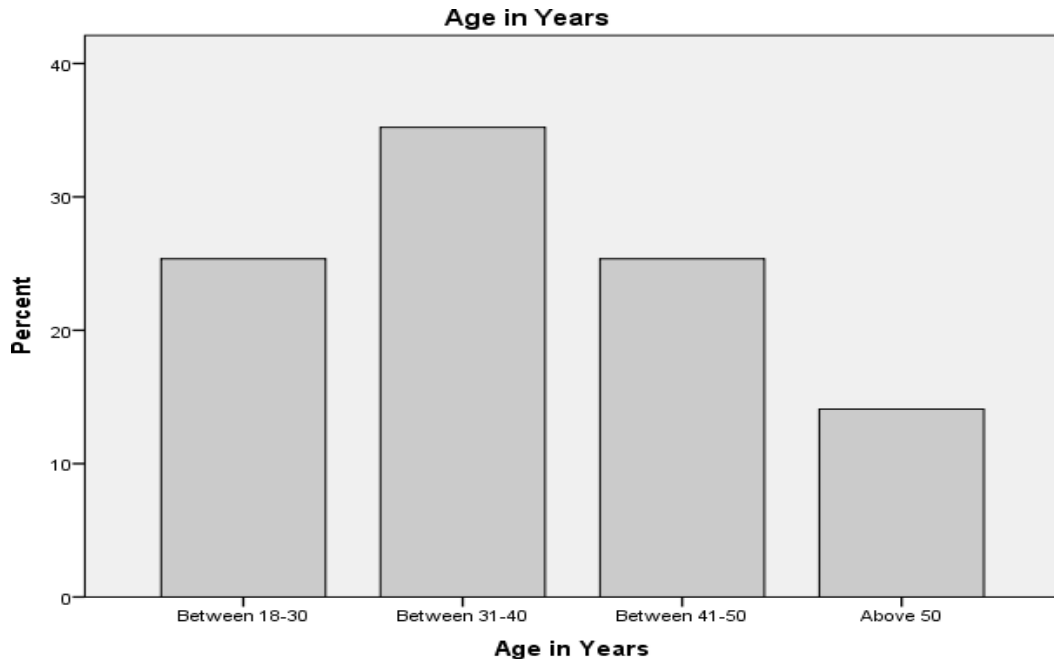
Figure 4.2: Age of the Bank Customers

It was established that those bank customers in the 31-40 (35.2%) age bracket were the majority for it is most likely that they are the working class and would prefer an account with a bank for wages and salary payment transactions which could be more satisfying as per Figure 4.2. Those between 18-30 (25.4%) and 41-50 (25.4%) range of years have a common characteristic of low income because maybe they are job seekers and are not in much need of bank services. The customers with 50 years and above are ranked the lowest with 10%. This group may still be relying on bank services, or have alternative and more suitable methods such as Mpesa services. These may not require them to visit the bank premises physically.

4.7 Level of Education of the Bank Customers

The findings of the study shown in Figure 4.3, was to determine the respondents' level of education.

Highest level of Education
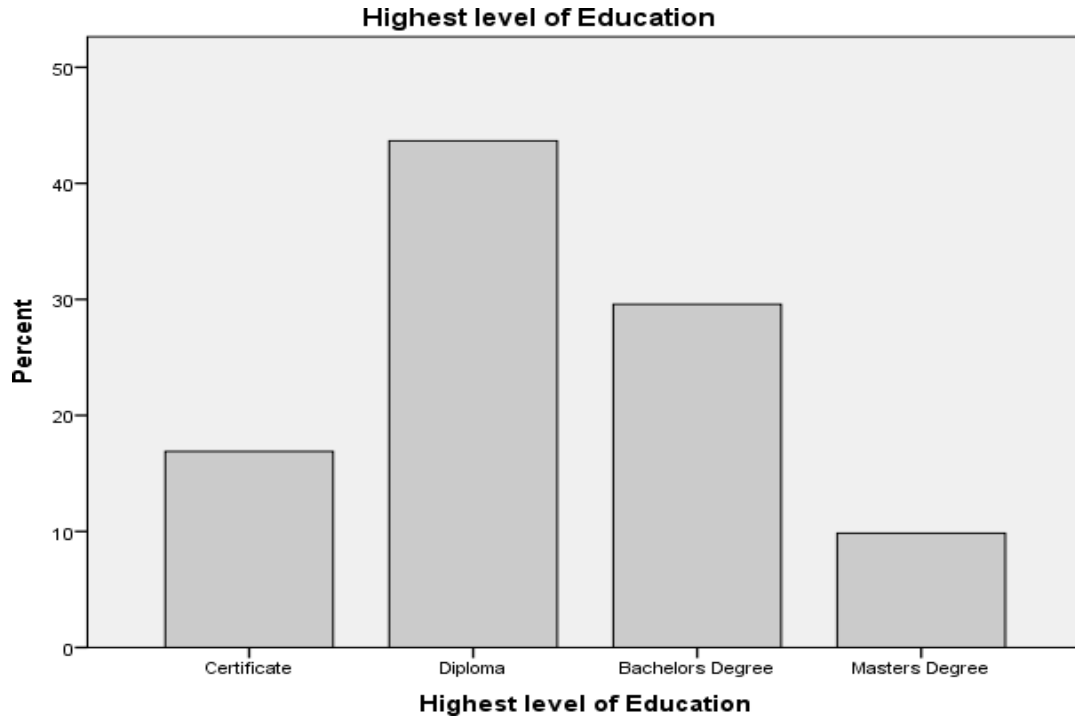
Figure 4.3: Highest Level of Education of the Bank Customers

As per Figure 4.3, those customer with diploma were the majority with 43.7% followed by the Bachelor degree holders with 29.6% and those with certificates had 16.9% (12) representation and Master category were the minority. On average, all the bank customers were literate and this aided on understanding the need of customer satisfactory bank services.

4.8 Respondent's Time Duration in Years as a Bank Customer

The study proceeded to find out the respondent's duration of time they had been customers at the respective banks in Machakos town. The results are depicted in Figure 4.4.
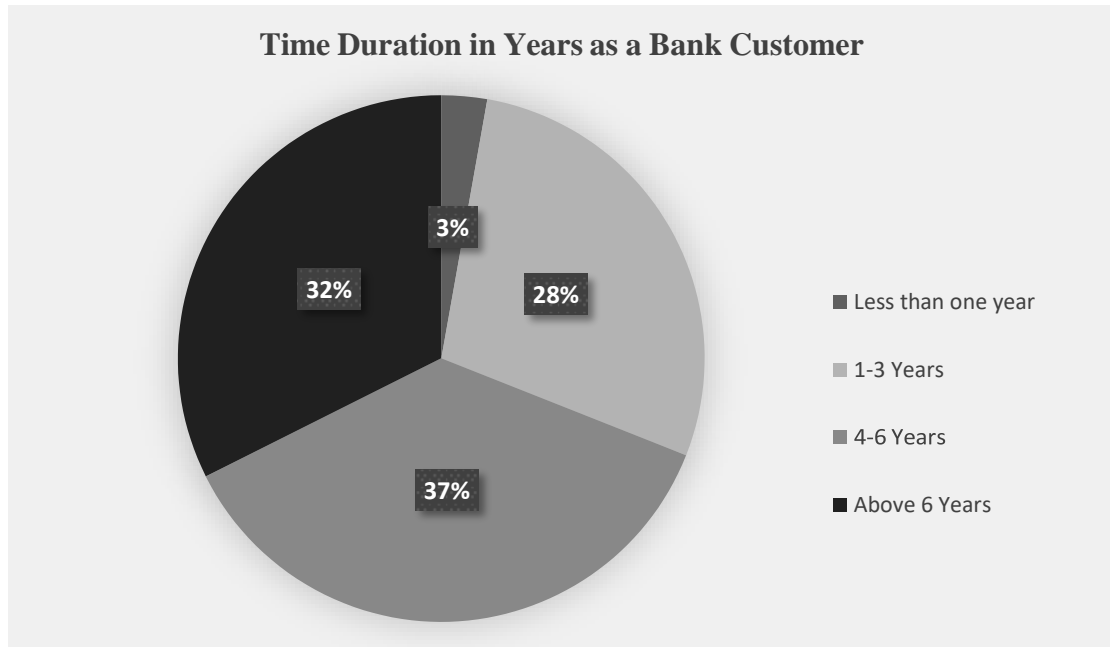
Figure 4.4: Time Duration in Years as a Bank Customer

From Figure 4.4, those with the 4-6 years were represented by 36.6% and hence the majority. This was followed by those who have been customers in the respective bank for 6 years and above (32.4%). Then those with 1-3 years were at 28.2%. Those with less than one year were 2.8%. This implies that generally majority of the customers had reasonable time with the respective banks a sign of trust to satisfying customer services unlike other similar service providers.

4.9 Diagnostic Tests

On collecting data, it was necessary to test for suitability of data for analysis (Razali and Wah, 2011). To achieve this objective, various tests were performed which include normality, multicollinearity and homogeneity tests. If data does not qualify these tests, then the outcome always mislead the users of the information provided by the study. The three tests were undertaken as portrayed in the following sections.

4.9.1 Normality Tests

To test for normality, histogram, plot of residuals which where standardized against predicted dependent valus were used. Hence the Kolmogorov-Smirnov and Shapiro Wilk

and histogram test were utilized. In addition, scatter plot was used as depicted in Table 4.3, Figure 4.5 and Figure 4.6 respectively.

Table 4.3: Kolmogorov-Smirnov and Shapiro-Wilk Normality Test

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Customer Satisfaction	.165	71	.060	.949	71	.071
a. Lilliefors Significance Correction						

From Table 4.3, customer satisfaction in commercial banks in Machakos Town for the two tests portrayed that, one; for Shapiro-Wilk test the p value was (P=0.071) and Kolmogorov-Smirnov test the p value was (P=0.060) which were both statistically for both of the above tests, null hypothesis which states that data are taken from normal insignificant for the P values were greater than the critical value of 0.05. This implies that distributed population was rejected that is, data were considered normally distributed. Further, the corresponding Figure 4.5 to 4.6 below depicted that normality assumption was fulfilled.

The degrees of freedom (df) values you provided offer insight into the sensitivity of normality tests to deviations from a normal distribution.

The degree of freedom (df) in Table 4.3 represents the number of times the researcher was free to select at random, the observations of the sample. The df in this case was 71. Hence there was no constraint of choosing the sample elements because the respondents were picked randomly.

The degrees of freedom (df) values offer insight into the sensitivity of normality tests to deviations from a normal distribution.

Customer satisfaction in commercial banks in Machakos Town was normally distributed, as per Table 4.3. Furthermore, Figures 4.5 and 4.6 below show that the normality assumption was met.
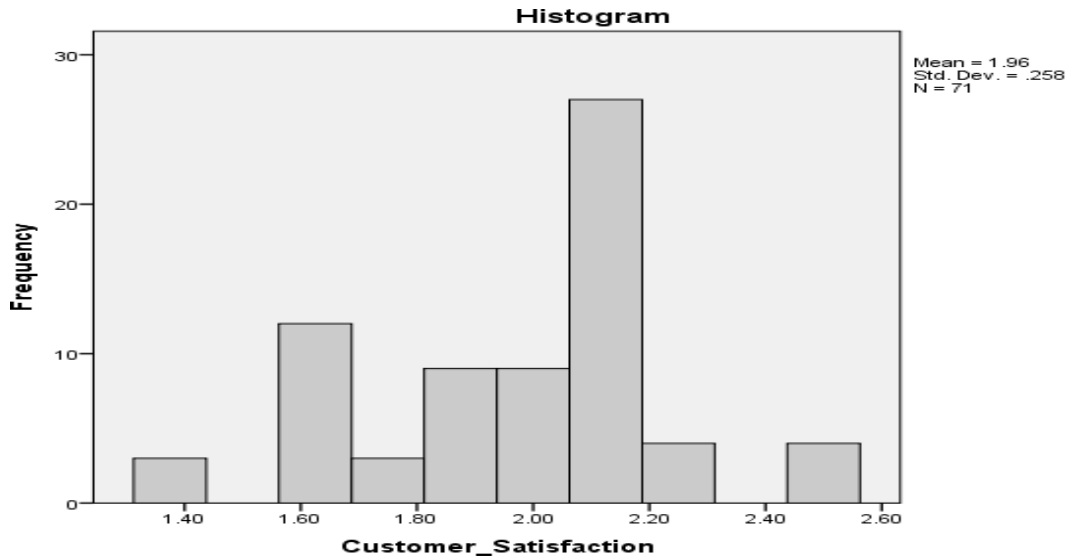
Figure 4.5: Histogram Test for Normality

As per Figure 4.5, it provides insights into the distribution of customer satisfaction ratings within the analyzed sample. With a mean satisfaction rating of 1.96 and a standard deviation of 0.258, the data suggests a central tendency around this average value. The bell-shaped curve of the histogram, indicative of a normal distribution, further reinforces this observation. It implies that the majority of customers tend to rate their satisfaction close to the mean, with ratings gradually decreasing in frequency as they deviate from this average in either direction. With a sample size of 71 customers, this distribution provides a comprehensive understanding of the spectrum of satisfaction levels experienced by the clientele. Such insights derived from the histogram facilitate a nuanced understanding of customer sentiment and can inform strategic decisions aimed at enhancing overall satisfaction levels within the analyzed context.

Figure 4.6: Normality Plot

4.9.2 Multicollinearity Test

The Variance Inflation Factor (VIF) was used to put the theory to the test the level of multicollinearity among the predictor variables. Using the correlation matrix and tolerance values, it was determined that there was no case of multicollinearity. The results are shown in Table 4.4.

Table 4.4: Multicollinearity Test

	Collinearity Statistics	
Independent Variables	**Tolerance**	**VIF**
Bank Infrastructure	.729	1.373
Bank Communication	.438	2.285
Bank Employees' Responsiveness	.631	1.584
Customer Retention Strategy	.545	1.836

From the Table 4.4 it was evident that multicollinearity assumption was met since the VIF factor was above 1 but less than 4 (Pallant, 2011). Further proof was by use of the tolerance values whereby the values under investigation were not less than the threshold values set of 0.1. According to (Hair et al. (1998), a tolerance and VIF values of less than 0.1 and a value not exceeding 4 respectively was set to assess multicollinearity as shown in Table 4.4

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4.9.3 Homoscedasticity Test

Heteroscedasticity is the opposite of homoscedasticity, and assumes that variance of error term does not remain consistent across observations. It is a problem because it makes the variance to be inefficient and in turn makes estimators to be biased. The Breusch-Pagan test was used in this study to establish presence/absence of heteroscedasticity. Results are indicated in Table 4.5

Table 4.5: Homoscedasticity Test results

Model	Chi-square	P-Value	Conclusion
Customer Satisfaction	3.66	0.0556	Homoskedasticity present

Source: Research Data (2021)

The null hypothesis of Breusch-Pagan tests variance and is constant (homoskedasticity present) while the alternative assumes that heteroskedasticity is present. To make an inference, calculated p-value is compared with critical p-value (0.05). If the calculated p-value is greater than 0.05, then we conclude that homoskedasticity is present. As shown in Table 4.5, the p-value is greater than 0.05. Hence, the variance is homoscedastic and forthcoming regression results will be reliable.

4.10 Descriptive, Correlation and Regression Analysis

In this section, the dynamics of the study variables were interrogated using three methods of data analysis, that is; descriptive, correlation and regression analysis in that order.

4.10.1 Descriptive Analysis of Customer Satisfaction Sub-Variables

Customer satisfaction is significant because it provides marketers and business owners with a metric to manage and improve their operations. By measuring and tracking customer satisfaction organizations can put new procedures in place to increase the overall quality of customer service (Murugiah & Akgam, 2015). For both interpretation and conclusion purposes, the line mean and standard deviation of each viewpoint were compared with the corresponding composite scores. The output is shown in Table 4.6.

Table 4.6: Descriptive Analysis of Customer Satisfaction-Sub-Variables

Customer Satisfaction Statements	n.		SA	A	N	D	SD	Mn	Std. Dev
Services given by bank are fast and efficient	71	Frq. %	26.8	56.3	15.5	1.4	0.00	1.92	.692
My experience with the bank is very good	71	Frq. %	33.8	57.7	8.5	0.00	0.00	1.75	.603
Customers are likely to tell friends and family about the positive experience with this bank	71	Frq. %	15.5	71.8	12.7	0.00	0.00	1.97	.534
Customers are completely satisfied with the services offered by my bank	71	Frq. %	11.3	25.4	63.4	0.00	0.00	2.52	.694
Customers don't leave this bank.	71	Frq. %	9.9	19.7	66.2	2.8	1.4	2.66	.755
Composite Mean & Standard Deviation (SD) Score								**2.164**	**.6556**

The study's goal was to ascertain how much five commercial banks around Machakos Town's quick and effective service impacts client satisfaction. Table 4.6 shows that 83.1% of the 71 survey participants believed that the quick and effective services provided by five commercial banks in Machakos town increased customer satisfaction. Just 1.4% of participants (15.5%) disagreed with this statement, while another 15.5% were unsure of what caused customer satisfaction levels to fluctuate. The composite mean was 2.164, while the line mean was 1.92 and a .692 standard deviation (SD). The research conducted in Machakos Town on the relationship between service quality and customer satisfaction in commercial banks revealed that enhancing the speed and efficiency of services significantly boosts customer satisfaction, which may lead to loyalty and retention. To improve customer satisfaction, banks should focus on providing high-quality services

consistently to encourage positive experiences and word-of-mouth referrals.

A descriptive approach was also used to investigate customers' interactions with the bank. According to Table 4.6, 91.5% of customers were in agreement that they had a wonderful experience with the bank and felt satisfied. The remaining 8.5% was neutral as they were unsure if their respective banks personal experience had resulted in their satisfaction. No other respondent was in disagreement with the proposition that their experience was excellent and satisfactory. The corresponding line mean ($\bar{x} < 2.164$) was lower than the composite mean, with a standard deviation of .603. This indicates that customers who had a positive experience with the bank were more likely to be satisfied, while those who were neutral or unsure about their experience (8.5%) were less likely to be satisfied. Therefore, customer satisfaction was statistically significantly influenced by the customers' personal banking influence.

Once more, the study investigated the link between customers' satisfaction and their willingness to tell others about their favorable bank experiences. According to Table 4.6, 87.3% bank customers took part in the study and believed that there was good probability they would tell their friends and relatives about their great experience with the bank. While no one specifically disagreed with this assumption, 12.7% of respondents were unsure if it might be true. The line mean or average stood at 1.97, and was less than composite mean or average of 2.164 with a standard deviation of .534. These findings suggest that satisfied customers are more inclined to share their positive experiences with others, leading to potential referrals and positive word-of-mouth marketing for the bank. This link between satisfaction and willingness to recommend can have significant implications for the bank's reputation and acquisition of new customers. When customers are satisfied, they are not only more likely to continue using the bank's services but also to act as advocates, thereby attracting new customers through their recommendations. As a result, the customers' positive experience with the bank significantly influenced customer satisfaction in the five commercial bank branches in Machakos town.

A cross-examination was conducted on the issue of consumers' total satisfaction with the

operations provided by their bank. 36.7% of the interviewed bank customers believed that this contributed to their satisfaction with the services provided by their individual banks. The majority, 63.4%, did not agree with that suggestion since they were seen as holding a neutral opinion. Table 4.4 shows that the matching line mean was 2.52, higher than the composite mean of 2.164, and the standard deviation was .694. As the line mean was higher than the composite mean, it was clear that clients were entirely satisfied with the bank services offered, even though a big number of respondents disagreed. Lastly, the argument that customers did not switch from one bank to another or financial institution was assessed. According to Table 4.6, 29.6% of respondents believed that customers did not leave one bank for another or for a different financial institution, while 2.8% disagreed. But nonetheless, 66.2% of respondents were unsure as to whether such was the situation in each bank. Table 4.6 shows that the line mean/average was higher (2.66>2.164) and had a standard deviation of .755. So, in conclusion, the factor of customers sticking with a single bank had statistically significant significance.

4.10.2 Descriptive Analysis of Bank Infrastructure-Sub-Variables

ATM machines, cash and cheque deposit machines, and other bank facilities make payments, transfers, and deposits into accounts very convenient for bank customers (Zineldin, 2015).

To determine the extent to which bank infrastructure influenced customer satisfaction, respondents were questioned. For both interpretation and conclusion, the line mean and standard deviation of each opinion was then compared to the respective composite scores. The response was as shown in Table 4.7.

Table 4.7: Descriptive Analysis of Bank Infrastructure-Sub-Variables

Bank Infrastructure Statements	n.	S	SA	A	N	D	SD	Mn	Std. Dev
The bank building, seating area & service tables are state of the art	71	Frq. %	22.5	69.00	8.5	0.00	0.00	1.86	.542
Materials necessary for quality banking services are available in the banking hall.	71	Frq. %	47.9	46.5	5.6	0.00	0.00	1.58	.601
The bank has modern banking equipment like ATM machines.	71	Frq. %	47.9	43.7	8.5	0.00	0.00	1.61	.643
The bank personnel are always neat and orderly.	71	Frq. %	49.3	47.9	2.8	0.00	0.00	1.54	.556
The bank maintains &upgrades its systems frequently	71	Frq. %	23.9	62.0	14.1	0.00	0.00	1.90	.613
Composite Mean & Standard Deviation (SD) Score								**1.698**	**.591**

The concern of whether bank building, seating area and service tables were the state of the art according to customers who were investigated was incorporated in this study. Table 4.7, portrays that a huge number of the respondents 91.5% agreed that bank buildings, seating areas and service tables were the state of the artand aided in customer satisfaction. On the other hand, minority 8.5% of the respondents were unsure what resulted to customer satisfaction level to deviate. No respondents were in disagreement. The line mean was 1.86 compared to the composite one of 1.698 with a standard deviation of .542 and suggests that bank building, seating area and service tables were the state of the art and significantly influenced customer satisfaction.

The presence of materials required for quality banking services (loan forms, cheque books, stationery, and interiors) in the banking hall was also assessed. The results as per Table 4.7

exhibited that 94.4% of the customers supported the idea that availing of materials necessary for quality banking services satisfied customers. 5.6% were in dilemma. Hence, had no idea whether availability of the materials necessary for quality banking services in the banking hall was a cause of customer satisfaction. No respondent 0% disagreed with that proposal. The matching line mean/average was below the composite one $(1.58 < 1.698)$ with standard deviation of .601. Therefore, the availability of materials necessary for quality banking services and banking halls were found to have some statistically significant influence on customer satisfaction.

Further, the study sought to establish contribution modern banking equipment such as ATM machines on customer satisfaction. Table 4.7 shows that that 91.6% of the bank customers who participated in this study were of the opinion that bank having modern banking equipment like ATM machines satisfied customers. Whereas, no body directly disagreed with this idea. 8.5% of the respondents were not sure that this aspect could cause customer satisfaction. The corresponding line mean or average was 1.61 which was below composite score of 1.698with standard deviation of .643. This implies that the modern machines like ATM did not significantly relate with customer satisfaction in commercial banks in Machakos town.

Focus was placed on the continuous neatness and orderliness of bank personnel and its link to customer satisfaction. 97.2% of the bank customers surveyed in this study indicated that this aspect was related to their satisfaction. Another 2.8% were undecided and did not support that suggestion. As per Table 4.7, the conforming line mean was 1.54 which was lesser than the composite score of 1.698 and SD was .556. It was evident that customers were in satisfaction by the continuous neatness and orderliness of bank personnel although it was not that significant. In addition, the study sought to establish whether banks' frequent maintenance and upgrading of its systems really influenced customer satisfaction. The descriptive analysis outcome portrayed that 85.9% of the respondents were in agreement that the aforementioned aspect was linked to customer satisfaction. But 14.1% respondents were not sure whether this aspect was related to customer satisfaction. According to Table 4.7, the line mean was 1.90 which was greater than composite score of 1.698 with SD of

52

.613. This shows that when banks frequently maintain and upgrade their systems it causes customer satisfaction in a significant way.

4.10.3 Descriptive Analysis of Bank Communication-Sub-Variables

Koontz and O'Donnell (2019) define communication as a way that one organization member shares meaning and understanding with another. Effective communication is can help any organization in many ways and can also be condemnatory. To determine the extent to which bank communication influenced customer satisfaction, respondents were asked a series of questions. For both interpretation and conclusion, the line mean and standard deviation of each scores was analysed to its respective composite scores. The response was as shown in Table 4.8.

Table 4.8: Descriptive Analysis of Bank Communication-Sub-Variables

Bank Communication Statement	n.		SA	A	N	D	SD	Mn	Std. Dev
Bank has provided convenient access to the information the customer needs	71	Frq. %	36.6	59.2	4.2	0.00	0.00	1.68	.555
Bank staff provide accurate information during face-to-face meetings	71	Frq. %	28.2	67.6	4.2	0.00	0.00	1.76	.520
Bank has reliable online banking services	71	Frq. %	22.5	40.8	35.2	1.4	0.00	2.15	.786
Bank informs customers about its existing and new services/products	71	Frq. %	19.7	70.4	9.9	0.00	0.00	1.90	.539
Sharing of information by the bank is timely	71	Frq. %	16.9	64.8	18.3	0.00	0.00	2.01	.597
Composite Mean & Standard Deviation (SD) Score								**1.90**	**.5982**

As pertains access to information, this study sought to establish contribution of convenient access to information needed by customers towards customer satisfaction. As shown by Table 4.8, 95.8% of the bank customers participated in this study agreed that convenient access of information as provided by the bank was having a connection to customer satisfaction. While on the other hand, no body directly disagreed with this theory. However, 4.2% of the total respondents were not sure that this aspect could be associated to customer satisfaction. The corresponding line mean or average was 1.68 which was below the composite one of 1.90 and standard deviation of .555. This portrayed that convenient access to information needed by the customers helped contribute to customer satisfaction in commercial banks in Machakos although not in a significant manner.

The study also focused on the issue of bank staff providing accurate information during face-to-face meetings and its association to customer satisfaction. 95.8% of the bank customers researched in this study were in agreement that aspect stated above resulted towards customer satisfaction. 4.2% were not in support for they were undecided. As per Table 4.8, the corresponding line mean was 1.76 which was lower than the composite score of 1.90 and standard deviation of .520. It was proven that customers were satisfied by bank staff providing accurate information during face-to-face meetings although it was not significant. In addition, the study sought to establish whether bank online banking services were reliable and supported customer satisfaction. The descriptive analysis results shows that 63.3% of respondents were in agreement that above-mentioned facet aided customer satisfaction while 1.4 did not accept that argument. Nevertheless35.2% respondents were not sure whether this aspect contributed towards customer satisfaction. According to Table 4.8, the line mean was 2.15 which was greater than composite score of 1.90 with a standard deviation of .786. This displays that the sub-variable was related to customer satisfaction in a significant way.

The approach of the bank informing its customers about its existing and new services/products was also surveyed. The results as per Table 4.8 showed that 90.1% of the customers agreed that the approach was customer satisfying. But 9.9% were neutral. Hence, had no idea whether information on existing and new bank products in the

respective bank really created their satisfaction. No respondent 0% disagreed with that proposition. The corresponding line mean was 1.99 which was above the composite one (1.784) with standard deviation of .621. Therefore, the approach of the bank informing its customers about its existing and new services/products had statistically significant influence on customer satisfaction.

Lastly, under bank communication general viewpoint, out of the bank customers conducted in this study, 81.7% was in agreement that timely sharing of information by the banks contributed to customer satisfaction The study also established that 18.3% were undecided or neutral. Table 4.8 shows the corresponding line mean at 2.01 above the composite one (i.e., 1.90) and a standard deviation of .597. Hence, it was evident that customers were satisfied by the banks timely sharing of information which was statistically significant.

4.10.4 Descriptive Analysis of Bank Employees' Responsiveness -Sub-Variables
Responsiveness, as defined by Zeithaml et al. (2016), is the willingness to assist customers and provide prompt service. This dimension is concerned with responding to customer requests, questions, and complaints in a timely and attentive manner. Timely and adequate response is a major determinant of service quality.

The respondents were asked a series of questions in order to determine the extent to which bank employees' responsiveness affected customer satisfaction. For both interpretation and conclusion purposes, the line mean and standard deviation of each viewpoint were contrasted with the corresponding composite scores. Table 4.9 shows the results obtained.

Table 4.9: Descriptive Analysis of Bank Employees' Responsiveness -Sub-Variables

Bank Employees' Responsiveness Statement	n.		SA	A	N	D	SD	Mn	Std.Dev
Employees are always ready to help customers and give individual attention to customers	71	Frq. %	50.7	43.7	5.6	0.00	0.00	1.55	.604
The staff show willingness to respond to customers' needs by being prompt	71	Frq. %	49.3	43.7	7.0	0.00	0.00	1.58	.625
The bank's employees are always courteous to customers	71	Frq. %	43.7	49.3	7.0	0.00	0.00	1.63	.615
Bank staff are effective in offering solutions to resolve problems & complaints of the customer	71	Frq. %	19.7	62.0	18.3	0.00	0.00	1.99	.621
The staff maintain the promptness of service delivery even when working under pressure	71	Frq. %	11.2	60.6	28.2	0.00	0.00	2.17	.609
Composite Mean & Standard Deviation (SD) Score								**1.784**	**.6148**

The study sought to establish the contribution of employees' continuous readiness in helping and giving individual attention to customers. As per Table 4.9, it was depicted that 94.4% of the bank customers agreed that the bank employee action aforementioned had some influence on customer satisfaction. On the other hand, no body directly disagreed with this scheme. However, 5.6% of the total respondents were not sure that this aspect could be the source of customer satisfaction. The consistent line average was 1.55 was below the composite one of 1.784 and standard deviation of .625. This portrayed that Employees' continuous readiness in helping and giving individual attention to customers

had some contribution towards customer satisfaction in commercial banks in Machakos although not in a significant way.

The study also focused on the staff willingness to respond to customers' needs by being prompt and its association to customer satisfaction. Out of 71 customers conducted in this study 93%were in agreement with that opinion. 7% did not agree nor disagree that suggestion for they were undecided. As per Table 4.9, the corresponding line mean was 1.58 which was lower than the composite score of 1.784 with a standard deviation of was .625. It was established that the staff willingness to respond to customers' needs by being prompt and its association to customer satisfaction was not significant. In addition, the study sought to establish to what extent bank employees' courtesy influenced customer satisfaction. The descriptive analysis results depicted that 93% of the respondents were in agreement that the above-mentioned aspect caused customer satisfaction while 7% were neutral. According to Table 4.9, the line mean was 1.63 which was lower than composite score of 1.784 with a standard deviation of .615. This displays that the sub-variable under interrogation above caused customer satisfaction although not significantly.

In another descriptive analysis on the aspect of bank staff being effective in offering solutions to resolve problems and complaints of the customers, it was revealed that 81.7% were in agreement that bank staff were effective in offering solutions to resolve problems and complaints of the customer and this contributed to customer satisfaction The study also established that 18.3% were undecided or neutral. According to Table 4.9, the corresponding line mean was 1.99 which was below the composite one (i.e., 1.584) with a standard deviation of .621. Hence, while customers were generally pleased with the effectiveness of bank staff in offering solutions to resolve problems and complaints, it is important to note that this finding was not statistically significant.

Finally, the banks' aspect of staff maintaining the promptness of service delivery even when working under pressure was assessed. 71.9% of respondents agreed that promptness of service delivery brought about customer satisfaction. Then, another 28.2% were neutral pertaining this supposition. As per Table 4.9, the line mean was 2.17 which was above the

composite score of 1.784 with a standard deviation of .609. In conclusion, promptness in service delivery aided in customer satisfaction in a significant manner.

4.10.5 Descriptive Analysis of Customer Retention Strategies-Sub-Variables

Commercial banks value customer relationship management because it aids in customer acquisition and retention (Emma et al., 2015). Management must always comprehend their customers, and resources that keep them contented must be implemented to preserve their retention (Ganesh, 2010).

To determine the extent to which customer retention strategies influenced customer satisfaction, respondents were asked a series of questions. For both interpretation and conclusion, the line mean and standard deviation of each opinion were compared to the respective composite scores. The response is depicted in Table 4.10.

Table 4.10: Descriptive Analysis of Customer Retention Strategies-Sub-Variables

Customer Retention Strategy Statement	n.		SA	A	N	D	SD	Mn	Std. Dev
The bank has been efficient in its operations, creating customer satisfaction	71	Frq. %	35.2	62.0	2.8	0.00	0.00	1.68	.528
The bank has developed new products over the past five years	71	Frq. %	26.8	60.6	12.7	0.00	0.00	1.86	.616
The bank has put customer dissatisfaction arising from increased prices under control	71	Frq. %	9.9	31.0	59.2	0.00	0.00	2.49	.673
The bank has diversified its products and services in the recent years enabling it to retain customers	71	Frq. %	15.5	52.1	31.0	1.4	0.00	2.18	.703
Composite Mean & Standard Deviation (SD) Score								**2.05**	**.630**

In terms of bank efficiency in its operations leading to the creation of customer satisfaction, the study found that 97.2% of those respondents agreed that such efficiency had an impact on customer satisfaction. In contrast, no one directly disagreed with this concept. However, 2.8% of respondents were unsure that this factor could be the source of customer satisfaction. According per Table 4.10, the corresponding line mean or average was 1.68, which was less than the composite mean of 2.05 with a standard deviation of .528. Although not statistically significant, this shows that efficient bank operations contributed to customer satisfaction in Machakos commercial banks.

This study also focused on newly developed products by banks over the last five years. According to the descriptive analysis results, 87.4% of respondents agreed that the aforementioned sub-variable contributed to customer satisfaction. The remaining, 12.7% were undecided and did not support the suggestion. According to Table 4.10, the corresponding line mean was 1.86, which was lower than the composite mean (i.e., 2.05) with a standard deviation of .616. Customers were clearly satisfied by the new products developed by banks over the last five years, though this was not statistically significant. Further descriptive analysis was performed to assess the relationship between banks' strategies for mitigating customer dissatisfaction caused by price increases and customer satisfaction. It was discovered that 40.9% of those respondents agreed. 59.2% were undecided about whether this factor contributed to customer satisfaction. Table 4.10 shows that the line mean was 2.49, which was higher than the composite mean of 2.05 with a standard deviation of .673. This implies that banks' strategy of mitigating customer dissatisfaction caused by price increases had a statistically significant relationship with customer satisfaction.

Finally, the research sought to determine in regards of whether banks' recent diversification of products and services allowed them keep customers. According to descriptive analysis results, 67.6% of respondents were in agreement that the aforementioned factor contributed to customer satisfaction, while 31% did not agree. Nonetheless, 1.4% of the total respondents disagreed on whether it contributed to customer satisfaction. According to Table 4.10, the line mean was 2.18, which was higher than the composite score of 2.05

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with a standard deviation of .703 and demonstrates that the sub-variable questioned had a significant impact on customer satisfaction.

4.11 Correlation Analysis

The Pearson Product Moment correlation coefficient was employed in the correlation test. Pearson's correlation, according to Sekaran (1992), is appropriate when measuring variables using interval or ratio scales. The coefficient values obtained from this analysis range from -1.00 to +1.00 and are represented by r connotation. If (r) is equal or cannot be more than +1.00, the relationship between the two variables is assumed to be positively perfect and strongly correlated. If the value (r) is -1.00 or close to it, the relationship between the two variables is assumed to be negative perfect and strongly correlated. If the value (r) is 0.00, it indicates that no correlation exists.

Cohen (1988) assumptions were used for the current study interpretations, which stated that if the association values ranged from .10 to .29, it was considered a dismal or weak coefficient. If the correlation was between .30 and .49, it was considered moderate or average, and if it was between .50 and 1.00, it was considered strong. This study interpreted these ranges and reported correlation results with 0.05 and 0.01 significant levels in that order Magutu (2013) and Kidombo (2007). This study created correlation matrices to summarize relationship that existed between dependent variable, customer satisfaction, and independent variables, which included bank infrastructure, communication, bank employees' responsiveness, and customer retention strategies.

4.11.1 Correlation Analysis of the Study Variables

Regression correlation analysis was sought on study variables and results are shown below.

Table 4.11: Results for Correlation Analysis of the Study Variables

Correlations

		CS	BI	BC	BER	CRS
CS	Pearson Correlation	1.000	.654[**]	.657[**]	.480[**]	.691[**]
	Sig. (2-tailed)		.000	.000	.000	.000
	N	71	71	71	71	71
BI	Pearson Correlation		1.000	.477[**]	.395[**]	.416[**]
	Sig. (2-tailed)			.000	.001	.000
	N		71	71	71	71
BC	Pearson Correlation			1.000	.578[**]	.635[**]
	Sig. (2-tailed)				.000	.000
	N			71	71	71
BER	Pearson Correlation				1.000	.484[**]
	Sig. (2-tailed)					.000
	N				71	71
CRS	Pearson Correlation					1.000
	Sig. (2-tailed)					
	N					71

**. Significant Correlation at 0.01 level (2-tailed).

From Table 4.11 above, Customer Satisfaction (CS) had a direct and strong significant link with Bank Infrastructure (BI) with ($p<.01$, $r=.654$). A unit change in bank infrastructure contributed to .654 units change in customer satisfaction level. Further, a unit change in Bank Communication (BC) led to a .657 unit change in customer satisfaction level with ($p<.01$ and $r=.657$) which was statistically significant and strong. The link between customer satisfaction level and Bank Employees' Responsiveness (BER) was positive and statistically significant and moderate with ($p<.01$ and $r=.480$). This implies that a unit alteration of bank employees' responsiveness resulted to .480 unit change in customer satisfaction level. Furthermore, the connection between customer satisfaction and Customer Retention Strategies (CRS) was statistically significant and positive and strong, with a unit change in CSR resulting in a .691 unit change in customer satisfaction ($p<.01$

and r=.691). In summary, the correlations between Customer Satisfaction and Bank Infrastructure, Bank Communication, and Customer Retention Strategies was strong, while the Bank Employees' Responsiveness are moderate.

The correlation between the independent variables themselves was as follows; bank infrastructure and bank communication had moderate statistically significant positive linkage. Such that a unit change in bank communication resulted to .477 unit change in bank infrastructure with (p<.01and r=.477). On the other hand, the link between bank infrastructure and bank employees' responsiveness was moderately positive and statistically significant with a unit change in bank employees' responsiveness leading to .395 unit change in bank infrastructure with (p< .01 and r=.395). Bank infrastructure associated with customer retention strategies in a moderate positive manner with (p<.01and$r$=.416). It implies that a unit change in CRS resulted to .416 unit change in bank infrastructure.

Bank Infrastructure and Bank Communication show a statistically significant positive correlation. This suggests that changes in one variable are associated with changes in the other. Similarly, Bank Infrastructure is positively correlated with Bank Employees' Responsiveness and Customer Retention Strategies (CRS), indicating that variations in these variables are linked. Bank Communication also demonstrates strong significant positive correlations with Bank Employees' Responsiveness and CRS. These associations imply that changes in CRS are reflected in both Bank Communication and Bank Employees' Responsiveness. While some variables exhibit strong multicollinearity, as indicated by their Variance Inflation Factors (VIFs), others display moderate multicollinearity, suggesting less shared variance with other predictors.

All the independent variables (BI, BC, BER, and CRS) show positive correlations with each other. This suggests that improvements in one area tend to be accompanied by improvements in others. For example, a bank with strong infrastructure (BI) might also have good communication (BC) and responsive employees (BER), which could contribute to effective CRS programs. The correlations in Table 4.11 suggest that banks that focus on

improving customer retention strategies (CRS), bank infrastructure (BI), bank communication (BC), and bank employee's responsiveness (BER) are likely to see positive results in terms of customer satisfaction (CS).

4.12 Multiple Regression Analysis

On accurate measures on the relationship among independent and dependent variables, use of multiple regression analysis was employed. The regression study findings were presented in the tables below.

4.12.1 ANOVA

On the study variables, an ANOVA test was carried out, specifically the service quality affiliated variables and customer satisfaction, and the results are shown in Table 4.12.

Table 4.12: Results of ANOVA

ANOVAª						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
	Regression	12.419	4	3.105	33.236	.000[b]
1						
	Residual	6.166	66	.093		
	Total	18.585	70			

Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), a. Predictors: (variables), Bank Infrastructure, Bank Communication, Bank Employees' Responsiveness, Customer Retention Strategies

The F statistic of model 1 on the extent to which quality service influences customer satisfaction for commercial banks in Machakos town (33.236 (p=.000)) as shown in Table 4.12. This demonstrated that the impact of service quality on customer satisfaction was statistically significant at the 95% confidence level (p.05). As a result, this model was appropriate for estimating customer satisfaction among five commercial banks in Machakos town. In addition, this model was put through a goodness of best fit tests on

coefficient of determination and slope (β). However, based on the p-value (0.000), we can confidently conclude that the calculated F-test value (33.236) is greater than any critical table value at a commonly used significance level. The following are explanations for the 2 tests:

4.12.2 Model Summary

The study sought to determine the extent to which all 4 independent variables projected the dependent variable. Table 14.13 shows how the Model summary tool was used to depict the findings.

Table 4.13: Results of the Model Summary

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.817[a]	.668	.648	.30564

a. Predictors: Constant, Bank Infrastructure, Bank Communication, Bank Employees' Responsiveness, Customer Retention Strategies

Table 4.13 above shows multiple regression models indicated adjusted R^2 of .648. The results implies that Bank Infrastructure, Bank Communication, Bank Employees' Responsiveness, Customer Retention Strategies jointly explained 64.8% of variations in customer satisfaction. Whereas 35.25% variations in customer satisfaction was explained by factors not included in this model.

4.12.3 Coefficients Model

The slope (β) goodness of best fit test was used to determine the level of statistical significance to which each of the 4 independent variables predicted the dependent variable. Table 14.14 summarizes the findings of the study.

Table 4.14: Results of Coefficient Analysis

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.029	.194		.150	.881
	BI	.456	.098	.383	4.635	.000
1	BC	.262	.122	.222	2.153	.035
	BER	.017	.102	.015	.163	.871
	CRS	.392	.096	.384	4.068	.000

a. Dependent Variable: Customer
Satisfaction

Table 4.14 presents the regression coefficients with the determinants of customer satisfaction within the banking sector revealing several noteworthy insights. Notably, Bank Infrastructure (BI) and Bank Communication (BC) exhibit statistically significant positive associations with customer satisfaction, with coefficients of 0.456 and 0.262, respectively. Moreover, Customer Retention Strategies (CRS) also demonstrate a significant positive relationship with customer satisfaction, as evidenced by a coefficient of 0.392. Conversely, the coefficient for Bank Employees' Responsiveness (BER) is relatively small (0.017) and fails to reach statistical significance ($p = 0.871$), suggesting its limited impact on customer satisfaction levels. These findings underscore the critical importance of effective bank infrastructure, communication strategies, and customer retention efforts in bolstering overall customer satisfaction within the banking industry. The model that resulted from this analysis was as follows:

CS= .029 + .456BI+ .262BC + .017BER+ .392CRS

Where;

CS is Customer SatisfactionBI is Bank Infrastructure BC is Bank Communication

BER is Bank Employees' ResponsivenessCRS is Customer Retention Strategies

5.0 DISCUSSIONS

5.1 Introduction

The section provides summary of results and followed by finding discussions on research findings. Primary research findings on variable manifestations were undertaken, as were the revealed interrelationships between and among the factors under consideration. The summary is based on thematic areas derived from the study's objectives.

5.2 Summary of Findings

Aforementioned main objective was investigating relationship between customerhappiness and quality of service in Machakos town's banks. To achieve this, the study set four objectives: to assess the connection between bank infrastructure and client satisfaction, investigating the relationship between communication and customer satisfaction, to determine the link between bank employees' responsiveness and customer satisfaction, and examining relationship between bank customer retention strategies and customer satisfaction.

To accomplish these objectives, multiple regression model was used. It supported the idea, bank infrastructure had a significant impact on customer satisfaction, with a-unit giving a positive change. The research also confirmed that bank communication had a positive impact on client satisfaction with a unit change therefore changing to the positive. However, bank employees' responsiveness had an insignificant impact on client's satisfaction, with a unit change having a little impact. In addition, the study revealed that bank retention strategies had statistically significant impact on customer satisfaction, with a one-unit change. Based on these results, the study developed a model presented as CS= .029 + .456BI+ .262BC + .017BER+ .392CRS.

Where;

CS is Customer SatisfactionBI is Bank Infrastructure

BC is Bank Communication

BER is Bank Employees' ResponsivenessCRS is Customer Retention Strategies

5.3 Discussion

The research outcome established in this study was anchored on the specific research questions which were subjected to multiple regression analysis as demonstrated in chapter four. The discussions were anchored on four research questions highlighted.

5.3.1 Relationship Between Bank Infrastructure and Customer Satisfaction

The research aimed to investigate the potential relationship between the quality of bank infrastructure and customer satisfaction within the five commercial banks operating in Machakos town. Multiple regressions analysis was performed whereby it was established that infrastructure in a bank has a positive impact on clients change in customer satisfaction as per Table 4.12. This outcome was statistically significant for bank infrastructure affiliated alterations such as making of their respective building, seating area and service tables the state of the artto the customers was key in attracting customers. Also, the availability of quality banking service materials necessary (loan forms, cheque books, stationery and furniture) in the banking hall played a key role in ensuring customer convenience during service delivery. This contributed towards customer satisfaction and the maintenance and upgrading of the bank system was an appropriate strategy. Again, the aspect of contribution made by modern banking equipment like ATM machines that the banks installed for their customers was at the Centre stage in retaining of old customers and garnering more. Previous research has consistently demonstrated a positive correlation between tangible aspects of service quality, such as the physical environment, equipment, and resources, and customer satisfaction across diverse service industries, including banking. Wachira (2017) in research that involved Equity bank had similar association between bank physical facilities and customer satisfaction.

These studies have underscored the importance of providing customers with a conducive environment and efficient tools to enhance their overall experience. In line with these findings, the current research further substantiates this relationship by emphasizing the positive impact of specific components of bank infrastructure on customersatisfaction. The

study highlights the significance of modern buildings, comfortable seating areas, well-equipped service tables, availability of essential banking materials, and the presence of ATMs in contributing to customer satisfaction within commercial banks.

The study by Babar, Muhammed, Ali, & Jingjin. (2020) titled "Impact of service quality on the customer satisfaction in banking sector of Pakistan" delves into the correlation between service quality and customer satisfaction specifically within the banking sector of Pakistan. Unlike prior research that generally focuses on the broader influence of service quality on customer satisfaction, this research employs the SERVQUAL model to investigate how service quality directly affects customer satisfaction levels in Pakistani banks. This study takes a more granular approach by focusing specifically on individual elements of bank infrastructure. By dissecting these components, the research provided deeper insights into the specific factors that drive customer satisfaction within the banking sector.

This result is consistent with empirical findings from other earlier research, including one by Otoo (2016) who looked at relationship between customer satisfaction and quality of service in Ghanaian commercial banks. It was objectively proven that physical attributes of banks significantly influenced how satisfied their clients were with their caliber of services.

Wanjiku (2020) studied impacts of service quality on customer satisfaction in Kenya's mobile telecommunications industry and utilized cross-sectional survey research design for the study while questionnaires were issued to collect information. Research revealed a positive relationship between service quality and bank physical facilities. Equipment in the mobile telecommunication industry in Kenya. These are agreement with this study's findings; that bank infrastructure is significant for customer satisfaction. It also agrees with the Resource based view model.

5.3.2 Relationship between Communication and Customer Satisfaction

The second research question was on whether there was any relationship between bank

communication and customer satisfaction in commercial banks in Machakos Town. Multiple regressions analysis carried out confirmed that there was no doubt that there was significant amount of influence of customer satisfaction. Results portrayed that bank communication component of online banking services were reliable and supported satisfaction needed by the customers in commercial banks in Machakos although not in a strong significant manner. There was also no doubt that customers in commercial banks in Machakos were pleased by the banks timely sharing information with them. In contrast to prior studies that typically establish a robust positive correlation between communication and satisfaction, this particular research reveals a weaker association. This variance could stem from unique factors within the banks in Machakos town or potential limitations inherent in the study design. While earlier research commonly delves into various communication channels such as in-person interactions, phone communication, and email correspondence, this study narrows its focus to online banking services and the timely dissemination of information.

Mohammed et al., (2015). Sought to establish relationships between communication and customer loyalty in Saudi Arabia Insurance Companies. The sample size was 399insurance companies in Saudi Arabia and questionnaires was used as a data collection method with findings indicating a positive and significant relationship between communication with customer loyalty.

The cited scientific studies in the connection between bank communication and customer satisfaction in Machakos financial institutions are corroborated by previous literatures. For instance, the study by Andualem (2019) established that communication channels enhance customer satisfaction. Similarly, the study of Hoang (2015) on role of communication with customers in service encounters in the banking sector in Vietnam portrayed that bank tellers acknowledge that communication is key at the service counter and in customer relationship. Communication has a direct impact on customer satisfaction and it also helps bank tellers to solve problems with the bank customers. Further, Franciskofi (2017). The study focused on impact of promoting methods of communication on customer satisfaction and brand efficiency in Ghana's financial services sector. It was proven that communications tools

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have a significant consequence on customer satisfaction and brand performance. As per current study findings and past similar studies, it is statistically evident that question on relationship between communication and customer satisfaction in commercial banks in Machakos Town existed was justified in the current study. Actor Network Theory matches these findings.

5.3.3 Relationship between Bank Employees' Responsiveness and Customer Satisfaction

The third research question on if there was any relationship between the bank employees' responsiveness and customer satisfaction in commercial banks in Machakos town. Multiple regressions analysis was performed whereby it was depicted that bank employees' responsiveness had absolutely no influence on the customer satisfaction. This aspect of bank employees' responsiveness was insignificant in influencing customer satisfaction. This is because the employees' continuous readiness in helping and giving individual attention to customers did not have much impact to the customers in commercial banks in Machakos Town. The study found that the willingness of bank staff to address customers' needs met customer expectations, but there were noted shortcomings in the courtesy displayed by employees. However, customers expressed satisfaction with the effectiveness of bank staff in resolving their issues and complaints.

Vivi N, Sitti R, Martha and Erwin H (2019) carried out research about "The role of employees' responsiveness in organizational performance" in Putera organization, west Sumetra in Indonesia. The methods used to collect data were correlation analysis, path analysis and t-test. The results showed that leadership style through employees' responsiveness had some positive and significant effect on organizational performance.

In her study, Bitta A. (2014) revealed seventeen service quality dimensions of banking service among them bank employees' responsiveness that enhance customer satisfaction. So, all these service dimensions contributed to increase in customer satisfaction. Maleeha's (2015) investigation into relationship between client happiness and service quality in Islamic banks in Nairobi validated the findings of this study.

This association between the act of the banks and loyalty aspect made the customer satisfaction levels to increase. Fida, Ahmed, & Balushi (2020) examined the impact of service quality on customer loyalty and customer satisfaction for four main Islamic banks in the Sultanate of Oman. Regression results demonstrated that responsiveness dimensions have a significant positive impact on customer satisfaction. In a similar study, Sichinsambwe& Sikombe (2017) The study sought to ascertain the relationship among service quality and customer satisfaction in Zambia's both local and foreign banks. It was revealed that foreign banks were more willing to provide prompt service than local banks.

Findings of this study indicate that bank employee's responsiveness may have been good. However, the customers either take it as the normal system of workers in the commercial banks since it had significant influence on overall customer satisfaction contrary to most of the studies. It is possible that the five commercial bank branches have assumed a prompt and caring response to customers all the time. As such, it was a non-issue to the bank customers.

5.3.4 Relationship between Bank Customer Retention Strategies and Customer Satisfaction

The research underscored the critical role of customer retention strategies in enhancing customer satisfaction and loyalty within the financial services sector, aligning with previous studies by Thenya C. (2016), which established the relationship between customer retention strategies and performance of Barclays (now ABSA) Bank of Kenya. Findings show, investing customer retention strategies activities increases the bank's goodwill and improves relationship between customers and employees. In addition, Tinashe and Chapoto (2016) discovered customer retention strategies have impacted positively on customer loyalty and satisfaction in another purpose of this study was to determine impacts of customer retention strategies on profitability of commercial banks in Zimbabwe.

Furthermore, Ouma et al. (2013) looked into the impact of customer retention strategies on customer satisfaction in Kenya's banking sector, using Equity Banks Thika branch as an example. It was established that the bank's distinctive customer support are critical factors

in customer retention. Research question of whether bank customer retention strategies impacted customer satisfaction in commercial banks in Machakos Town was responded based on previous research. As a consequence of previous studies that revealed similar research findings, current study results are in line with requirements of relationship between quality services and customer satisfaction among banks. These findings are also in line with the Relationship Marketing Theory.

Tinashe and Chapoto (2016) did research on impacts of retention of clients and its relationship on performance on commercial banks of Zimbabwe. Their study design made use of a descriptive research. The results revealed that customer loyalty and satisfaction are positively influenced by customer retention strategies.

Farquhar J. (2004) did a study in UK on customer retention strategies in retail financial services; an employee perspective. It emphasizes that fostering strong customer relationships through effective customer retention strategies is paramount for customer satisfaction. Moreover, the positive correlation between bank infrastructure and customer retention strategies implies that well-equipped banks are better positioned to implement retention strategies, potentially due to technological advancements facilitating personalized communication and efficient service delivery. Additionally, the positive relationship between employee responsiveness and both customer retention strategies and customer retention underscore the pivotal role of responsive employees. They serve as the bridge between infrastructure and customer satisfaction, likely facilitating the effective implementation of retention programs and delivering positive experiences that cultivate loyalty. In essence, the data highlights the interconnectedness of these factors, indicating that a robust bank infrastructure enables effective customer retention strategies implementation, empowering responsive employees to drive customer satisfaction and loyalty in the financial services industry.

The link between customer retention methods and customer satisfaction in Machakos Town financial institutions is the subject of the fourth study objective. The multiple regression analysis on retention strategies had an influence on the banks customers satisfaction and

found that use of customer retention methods by banks, such as controlling the prices of their banking products, had a beneficial effect in decreasing dissatisfaction among their commercial customers. Moreover, the banks have expanded their array of services and products in recent years, which has assisted them in keeping their customers. As a consequence of implementing these techniques, the banks have achieved increased levels of satisfaction among their customers.

CHAPTER SIX

6.0 CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The study aimed to answer four specific research questions, and the findings revealed diverse results. The outcomes for each question were examined, and conclusions were drawn.

6.2 Conclusions

According to the data, bank architecture of the five bank branches in Machakos town had a substantial impact on clients ' happiness. This was due to the top management making the bank building, seating area and service tables to be the state of the art of the customers and also maintaining and upgrading the bank systems in a more frequent manner. These two approaches by the bank were prioritized by the customers. For instance, having good sitting arrangements and the detailed structural design was appealing to the customers. This implies that the banks cannot ignore the intrinsic feelings of the customers for this contributes to customer satisfaction. On the same breath, the endeavors of ensuring that there is frequent upgrading of the bank systems is a way of conforming to efficient delivery service to customers where by the act boost efficient handling of customers. As a result, customers are forced to stick to one bank where they have loyalty in.

A quantitative response to the issue of if there was any connection in between bank architecture and service quality in financial institutions in Machakos Town suggested that the presumption that such a connection arose was accurate.

The study findings also showed that bank communication plays major roles influencing customer satisfaction in the five commercial bank branches in Machakos town. This could be due to one; the banks having reliable online banking services. That is, online services such as mobile banking and agency banking created convenience to customer transactions such as depositing where one can carry out such a transaction in the respective agents of their banks. This creates safety which is a plus to customer satisfaction. On the same tone,

the online withdrawal of cash anywhere due to online platforms for the respective banks satisfies the customers. Again, banks undertaking the responsibility of informing customers about their existing and new services/products creates a spectrum of wide range of products which satisfies the customer in a greater way for they can select diverse bank products under one roof instead of cutting across several banks to get the various products of their interest. Lastly, the sharing of information in a timely manner was key in winning the customers' satisfaction. This is because that approach of disclosing the market information reduced information asymmetry status which most of the times disadvantages the external customers as compared to the insiders of the bank.

It was determined that bank employees' responsiveness was not statistically significant in influencing customer satisfaction level. This specific independent variable did not rank well with the rest in the empirical model for although it seemed that the bank staff maintained the promptness of service delivery even when working under pressure, there were some drawbacks such as employees not being always ready to help customers and giving individual attention to customers as contrary to what it was purported in the proposal.

It is probable that staff willingness to respond to customers' needs by being prompt and controlling environment was usual and similar across the bank branches. Further, bank staff may have been super effective in offering solutions to resolve problems and complaints of the customer. If these short comings were addressed by the banks, other factors of the various bank branches could influence customer satisfaction. Past studies where the bank employees' responsiveness to the customer needs portrayed significant results unlike the current study. It was demonstrated that the warmth and friendliness of the bank staff contribute to customer satisfaction. According to current study, there was no correlation between bank employees' response and customers' happiness at Machakos Town's financial institutions. More studies and information gathered in future could make valid conclusions on this concept.

Customer retention strategies had weight on the client's satisfaction in commercial banks

of Machakos due to banks controlling customer dissatisfaction caused by price increases. This act of demonstrating individual concern for customers drew customers to specific banks because they felt appreciated. Furthermore, b recent diversification of banks products and services was well received by customers, and respective banks retaining their customers. Previous research has also showed significant relationships between customer retention strategies and customer satisfaction. The study points to a justification for looking into relationships within a banking context.

Other past studies underpinning empirical observations were identified in relation to the aforementioned concept of customer retention strategies and customer satisfaction.

6.3 Recommendations

The section gives recommendations to the field of academia, policy as per rules and regulation governing the banking industry and practice of corporate social responsibility by commercial banks in Kenya.

The first objective established if there is a relationship between bank infrastructure and client satisfaction among commercial bank branches in Machakos. Therefore, the objective was achieved. However, bank infrastructure sub-variables did not show significant results, and it is recommended that the bank management reconsiders these specific aspects and re-engineers them for better outcomes. The banks in Machakos Town should develop infrastructure-based policies that make customers feel more appreciated, leading to increased loyalty. It is important for banks to focus improving their infrastructure to increase customer satisfaction and loyalty.

The second specific objective was to determine the relation between communication and customer satisfaction. In commercial banks in Machakos Town. Results portrayed that bank communication statistically influenced customer satisfaction and this meant that the corresponding specific objective was achieved. This was a result of some of the elements of communication contributing significantly to the banks efforts to satisfy the customers such as online banking services which was reliable and the satisfaction derived from bank

timely sharing of information. It was also worth noting that management needs to focus on improving information accessibility convenience as per customer needs by ensuring that any approach used during face-to-face meetings is sensitized by their staff by being more proactive on this matter.

Objective three was to ascertain possible relationship between client satisfaction and bank employees' responsiveness in Machakos Town. Research findings showed no significant relationship between customer responsiveness to satisfaction and bank employees. The possible explanation to this might be because of the ideology of readiness of employees to always assist customers which was obvious in the field. Also, the aspect of staff showing willingness to respond to customers' needs by being prompt may have been so well portrayed in the respective banks in Machakos Town that the customers don't find it an issue. The management of the banks therefore needs to continue creating motivational environment to their employees so it extends to the customers. This will improve their customer to employee interaction psyche so as to boost clients banking experience.

The fourth objective of this research were aimed at determining the correlation of customer retention strategies and customer satisfaction on commercial banks in Machakos County. According to results, there is a significant relationship between customer retention strategies and customer satisfaction in these banks. This indicates that it is essential for the bank management to enhance the effectiveness of customer-facing operations, offer well-developed products that meet customer needs, and regulate product prices to ensure customer loyalty. Additionally, the banks should formulate policies that foster product diversification to reduce the risk of losing customers.

6.3.1 Recommendation for Academia

The purpose of this study was to look into service quality and customer satisfaction at commercial bank branches in Machakos Town, Kenya. As a result, it is advised that comparable research be conducted in other corporations to determine whether the findings are applicable in other circumstances and can be generalized. Economic factors have the least influence on the overall effect, whereas legal and ethical factors have the most impact.

This investigation was conducted in commercial banks. Similar studies in the banking sector may be conducted to determine whether similar results are obtained from other factors of service quality and customer satisfaction. The study also failed to separate the different bank branches. It would be prudent to further get the influence of customer satisfaction in the individual bank branches.

The factors chosen in this study have many other factors that affect the overall effect. For instance, bank infrastructure has sub factors such as the banking space, the seating area and ATM facilities. One can choose on specific factor across different branches.

On the factor of customer retention strategies further studies can be done on the actual bank organizational customer strategies. This area can be done better by separating the bank employees from the bank customers.

6.3.2 Recommendation for Practice

The study provided practical recommendations for banks in Machakos County based on its research findings. It suggested actions such as reengineering specific aspects of bank infrastructure, improving communication channels, creating a motivational environment for employees, and enhancing customer-facing operations. These recommendations are aimed at guiding actual practices within the banks to improve customer satisfaction and loyalty. To lessen rivalry among marketers, banks can take into account market synergy through partnerships with clients. By offering actionable insights derived from empirical research, the study contributed to informing and shaping practical strategies and approaches that banks can implement in their day-to-day operations to enhance customer satisfaction and retention.

6.3.3 Recommendation for Policymakers

The study offered policy-oriented recommendations for bank management based on its research findings. To enhance customer satisfaction and loyalty within commercial banks, implementing comprehensive employee training programs is essential. These programs should focus on cultivating excellent customer service skills, deep product knowledge, and

adherence to legal and ethical regulations. Additionally, banks should prioritize service delivery efficiency by measuring performance metrics, streamlining processes, and integrating technology solutions. Actively seeking customer feedback through regular surveys and establishing efficient complaint resolution processes are crucial for addressing customer needs and concerns promptly.

Moreover, fostering relationships through personalized interactions and transparent communication builds trust and loyalty. Regulatory measures, such as setting minimum customer satisfaction standards and promoting transparency, further reinforce the commitment to prioritizing customer experience within the banking sector. These recommendations are aimed at guiding decision-making processes within banks to improve customer satisfaction and loyalty.

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APPENDICES

Appendix i: Introduction Letter

School of Business

South Eastern Kenya University,

P. O Box 176,Kitui.

The Branch Manager,

………………Bank, Machakos.

RE: **REQUEST FOR DATA COLLECTION**

I am a student at South Eastern Kenya University, pursuing a Masters of Business Administration in Strategic Management. Currently, I am carrying out research on the topic "The Relationship between Service Quality and Customer Satisfaction in the Commercial Banks in Machakos Town" as part of the requirement for the Award of the Degree of Masters in Business Administration. Kindly assist by allowing and facilitating data collection. The information collected will be treated with utmost confidentiality and will be used for purpose of the study only.

Your cooperation will be highly appreciated.

Yours Sincerely,

Patricia N. Kavita D61/MAC/20312/2013

Appendix ii: Questionnaire

Please tick within the boxes and fill the structured questionnaire with applicable answer to enable the study to be a success.

SECTION A: Demographics Information.

1. Indicate your gender:

     Male   ( )

     Female   ( )

2. What is your age bracket?

     18-30 years   ( )

     31-40 years   ( )

     41-50 years   ( )

     Above 50 years   ( )

3. What is your highest level of education?

     Certificate   ( )

     Diploma   ( )

     Bachelor's Degree   ( )

     Master's Degree   ( )

     PhD Degree   ( )

4. How long have you been a customer/employee in this bank?

     Less than 1 year   ( )

     1-3years   ( )

     4-6years   ( )

     Above 6 years   ( )

SECTION B: Service Quality

5. Kindly tick the level of agreement on the listed statements on banks' service quality.

Key; Strongly Agree (SA) =5, Agree (A) =4, Neutral (N) =3, Disagree (D =2), and Strongly Disagree (SD =1).

5.1 Bank Infrastructure

(a)

Statements	SA	A	N	D	SD
The bank building, seating area and service tables are state ofthe art					
Materials necessary for quality banking services (loan forms, cheque books, stationery and furniture.) are available in thebanking hall.					
The bank has modern banking equipment like ATM machines.					
The bank personnel are always neat and orderly.					
The bank maintains and upgrades its systems frequently					

(b) Suggest what the bank can do to have a more appealing infrastructure?

   i.   Have well maintained bank furniture   ( )

   ii.   Have state of the art bank building   ( )

   iii.   Have well maintained banking systems and ATM   ( )

   iv.   Have efficient and upgraded online systems   ( )

5.2 Bank Communication

(a)

Statements	SA	A	N	D	SD
Bank has provided convenient access to the information the customer needs					
Bank staff provide accurate information during face to face meetings					
Bank has reliable online banking services					
Bank informs customers about its existing and new services/products					
Sharing of information by the bank is timely.					

(b) In your opinion which is the most effective method of communication to customers?

   i.   Bank website   ( )

   ii.   Email statements   ( )

   iii.   Use of brochures   ( )

   iv.   Face to face meetings   ( )

5.3   Bank Employees' Responsiveness

(a)

Statements	SA	A	N	D	SD
Employees are always ready to help customers and give individual attention to customers					
The staff show willingness to respond to customers' needs by being prompt					
The bank's employees are always courteous to customers					
Bank staff are effective in offering solutions to resolve problems and complaints of the customer					
The staff maintain the promptness of service delivery even when working under pressure					

(b) How long does it take the bank to get a complaint resolved?

   i.   Immediately   ( )

   ii.   1 day   ( )

   iii.   2 to 3 days   ( )

   iv.   More than a week   ( )

(c) The bank allows customers to lodge complaints by

   i.   Directly at a complaints desk   ( )

   ii.   Providing questionnaires on the customer tables/benches   ( )

   iii.   Providing a suggestion/complaints box   ( )

   iv.   Other (state)………………………………………………………………….

            ………………………………………………………………………...…..

5.4 Customer retention strategies

(a)

Statements	SA	A	N	D	SD
The bank has been efficient in its operations, creating customer satisfaction					
The bank has developed new products over the past five years					
The bank has put customer dissatisfaction arising from increased prices under control					
The bank has diversified its products and services in the recent enabling it to retain customers					

(b) In your opinion how has the bank increased customer delight and loyalty?

   i.   Having the right products and services   ( )

   ii.   Having customer differentiation strategies   ( )

   iii.   Having good marketing of products and services   ( )

   iv.   Having customer relationship management to track customer activities   ( )

SECTION C: Customer Satisfaction

6. Kindly tick the level of agreement on the listed statements on customer satisfaction.(a)

Statements	SA	A	N	D	SD
Services given by bank are fast and efficient					
My experience with the bank is very good					
Customers are likely to tell friends and family about the positive experience with this bank					
Customers are completely satisfied with the services offered by my bank.					
Customers don't leave this bank.					

(b) How do you rate your bank's customer service?

   i.   Excellent   ( )

   ii.   Good   ( )

   iii. Average   ( )

   iv.   Poor   ( )

END

Appendix iii: List of Commercial Banks in Machakos Town

S/NO	NAME	No. of Branches
	Kenya Commercial Bank	1
	Equity Bank	1
	Co-operative Bank	1
	ABSA (Amalgamated Banks of South Africa)	1
	Standard Charted Bank	1
	Spire Bank	1
	Sidian Bank	1
	National Bank of Kenya	1
	Family Bank	1
	Diamond Trust Bank (DTB)	1
	Post Bank	1
	SBM (State Bank of Mauritius)	1
	Credit Bank	1
	HFC (Housing Finance Company) Bank	1
	Bank of Africa	1
	NCBA Bank	1

Source: Kenya Bankers' Association Bank Branch (2021)

Appendix iv: Letter from Institution (SEKU)

SOUTH EASTERN KENYA UNIVERSITY
OFFICE OF THE DIRECTOR
BOARD OF POST GRADUATE STUDIES

P.O. BOX 170-90200
KITUI, KENYA
Email. info@seku.ac.ke

TEL. 020-4213859 (KITUI)

Email. directorbps@seku.ac.ke

Our Ref: D61/MAC/20312/2013

Kavita Patricia Nthunya
Reg. No. D61/MAC/20312/2013
Masters of Business Administration
C/O Dean, School of Business and Economics

DATE: 22nd April, 2022

Dear Kavita

RE: PERMISSION TO PROCEED FOR DATA COLLECTION

This is to acknowledge receipt of your Master in Business Administration Proposal document entitled: *"Service Quality and Customer Satisfaction in Commercial Banks in Machakos Town"*.

Following a successful presentation of your Masters Proposal, the School of Business and Economics Board of Examination in conjunction with the Directorate, Board of Postgraduate Studies (BPS) have approved that you proceed on and carry out research data collection in accordance with your approved proposal.

During the research work, you will be closely supervised by Dr. Susan Wamitu and Dr. Joseph Nzomoi. You should ensure that you liase with the supervisor at all times.   In addition, you are required to fill in a Progress Report *(SEKU/ARSA/BPS/F-02)* which can be downloaded from the University Website.

The Board of Postgraduate Studies wishes you well and a successful research data collection exercise as a critical stage in your Master of Business Administration.

Prof. David Malonza
Director, Board of Postgraduate Studies

Copy to: Deputy Vice Chancellor, Academic, Research and Student Affairs (Note on File)
Dean, School of Business and Economics
Chairman, Department of Business and Entrepreneurship
Dr. Susan Wamitu
Dr. Joseph Nzomoi
BPS Office -To file

ARID TO GREEN   ISO 9001: 2015 CERTIFIED   TRANSFORMING LIVES

Appendix v: NACOSTI Researchers Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **202727**

Date of Issue: **30/April/2024**

RESEARCH LICENSE

This is to Certify that Ms.. **PATRICIA NTHUNYA KAVITA** of South Eastern Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Machakos on the topic: **SERVICE QUALITY AND CUSTOMER SATISFACTION IN COMMERCIAL BANKS IN MACHAKOS TOWN** for the period ending : 30/April/2025.

License No: **NACOSTI/P/24/35131**

202727

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION

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