INFLUENCERS OF CUSTOMER SATISFACTION IN INVESTMENTS AND MORTGAGES (I &M) BANK LTD IN NAIROBI, KENYA

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULLFILLMENT FOR THE AWARD OF THE DEGREE OF BACHELOR OF COMMERCE (MARKETING AND ENTREPRENUERSHIP OPTION), GRETSA UNIVERSITY

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DECLARATION

I, the undersigned declare to the best of my knowledge that this is my original work and has not been submitted in any university

Signature …………………………………Date……/…../…..

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The research project has been submitted with my approval as the university supervisor

Signature ……………………………. 	Date……/…../…..

Madam Fridah Kathure

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DEDICATION

This research project is dedicated to my parents Rozalia wanja and Allan Ngugi for laying the foundation for my education. I also dedicate it to my brother Andrew Gicheru and Evan Njoroge for the great support all the way.

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ABSTRACT

The purpose of this study was to determine influencers of customer satisfaction in the banking sector. Research questions for this study were as follows: To what extent does service delivery influence customer satisfaction? To what extent information technology influences customer satisfaction?, To what extent the banks organizational culture influences customer satisfaction? The research design adopted for the study was a descriptive survey research design. The population of the study is 300 I&M Bank customers. Simple random sampling technique was adopted for the study and a sample size of 30 respondents was used. Research question one examined the extent to which service delivery influence customer satisfaction; Research question two examined the extent to which information technology influences customer satisfaction; while third research question examined extent to which banks organizational culture influences customer satisfaction. Data analysis was conducted using Statistical Package for Social Services (SPSS) where descriptive statistics and inferential statistics were obtained. The findings of the study will be presented using Tables and Figures. The results revealed that there was service delivery at I&M bank in terms of reliability, empathy, tangibility, responsiveness and assurance. This was found to have a positive effect on customer satisfaction at I&M bank. Secondly, the study established that I&M bank had adopted Mobile and internet banking which were easy to use and that it enhanced customer satisfaction. Information technology was found to also influence customer satisfaction positively and strongly. Lastly, the results indicated that bank culture at I&M bank was statistically significant in influencing customer satisfaction. The study recommended that the three influencers (bank culture, information technology and service delivery) be adopted by the Kenyan banks as they were key for customer satisfaction. Lastly, the study recommended that a further study be done on other banks as well as organizations in other sectors to confirm the findings as well establish other influencers.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

The chapter contains an overview of the background to the study. It presents the statement of the problem, purpose of the study, objectives of the study, research questions, conceptual framework, and significance of the study and the scope of the study.

1.1 Background of the Study

Globalization of the world economy has increase pressure on business competitiveness and sustainability. Organizations have to keep reinvent their business processes, procedures, policies, and their market niche, as a way of staying relevant and sustainable (Anand & Selvaraj, 2013).

To remain sustainable, organizations have to be profitable, and equally, have to gain sizeable control of their market in terms of the products and services they are offering on the market. As such, the threat of new entrants particularly with multinationals have organizations are continuously forcing organizations into strategic reinventions as a way of dealing with the global pressure to offer products and services at the global market standards (Arbore & Busacca, 2009).

Many organizations are therefore pointing to customer satisfaction as a way of developing and differentiating their services from their competitors, and also as a tool for developing competitive advantage (Narteh & Kuada, 2014).Equally, other organizations use customer satisfaction to examine whether their products and services are competitive at the market place, whether they surpass customer expectations, and whether they are average or below average (Osarenkhoe & Komunda, 2013).

According to Anand and Selvaraj (2013), the more an organization surpasses customer expectations, the more organization gains customer loyalty, which in turn translates into

increased profitability, market share, and even command of respect within their sector. In the banking industry, customer satisfaction is paramount, since one might not get an opportunity to redo the service, if the experience is flagged by a customer as unsatisfactory (Munari, Ielasi, & Bajetta, 2013). Narteh and Kuada, (2014) argue that banks can only offer satisfactory customer service, if standards, policies, and processes for service quality exists in the organization. This is because service quality plays a major role in achieving customer satisfaction.

According to Munari *et al*., (2013) the banking industry regards customer satisfaction as the one of most critical criteria for assessing the relationship the bank has with the market. As such, customer satisfaction is regarded as an important driver in banks performance strategies.

Hoq and Amin (2010) defines customer satisfaction as the general evaluation based on business actions carried out by organization in relation to customer expectations that has been accumulated over a period of times as a result of the client using the organizations products or services. In the banking sector, Terpstra, Kuijlen and Sijtsma (2014) argues that customer satisfaction refers to the valence state of mind evoked by the customer's experiences by virtue of engaging and utilizing banking services. In this regard, customer satisfaction in the banking industry can classify in three categories. For instance through observation, and cognition on evaluation as to whether a bank is doing well or not. Finally, the third category of measuring customer satisfaction in the banking sector assumes that satisfaction and dissatisfaction thereof are one-dimensional, ranging from a very dissatisfied to very satisfied. According to Terpstra *et al*., (2014) banks around the globe have been witnessing stagnation and in their ability to enhance customer satisfaction.

In the developed countries, customer's satisfaction has improved over the years due to the country's ability to utilize extensive atomization, service customization, and online real time

banking experiences (Uddin and Akhter, 2015). The developed Countries did not only experience favourable ratings in customer satisfaction. Terpstra *et al.,* (2014) posits that every time there is favourable customer satisfaction in the banking sector, there is usually, underlying factors and fundamentals that enhance customers experience. Narteh and Kuada, (2014) contends that there are numerous factors that enhance positive customer experiences. They argue that the way products and services are packages can be an important factor in determining satisfaction, other times, it is the way products and services are delivered, while other times satisfaction maybe embedded within the interactions customers do have with the banking staff.

In Kenya, there were 44 registered commercial banks, out of which two are under statutory management (Imperial Bank and Chase Bank). Out of the 44 registered banks, three are publicly owned banks; twenty seven (27) are locally owned banks; and fourteen (14) foreign owned commercial banks. Further, the banks are classified into three main Tiers; Tier 1 banks, Tier 2 banks, and Tier 3 banks based on their Market Share Index (CBK, 2014).

Investments and Mortgages (I & M) Bank was started in 1974 as a subsidiary of the I&M Holdings Ltd, and was formally converted into a commercial bank on 1st April 1996, and started trading on Nairobi Stock Exchange in June 2013 (I & M Bank, 2016). Following the study that was conducted by KPMG (2013), I & M bank does not appear among the banks that are listed as the best in Kenya in customer satisfaction. KPMG listed Stanbic bank, Kenya Commercial bank, Eco bank, Co-operative bank, and Post bank at the best banks in customer satisfaction.

To remain sustainable, I&M bank has to invest in customer service mechanisms and strategies that are customer centric. To be profitable, a bank has to seek and gain sizeable control of the market in terms of the products and services offered, that are geared at satisfying the ever changing and dynamic needs of customers (Arbore & Busacca, 2009). Failure to enhance

customer friendly services, and establish factors that influence customer satisfaction increases the risk that a bank will soon face competitive threats from existing and new entrants (Narteh & Kuada, 2014).

1.2 Statement of the Problem

In the last ten years, there has been an enormous growth in the Kenya Banking sector. New entrants into the market in the last ten years include GT Bank, Eco bank, UBA bank, Family bank, Bank of Africa among others. As a result, the competition for gaining customers' and enhancing market share has been very stiff, since clients have a wide variety banks to pick from, when looking for banking products and services.

The problem is that I&M bank did not feature on this list; in fact, it was rated by customers as average. In this era where there's heightened competition for customers, market share, and profitability, banks need to establish customer centric approaches in providing products and services. I&M has operated as corporate centric than customer centric, and thus why it has received average ratings in customer rating reviews. Various studies have attempted to deal with problem of customer satisfaction including Kombo (2015) who focused on customer satisfaction in the Kenyan banking industry, but examined secondary data on customer retention.

A study by Chavan and Ahmad (2013) looked at factors affecting on customer satisfaction in retail banking, but forced more on data used data used by KPMG to rank banks in India, rather than on primary empirical data, and therefore could not be replicated in the Kenyan context. Minoo (2013) study on the other hand focused on effects of customer relationship management in the Kenyan banking sector, dealing mainly with banks use e-mails and phone calls to communicate with customers.

These studies did not establish factors influencing customer satisfaction, and also, did not use any reliable theory of model to support findings. Therefore, this study seeks to fill this gap, by using the SERVQUAL model to determine whether service delivery, banking information technology, and Banks culture influences customer satisfaction at I &M bank.

1.3 Purpose of the Study

The purpose of this study will be to establish influencers of customer satisfaction in Investment and Mortgages (I&M) Bank LTD in Nairobi, Kenya.

1.4 Research Objectives

1.4.1 General Objective

The general objective of this study is to find out the influencers of customer satisfaction in Investments and Mortgages (I&M) Bank LTD in Nairobi, Kenya.

1.4.2 Specific Objectives

i. To evaluate how service delivery influence customer satisfaction in Investments and Mortgages (I&M) Bank LTD in Nairobi, Kenya

ii. To evaluate how information technology affect customer satisfaction in Investments and Mortgages (I&M) Bank LTD in Nairobi, Kenya.

iii. To determine how bank culture influences customer satisfaction in Investments and Mortgages (I&M) Bank LTD in Nairobi, Kenya.

1.5 Research Hypothesis

H_{01}: Service delivery does not significantly influence customer satisfaction in Investments and Mortgages (I&M) Bank LTD in Nairobi, Kenya

H_{02}: Information technology does not significantly affect customer satisfaction in Investments

and Mortgages (I&M) Bank LTD in Nairobi, Kenya

H_{03}: A bank's culture does not significantly influence customer satisfaction in Investments and
Mortgages (I&M) Bank LTD in Nairobi, Kenya

1.6 Conceptual Framework

Table1.1: Conceptual framework

INDEPENDENT VARIABLE   DEPENDENT VARIABLE

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┌─────────────────────────┐          ┌─────────────────────────┐
│ Service delivery        │          │ Customer satisfaction   │
│   • Reliability         │─────┐    │   • Increase            │
│   • Responsiveness      │     │    │     market share        │
│   • Empathy             │     │    │   • Customer            │
│   • Assurance           │     └──► │     loyalty             │
│   • Tangibility         │          │   • Competitive         │
└─────────────────────────┘          │     advantage           │
                                     │                         │
┌─────────────────────────┐          │                         │
│ Information technology   │          │                         │
│   • Mobile banking      │────────► │                         │
│   • Internet banking    │          │                         │
└─────────────────────────┘          │                         │
                                     │                         │
┌─────────────────────────┐          │                         │
│ Bank culture            │          │                         │
│   • Organizational      │          │                         │
│     values              │          │                         │
│   • Organizational      │────────► │                         │
│     artefact's          │          │                         │
│   • Basic organizational│          │                         │
│     assumptions         │          │                         │
└─────────────────────────┘          └─────────────────────────┘
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1.7 Significance of the Study

1.7.1 I & M Bank

I&M Bank will utilize the findings of this study on factors that influence customer satisfaction as a basis for formulating customer engagement and satisfaction strategies, outreach, and customer

engagement. Further, I&M Bank can adopt recommendations that will be made by the study so as to enhance customer satisfaction in their product and services at the bank.

1.7.2 Banking Industry

The findings of this study can also be used by the banking industry as a whole, as findings and recommendations can be adopted by other banks who wish to enhance their customer satisfaction and experiences at their respective banks.

1.7.3Researchers and Academicians

This study will be significant to researchers and academicians in that it will add value to the body of literature on factors that influence customer satisfaction in the banking sector. Researchers can use the findings of this study to formulate hypothesis, confirm findings or conduct further study on the same. Academicians also can use this study finding to test their hypothesis, and also to utilize the study findings for empirical literature review for further studies.

1.8 Scope of the Study

This study will focus on influencers of customer satisfaction in the banking industry, by looking primarily at I&M Bank. The study will be limited to five (5) I & M branches within Nairobi Central Business District (CBD) and its environs. The study will utilize primary data that will be gathered from I&M Bank customers. The study will be limited in terms of closed ended nature of the questionnaire tool. However, to mitigate this limitation, the questionnaire will be as comprehensive as possible in terms of nature and type of questions that will be asked.

CHAPTER TWO: LITERATUREREVIEW

2.0 Introduction

This chapter will provide literature review based on research questions of the study. It will give a review on the extent to which service delivery influence customer satisfaction in I &M bank will be presented first, followed by the extent to which information technology in the in I &M bank influence customer satisfaction, and finally, the extent to which banks culture influence customer satisfaction in I &M bank .

2.1 Influence of Service Delivery on Customer Satisfaction

Service delivery is an important factor in the banking sector when it comes to customer satisfaction. For a service to be considered to have been delivered as per customers' expectations, it has to meet thresholds on quality, efficiency, and also the service has to be effective in solving customers' needs (Katwalo & Muhanji, 2014).

According to Meyer, Stobbe, Haibach, & Walter, (2006), the SERVQUAL is widely acceptable measure of service delivery for organizations in the service sector. The SERVQUAL model consists of five measurable scales or dimensions: Service reliability, Service responsiveness, Service assurance, empathy and tangibility. Singh and Kaur (2011) contents that the SERVQUAL model is among the best models that help organization measure reliability, assurance, responsiveness, empathy and tangibility and adjust different components that need to be established so as to enhance customer satisfaction.

2.1.1 Reliability

Consuegra, Molina, and Esteban (2008) defines service reliability as the degree of discrepancy between customers' normative expectations for availability of service when needed and the actual availability rates, when service is needed. This discrepancy is usually occasioned by the fact that organizations can promise customers given services, however, the delivery of those services may not be guaranteed. Customers like to know that they will get a given service an appropriate time. Consuegra *et al.,* (2008) on the other hand argues that reliability of service a significant impact on customer preference of a bank and customers satisfaction. In this regard, it is beneficial for a bank to ensure that it has processes in place that validates and enhances customers' experiences by enhancing reliability of service to all consumers (Hoq & Amin, 2010).

2.1.2 Responsiveness

Gritti and Foss (2010) defines responsiveness as the coordinated reaction towards the customers' needs that is timely, and within the expectation of the customer. Gupta and Dev (2012) on the other hand defines responsiveness at the concerted efforts an organization does in to ensure that customer needs are met within specified times. This includes giving timely feedback, and ensuring clients' queries and concerns are addressed promptly. Responsiveness is an essential factor in determining customer's satisfaction and perception of value. Any time a client perceives that they will be satisfied with a banking service; they tend to gravitate towards the banks service (Hoq & Amin,2010). In the banking sector, responsiveness is a functional factor in determining whether a banks service is of quality or not (Gupta & Dev, 2012). Banks have to ensure that they have mechanisms in place that not only attracts customers but also to ensure those customers' needs are met adequately.

2.1.3 Assurance

According to Jiang and Wang (2008), assurance is the credibility and the ability for to inspire trust and confidence in their customers. Most often assurance is measured by the way banks demonstrate 'competence' in service provision. When a bank has the right set of skilled and knowledgeable to provide required service, they inspire confidence in customers, which enhance the assurance customers have in the bank (Arasli, Smadi & Katircioglu, 2009).

2.1.4 Tangibility

According to Jayaraman, Shankar and Hor, (2010) tangibility refers to the physical aspects of a product or service. In the banking industry, this refers to the physical attributes of the bank and its services, such as the banking building, the banking halls aesthetics, the waiting area, the banking seats, and accessibility. Katwalo and Muhanji, (2014) argues that banking facilities, equipment and fixtures all constitute tangibility.

Rahman (2014) defines empathy as the caring behaviour that is usually extended to an individual in personalized manner. Further, empathy is entails the way in which someone feels the pain, or anxiety, or struggle of another person, and extends a helping hand (Iymperopoulou & Chaniotakis, 2008). In the banking sector, empathy is demonstrated when a bank, through its staff provides access, communication and understanding to customer. A bank that shows effort to reach the rural communities is perceived as being empathetic to the plight the rural communities, and therefore, might receive positive rating in customer satisfaction just based on empathy.

2.2 Extent to Which Information Technology Influences Customer Satisfaction

Information Technology (IT) refers to use of computer based integrated programs in processing organizational data, storing and transferring or information (Cook, 2008). According to Contini, Crowe, Merritt, Oliver, and Mott, (2011), information technology has revolutionized to banking sector by enabling sophisticated product and service development, and better market infrastructure and analysis. As such, it easier for banks to target customers easily using I.T, and also to enhance their experience through after sales services and other promotional services.

.Lymperopoulos and Chaniotakis (2008) notes that banks had to evolve based on customer's needs, by creating account information layers that were connected to databases interlinked with customers information that could be accessed by the bank staff and customers. According to Wang, *et al.,* (2014), there are numerous was in which IT has influenced customer satisfaction in the banking sector. This includes the provision of internet banking, provision of mobile banking, provision of e-loans among others. This study will focus on internet banking and mobile banking as reviewed in the following sections.

2.2.1 Internet Banking

Bellini *et al.,* (2015) argues that internet banking is the process of conducting banking services via computer nodes that are connected to banking information system, and banking client data. A client is require to provide a level of authentication, usually through use of a password before being allowed to access his or her banking account information for any banking services (Abraham, 2011). Through internet banking customers are able view the accounts; view and download account statements, transfer funds within the bank or to other banks by just punching on few computer keys.

According to Rahman (2014) internet banking is used synonymously with electronic banking to refer to banking transaction over an electronic internet enabled medium. Internet banking has a wide range of platforms including telephone banking, online banking, use of ATM, use of Debit and Credit Card, and finally Electronic Funds Transfer (EFT) and the Real Time gross settlement (RTGS). Internet banking has introduced ease and flexibility in which customer's access banking services (Abraham, 2011).

One of the other major boost in customer satisfaction is the introduction of Electronic Funds Transfer (EFT) and the Real Time gross settlement (RTGS) which utilizes internet platforms and infrastructure to enable a customer transfer funds in a shortest time possible, compared to the traditional mechanisms that would take transfer funds three to four days to clear (Aker & M.Mbiti, 2011).

According to Gritti and Foss (2010), internet banking also came with cybercrime where customers banking information is siphoned off through internet networks, and later used to steal customers banking information. Jiang and Wang (2008) notes that in as much as the needs of modern customers require more convenient, efficient delivery systems and the risk of internet banking is real.

2.2.2 Mobile Banking

Just like internet banking, mobile banking has revolutionized the way banking services are offered to clients. Arokiasamy (2013) defines mobile banking as the execution of banking services through mobile devices such as mobile phones or tablets. Mobile banking has gain a lot of traction since earlier days of mobile technology where only Short Message Services (SMS) were used to check on bank services. Wang, *et al.,* (2014), notes that modern banking system has seen the rise mobile banking, to an extent where, almost every bank has some form of mobile

banking offering.

A study conducted by Arokiasamy (2013) in Malaysia indicated that there exists a relationship between customer mobile banking and customer satisfaction. However, he was quick to point out that most of the banks customers' surveys were in the mid- to late-thirties, and therefore could not conclusively infer the finding to the large population utilizing banking services.

To remain competitive, banks have to post good performance, enhance their market share, and remain profitable (Arbore & Busacca, 2009). For this to happen, banks have to ensure that they attract new customers, while at the same time, satisfy and retain current customers.

As a result of global competition in the banking sector, banks are increasingly shifting to their banking strategies to mobile banking approaches (KPMG, 2015). Designing banking services that are unique, and only utilized in a mobile banking platform; integrating other banking channels with mobile channel; enriching mobile banking platforms to complement other banking services, and also providing banking Apps for use in smart phones.. Therefore, banks should be able to conduct surveys that enable them to determine customer's preference and changing needs, so as to stay ahead of the rest in the banking sector, and gain competitive advantage as the bank of choice for customer satisfaction (Arokiasamy 2013).

2.3 Extent to Which Banks Culture influence Customer Satisfaction

Bulach, Lunenburg, and Potter, (2012) defines organizational culture as the shared norms, beliefs, ideologies that influences, or affects the way an organization does its business. Schein (2011) on the other hand posits that organizational culture has three levels that determine its engagement with the internal and external world. This includes: organizational culture: values, artefacts, strategies, and basic assumptions. To this, Rahman (2014) argues that organizational

values, basic assumptions and strategies do influence customer satisfaction in I &M bank. Further, he notes that there exists a relationship between banks culture and customer satisfaction.

2.3.1 Organizational Values

According to Jones (2010), organizational values are defines as the general criteria, or principles that guide the behaviour or people within an organization. Organizational values therefore influence how customers interact or engage with the organization.

Customer satisfaction should be linked to values that enhance competitive advantage, efficiency excellence and quality performance, without which, employees will find it difficult to value customer satisfaction as an integral part of their work (Jones, 2010). Further, the importance of terminal values are emphasized by Lunenburg and Ornstein (2012) who notes that the bank employees and management should brand themselves in a manner that reflects a positive perception on customer relations and satisfaction.

Under organizational culture, instrumental value is defined the culture that perpetuates desired behaviour (Liebowitz, 2015). In the banking sector, modes of behaviour includes how diversity in terms of gender, nationalities, interests groups are represented; how work ethic is demonstrated, and how work units and work autonomy is structured within the bank (Schein, 2011).

Knowledge of customer satisfaction principles sometimes is not defines in most organizations. In banks, however, these policies are defined, but banks usually work like silos. However, Aydin and Ozer (2011) argues that components of organizational culture are difficult to measure since different banks have different value systems and cultures, hence, standardizing culture so as to extract existence of a relationship is difficult. Further they argue that most researchers use base

banks, from which they measure similar culture traits, however, this methods negates the fact that huge part of organizational culture is informal.

2.3.2 Organizational Artefacts

Artefacts are the superficial activities that one sees or hears when interacting with an organization (Lunenburg & Ornstein, 2012). This is the case particularly when a new customer an organization. In banks, new customers walk in for banking services on an hourly basis. Perceptions and first impressions of the banks artefacts can enhance a customer's view of the bank, or forever destroy customers' view of the bank (Liebowitz, 2015). Schein (2011) argues that there exists a significant relationship between organizational artifacts and customer satisfaction.

Lunenburg and Ornstein (2012) notes that artefacts go beyond organizational beliefs, to encompass stories that bind an organization together. Further, this includes activities that shape the organization and even metaphors that inspire members of the organization into a given cause of action. Organizational patterns or routines also form part of organizational artifacts that influences culture that influences how the organization treats its customers (Bulach, Lunenburg, & Potter, 2012).

2.3.3 Organizational Basic Assumptions

Schultz (2012) defines organizational basic assumptions as components of organizational culture that stipulates the underlying reasons as to why members of a given organization interact. Basic assumptions are usually embedded within individual members' behaviour within the organization. Assumptions can be formalized or informal (Burstein *et al.,* (2010). Equally, underlying assumptions can be defined as beliefs that an organization has exercised over a long

period of time that members who join the organization have to abide by those rules (Moon & Desouza, 2011).

According to Ondari and Minishi-Majanja, (2010) organizational assumptions can also constitute how an organization delivers its services; how truthful and organization is in dealing with internal and external agents and stakeholders. In the banking sector, basic assumptions can be demonstrated in how the bank treats different categories of customers. Similarly, how an organization deals with customers in truthfulness determines the degree of satisfaction customers can draw. It is of paramount importance that banks learn how to extend warmth, professionalism, and also how to deal with integrity towards their customers as a way of enhancing customer satisfaction (Schein, 2011).

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

The research methodology that will be adopted for this study is discusses in this chapter. This includes the research design, the population of the study, sampling design, the data collection methods adopted, the research procedures and the data analysis methods that will be adopted.

3.1 Research Design

Epetimehin and Ekundayo (2011) define a research design as the framework that is used to guide a researcher in conducting a study. This includes how data will be data collected, the procedure that will be adopted in determining which data will be need to be collected for the study. Schindler and Cooper (2014) also define a research design as the process of determining the sampling method, the sample size, and how measurement of data and data analysis will be carried out. To this end, a researcher adopts a research design that helps him/her to plan out how limited resources will be allocated to different components of the study at given intervals (Cox & Hassard, 2010).

This study will adopt a descriptive research survey design. According to Mugenda *et al.*, (2011) descriptive survey enables the researcher to utilize both qualitative and quantitative in an objective manner without altering the study environment. When collecting data, a researcher is to remain objective and only interpret data and information as received (Saunders, *et al.*, 2014).

To avoid study biases, a researcher is not support to introduce his/her opinions into the study. As a result, descriptive survey research design is suitable for this study since it allows the research objectivity, and also it will enable the researcher to summarize data using descriptive and

inferential statistics, and as such, making it easier to understand the findings. The study dependent variable is customer satisfaction, while service delivery, information technology, banks culture are the independent variables.

3.2 Target Population

Copper and Schindler (2014) defines a study population as a set of elements, or objects from which statistical sample is drawn. Equally, Saunders, *et al.*, (2014) defines a study population as the total group of elements, possessing common observable characteristic, that a researcher is interested in conducting a study; a population constitutes the total sum of objects and elements from which a researcher wishes to draw conclusions.

For this study, the population will consist of 300 customers I &M bank Headquarters in Nairobi.

3.3 Sampling Design

3.3.1 Sampling Frame

Mugenda *et al.,* (2010) defines a sampling frame as a list of elements forming the population from which a researcher wishes to draw a sample. For this study, the sampling frame will be the list of all customers adopted from I &M Bank customer care department at the head offices in Nairobi. The customer care department at I &M Bank are charged with the mandate of managing all customers for the bank.

3.3.2 Sampling Technique

Cox and Hassard (2010) defines a sampling technique as the process a researcher uses to determine how to pick or identify the actual sample units, that will be used as the Respondents of the study. The study will adopt simple random sampling because the sample contains elements of people with homogeneous characteristics. Thereafter, simple random sampling will be used to

pick sample units which will provide each member an equal opportunity of being sampled.

3.3.3 Sample Size

The sample size is 30 customers which represent 10% of the target population and so a good representation of the target population as advocated by Mugenda and Mugenda (2011) that when the population is large, a sample of 10% would be representative.

3.4 Data Collection Methods

The study will use structured closed ended questionnaire to collect primary data. Cox and Hassard (2010) defines a research questionnaire as a tool that is used to collect data, that consists of structured questions that a researcher seeks to get answers from the study respondents. Copper and Schindler (2014) posits that a closed structured questionnaire contains questions that have defined parameters for respondents to choose from as answers. As such, structured closed ended questionnaires help develop researchers develop consistency in responses being collected from study respondents.

The study questionnaire will be composed of four sections: Section I: deals with influence of service delivery on customer satisfaction; Section II: will collect data on influence of information technology on customer satisfaction; Section III: will collect data on influence of banks organizational culture on customer satisfaction. The questionnaire will utilize a Likert scale of five levels (strongly disagree to strongly agree)

3.5 Research Procedures

Saunders, *et al.*, (2014) defines research procedures as the detailed steps that are taken by a researcher to be able to conduct a study. For this study, the researcher will seek a letter of introduction to conduct the study. The letter will be forwarded to the human resources

management at I &M bank for approval. After the approval has been granted, a pilot test will be conducted using ten questionnaires on selected staff at I &M bank headquarters in Nairobi. The selected staff in the pilot will not take place in the actual study. The pilot test will be used to determine the validity and reliability of the study instrument. Equally, the findings of the pilot of the study will be used to review and adjust the questionnaire before actual study is carried out.

Questionnaires will be emailed to respondents using their official work email to the other remaining customers in the I &M bank headquarters office. Respondents will be given one day to fill in the questionnaire and email it back. To ensure a high response rate, respondents will be sent a reminder twice a day, and for those who will not have returned the questionnaire by third day, a phone call will be used to encourage them to do so. Returned questionnaires will be checked for Completeness and consistency.

3.6 Data Analysis Methods

Creswell (2007) defines data analysis methods as the process a researcher engages to interpret collected data in a manner that answers the study objectives, and also in a manner that makes sense. Before data analysis is conducted, all data received from respondents well be checked for completeness, and where data is missing, specific respondent for the questionnaire will be sort to provide missing data. Also, data cleaning and cording will be conducted will be conducted for each questionnaire. Thereafter, data analysis will take place using Statistical Package for Social Sciences (SPSS) tool.

Epetimehin and Ekundayo (2011) contend that it is essential that a researcher utilize an appropriate data analysis method to analyse and summarize data. The methods have to be able not only to present summaries of the finding in a friendly way, but also in a way that can be tested and verified by other researchers and scientists. Descriptive and inferential statistical

methods will be used to analyse data for this study. Descriptive analytical method will entail using frequencies, percentages, mean, and standard deviation, while inferential analytical method used Pearson's correlation and multi-regression method. Data was presented using tables and figures.

The statistical model to be estimated is as follows:

$Y = \beta_0 + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + e$

Where Y is customer satisfaction, X1 is service delivery, X2 is information technology and X3 is bank culture, $\beta_0, \beta_1, \beta_2,$ and β_3 are the coefficients of the constant and the independent variables, e is the error or disturbance term.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1   Introduction

This chapter presents the research findings and discussion of the study. This has been based on the information obtained from the field. The aim of this study was to establish factors that influence customer satisfaction in the banking industry in Kenya with a case study of I&M bank. The data collected was analysed and reported where the results obtained were presented in form of frequency tables, followed by a brief interpretation and a discussion on research findings. Data analysis has been based and guided by the research objectives.

4.2 Response Rate

This study targeted all the 300 customers of I &M bank Headquarters in Nairobi where 30 of them were sampled. A total number of 30 questionnaires were administered and a total of 30 questionnaires were returned for analysis. This indicated a 100% response rate. Saunders *et al.,* (2003) and Mugenda and Mugenda (2011) argued that a response rate of a 50% and above is considered acceptable in a survey research and therefore, this was an excellent performance.

4.3 Descriptive analysis of the study variables

The study aimed at establishing the influence of service delivery, information technology, Bank culture and competitive advantage on customer satisfaction. This section aims at analysing service delivery, information technology, Bank culture and competitive advantage descriptively in relation to customer satisfaction. The respondents were asked to indicate the extent to which they agreed with the statements or indicators of the study variables. They rated the extent on a scale of 1 to 5 with one being strongly disagree and 5 being strongly agree.

4.3.1 Descriptive analysis of service delivery in relation to customer satisfaction

Table 4.1 shows responses on the extent of service delivery in relation to customer satisfaction among customers at I & M bank in Kenya.

Table 4.1: **Descriptive analysis on service delivery**

	Strongly Disagree %	Disagree %	Neutral %	Agree %	Strongly Agree %	Mean	SD
Reliability: I &M Bank meets their promised time-frames for Customer responses	0.0	4.7	2.4	82.4	10.6	3.99	.567
Responsiveness: I & M bank employees responds promptly to the customer requests	0.0	5.9	5.9	76.5	11.8	3.94	.643
Assurance: I& M Bank customers feel safe when transacting with employees	0.0	4.7		84.7	10.6	4.01	.545
Tangibility: I&M bank has up to date equipment and the appearance of the physical facilities of the bank are consistent with the type of service industry	0.0	9.4	11.8	69.4	9.4	3.79	.742
Empathy: I&M Bank operates at hours convenient to all customers and gives each customer individualized attention	0.0	9.4	8.2	75.3	7.1	3.80	.704
Aggregated Score						**3.91**	**0.642**

The respondents were asked on 5 aspects of service delivery in relation to customer satisfaction among customers at I & M bank in Kenya. The first aspect was on reliability where the respondents were asked whether I &M Bank meets their promised time-frames for customer responses. Majority of the respondents (93%) agreed and on average, the respondents indicated that the bank meets their promised time-frames for customer responses (M=3.99, SD = 0.567). This shows that the bank is reliable.

The second aspect was on responsiveness and sought to find out whether I & M bank employees responds promptly to the customer requests. From the results, most of the respondents, 88.3% agreed. Few disagreed (5.9%) and remained neutral (5.9%). On average, the respondents indicated that the bank promptly responds to the customer requests (M= 3.94, SD = 0.643).

The third aspect tested assurance and the respondents were asked whether I& M Bank customers feel safe when transacting with employees. They agreed on average as indicated by a mean value of 4.01 and a standard deviation of 0.545. Majority of the respondents agreed (95.3). Therefore, there is assurance at I&M bank in Kenya.

The researcher again examined tangibility a form of service delivery at I&M bank where the respondents were asked to indicate whether the bank has up to date equipment and the appearance of the physical facilities of the bank are consistent with the type of service industry. They agreed (M=3.79, SD = 0.742) on average. Lastly, the researcher examined empathy aspect in I & M bank. The respondents indicated that the bank operates at hours convenient to all customers and gives each customer individualized attention (M=3.80, SD = 0.704). Majority, 75.3% seemed to agree.

Based on the aggregated score, respondents agreed to service delivery as an influencer of customer satisfaction in Investments and Mortgages (I &M) bank ltd in Nairobi, Kenya(M= 3.94,

SD = 0.642). This findings affirm the findings by Consuegra *et al.,* (2008) who argued that service delivery has a significant impact on customer preference of a bank and customer's satisfaction. Therefore, the role of service delivery is a crucial factor for the satisfaction of members.

4.3.2 Descriptive analysis on Information Technology in relation to Customer satisfaction

Table 4.2 shows responses on the extent of Information technology in relation to customer satisfaction among customers at I&M bank in Nairobi Kenya.

Table 4.2: **Descriptive analysis on Information Technology**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
	%	%	%	%	%		
I & M bank has Mobile banking that is easy to use	2.4		4.7	74.1	18.8	4.07	.669
I & M bank has Internet banking that is easy to use	0.0	5.9	4.7	63.5	25.9	4.09	.734
Internet and Mobile banking has enhanced the bank's service delivery to customers	0.0	10.6	4.7	61.2	23.5	3.98	.845
I am satisfied with internet and mobile banking at I & M bank	0.0	22.4	23.5	32.9	21.2	3.53	1.064
Aggregated Score						**3.92**	**0.377**

Information Technology was one factor that was being investigated in relation to customer satisfaction among customers of I & M bank. The aspect was indicated by four items on mobile and Internet banking.

The first item sought to find out if I & M bank had Mobile banking that was easy to use. The respondents seemed to agree (M = 4.07, SD = 0.669) as majority (92.9%) agreed and only few disagreed (2.4%) and remained neutral (4.7%).

In the second item, the study established that I & M bank had Internet banking that was easy to use (M = 4.09, SD = 0.734). Majority of the respondents again seemed to agree. The respondents agreed that Internet and Mobile banking had enhanced the bank's service delivery to customers (M = 3.98, SD = 0.845) and lastly agreed that they were satisfied with internet and mobile banking at I & M bank (M = 3.53, SD = 1.064).

Based on the aggregated score, respondents agreed to Information Technology as an influencer of customer satisfaction in Investments and Mortgages (I &M) bank ltd in Nairobi, Kenya (M= 3.92, SD = 0.377). These results affirm findings by previous studies. Rahman (2014) indicated that there is overwhelming evidence that co-worker support has many positive effects in the workplace. Hodson (1997).found out that interest in co-worker support has been heightened lately due to diversity in the workplace and a growing focus on team forms of work organizations. In a more recent study by Fass, Bishop & Glissmeyer (2007) stated that in an environment where co-worker support is high employees are able to discuss ideas more openly and honestly and there is a positive relationship to job satisfaction.

4.3.3 Descriptive analysis on Bank Culture in relation to customer satisfaction

Table 4.3 shows responses on the extent of bank culture at I & Min relation to customer satisfaction among customers.

Table 4.3: Descriptive analysis on Bank Culture

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.Dev
	%	%	%	%	%		
I &M Bank values enhance customer satisfaction	2.4	3.5	7.1	82.4	4.7	3.84	.670
The bank values are essential for enhanced customer experience	1.2	4.7	4.7	87.1	2.4	3.85	.588
Beliefs and stories I have developed at the bank forms part of my satisfaction	0.0	1.2	2.4	89.4	7.1	4.02	.377
Professionalism is highly practised at I &M bank	2.4	11.8	7.1	71.8	7.1	3.69	.859
Aggregated Score						**3.85**	**0.393**

The third factor under investigation was bank culture at I & M bank. This was indicated by four key aspects. This measured three aspects namely organizational values, artefacts and basic organizational assumptions in relation to customer satisfaction. The first item sought to find out whether I &M Bank values enhance customer satisfaction. The respondents agreed (M = 3.84, SD = 0.670) as majority (87.1%) agreed and only few disagreed (5.9%) and remained neutral (7.1%).

The respondents agreed that the bank's (I&M) values are essential for enhanced customer experience (M = 3.85, SD = 0.588) and that beliefs and stories developed by the customer at the bank has formed part of their satisfaction (M = 4.02, SD = 0.377). Lastly, the findings again

revealed that professionalism is highly practiced at I &M bank (M = 3.69, SD = 0.859).

Based on the aggregated score, respondents agreed to bank culture as an influencer of customer satisfaction in Investments and Mortgages (I &M) bank ltd in Nairobi, Kenya(M= 3.85, SD = 0.393). These findings agree with findings of recent studies. According to Wang, *et al.,* (2014), there are numerous was in which IT has influenced customer satisfaction in the banking sector. This includes the provision of internet banking, provision of mobile banking, provision of e-loans among others. This study will focus on internet banking and mobile banking as reviewed in the following sections.

4.3.4 Descriptive analysis on the Level of customer Satisfaction

Table 4.4 shows responses on the extent of the level of customer satisfaction among customers at I&M bank.

Table 4.4: **Descriptive analysis on the level of customer satisfaction**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. dev
	%	%	%	%	%		
I& M has good Customer satisfaction policies	0.0	8.2	5.9	67.1	18.8	3.96	.763
You believe employees' are trained on customer satisfaction	0.0	8.2	7.1	68.2	16.5	3.93	.753
Customer satisfaction is essential for growth of I&M Bank	0.0	4.7	8.2	69.4	17.6	4.00	.673
Customer satisfaction is essential for competitive advantage	2.4	0.0	18.8	60.0	18.8	3.93	.768
Aggregated Score						**3.96**	**0.517**

The level of customer satisfaction at I&M bank was used as the dependent variable in this study. It was indicated by four indicators. The first sought to find out whether I& M has good customer satisfaction policies. The respondents seemed to agree (M = 3.96, SD = 0.763) as majority (85.9%) agreed and only few disagreed (8.2%) and remained neutral (5.9%).

The respondents believed that employees' at I&M bank are well trained on customer satisfaction (M = 3.93, SD = 0.753) and that Customer satisfaction is essential for growth and good performance of I&M Bank (M = 4.00, SD = 0.673). Lastly, the respondents indicated that they felt valued as an employee by Strathmore University (M = 3.93, SD = 0.768). Majority of the respondents agreed (78.8%). Few disagreed (2.4%) and remained neutral (18.8%).

Based on the aggregated score, respondents agreed that there was customer satisfaction at I&M bank (M= 3.96, SD = 0.517).

4.4 Correlation Analysis

Correlation analysis was performed as the study wanted to find out the direction, how significant and how strong the association was between the customer Satisfaction, which was the dependent variable, and service delivery, information technology and bank culture which were the independent variables. This was realized through the performance correlation analysis by Pearson's. The coefficient values are between negative one and positive one where negative one shows that an association is negative and perfect, 0 shows that there is no association at all among the variables while positive one shows a positive relationship that is perfect. Again an absolute coefficient of 0.5 and above shows strong association between variables under study while one below 0.5 shows a weak association.

The sign value signposts direction taken by a relationship with a positive sign denoting a positive association and a negative denoting a negative association. Finally, the resultant probability (p) less than a significance level taken to be 0.05 in this study indicates that the linear relationship between two factors under study is significant in statistical terms.

The results were presented in Table 4.5

Table 4.5: Correlation Analysis

		Customer Satisfaction	Service Delivery	Information Technology	Bank Culture
Customer Satisfaction	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	30			
Service Delivery	Pearson Correlation	.410*	1		
	Sig. (2-tailed)	.024			
	N	30	30		
Information Technology	Pearson Correlation	.680**	.670**	1	
	Sig. (2-tailed)	.000	.000		
	N	30	30	30	
Bank Culture	Pearson Correlation	.486**	.823**	.693**	1
	Sig. (2-tailed)	.006	.000	.000	
	N	30	30	30	30

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

From the results, it was observed that the service delivery at I&M bank significantly and moderately influenced the level of customer satisfaction positively, $r = 0.410$, $p = 0.024$. In addition, the results indicated that Information technology again influenced the level of customer

satisfaction positively and strongly (r = 0.680, p = <0.001) and lastly, bank culture moderately and positively influenced the level of customer satisfaction (r = 0.486, p = 0.006). These were indicated by significant probability values found to be less than 0.05 at 95% confidence level.

From these results, all the three independent variables namely: service delivery, information technology and bank culture had a significant and a positive influence on customer satisfaction.

These effects/relationships were further illustrated in form of scatter diagrams in Figures 4.1, 4.2, and 4.3 respectively.
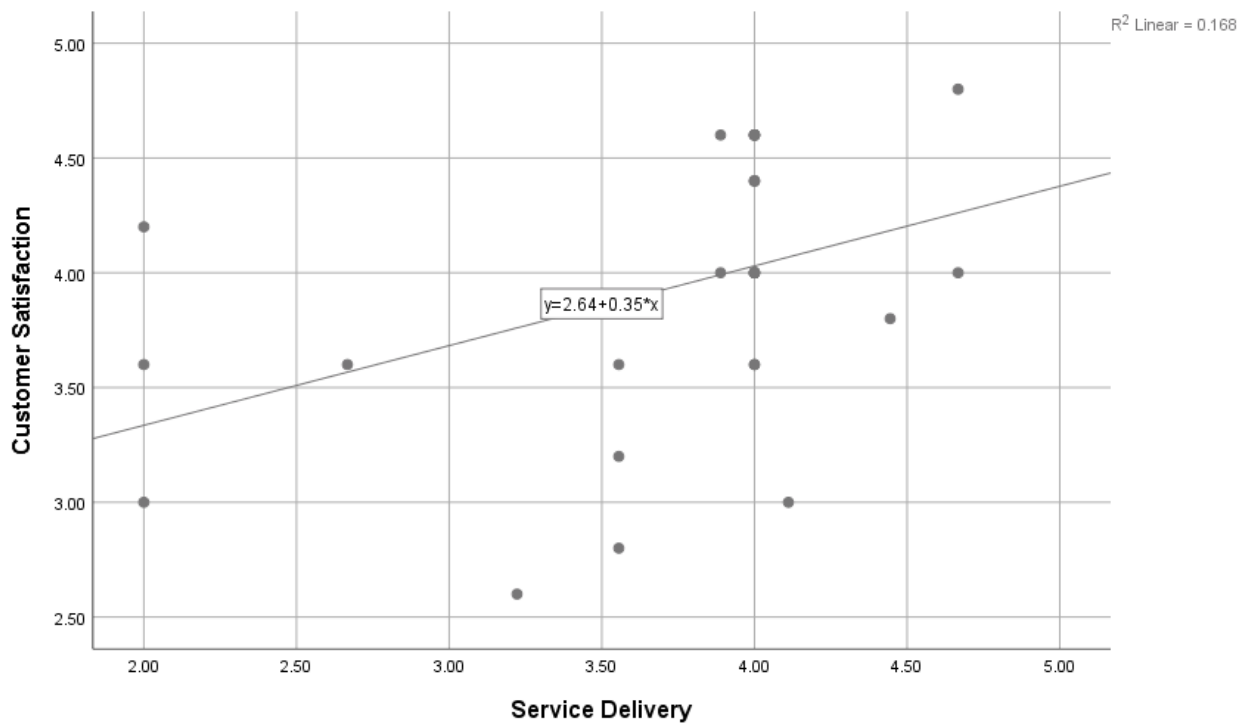

Figure 4.1: **A scatter plot of service delivery and the customer's level of satisfaction**

Figure 4.1 shows a positive linear relationship between service delivery and the customer satisfaction. This indicates that an increase service delivery leads to an increase in the level customer satisfaction among customers at I&M bank.
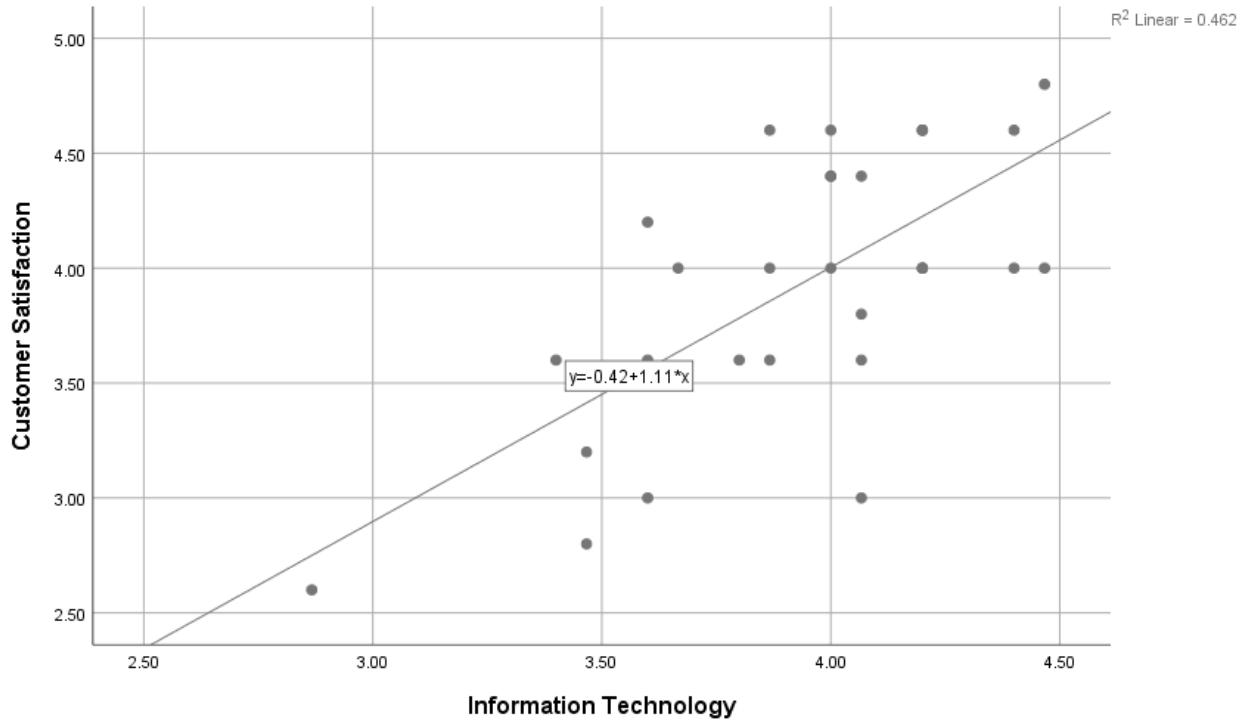
Figure 4.2: **A scatter plot of Information technology and the customer's level of satisfaction**

Figure 4.2 shows a positive linear relationship between Information Technology and the customer satisfaction. This indicates that an increase Information Technology leads to an increase in the level customer satisfaction among customers at I&M bank.
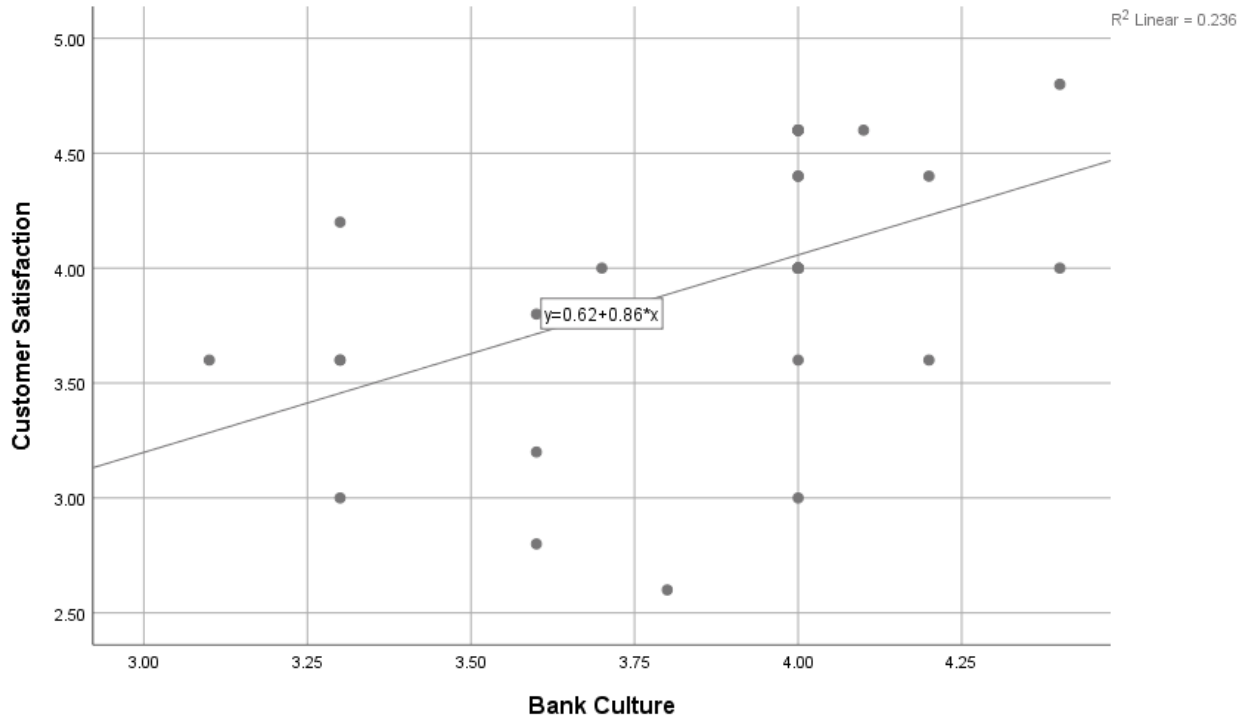
Figure 4.3: A scatter plot of bank culture and the customer's level of satisfaction

Figure 4.3 shows a positive linear relationship between bank culture and the customer satisfaction. This indicates that an increase bank culture leads to an increase in the level customer satisfaction among customers at I&M bank.

4.8 Joint effect of the factors influencing customer satisfaction at Investments and Mortgages (I&M) Bank Nairobi, Kenya

This study went ahead and investigated the joint effect of service delivery, information technology and bank culture on customer satisfaction at I&M bank Kenya. This was achieved through a multiple linear regression with the level of customer satisfaction as the response variable and of service delivery, information technology and bank culture as the independent variables.

The results are presented in the Tables 4.6, 4.7 and 4.9.

Further, from the results in table 4.6, the factors, service delivery, information technology and bank culture, were found to jointly explain 41.2% of the variation/change occurring in the customer's level of satisfaction. This was indicated by a coefficient of determination of 0.412 (Adjusted R^2= 0.412).

Table 4.6: Model Summary of the joint model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.688	0.473	0.412	0.45239

Table 4.7 presented results of the analysis of variance (ANOVA) used to examine the significance of the model.

Table 4.7: ANOVA of the Joint model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.771	3	1.590	7.771	.001[b]
	Residual	5.321	26	.205		
	Total	10.092	29			

Further, as seen in table 4.7 shows an ANOVA Table that was used to find out the model significance. The F-calculated (3, 26) was found to be 7.771 and a probability value of 0.001. The probability value was found to be less than 0.05 at 5% level of significance (<0.001 was smaller than 0.05) signifying significance of the model thus insinuating that there was a

significant effect of the explanatory factors on the response variable. Therefore, the model was considered to be a good fit for the data and hence it was appropriate in predicting customer satisfaction level.

Table 4.8: **Model Coefficient of the joint model**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.998	1.256		-.794	.434
	Service Delivery	-.155	.219	-.183	-.708	.485
	Information Technology	1.131	.331	.695	3.414	.002
	Bank Culture	.274	.470	.155	.583	.565

The model below has been obtained from the study results in table 4.8.

$Y = -0.998 – 0.155X1 + 1.131X2 + 0.274X3$

Where Y is customer satisfaction, X1 is service delivery, X2 is information technology and X3 is bank culture

From the results in Table 4.21, it was seen that only Information technology significantly influenced the level of customer satisfaction at 5% level significance in the joint model. However, the rest of the explanatory factors namely: service delivery and bank culture did not jointly influence the level of customer satisfaction. This was indicated by insignificant p-values greater than 0.05 at 95% confidence level.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings, conclusion and recommendations for policy and practice drawn from the study results. Further, the study proposed areas of further research. The objective of this study was to examine the factors that influence customer satisfaction in the banking industry in Kenya with a case study of I & M bank.

5.2 Summary of the study findings

This research study was based on the realization a research problem from literature review, that Customer satisfaction is pivotal to any organizational performance commercial banks included, as much as customer satisfaction is concerned. The study therefore, aimed at examining the factors that influence customer satisfaction in the banking industry in Kenya with a case study of I & M bank.

To meet the above objectives, the study adopted a cross-sectional descriptive research design and targeted the 300 customers of I &M bank Headquarters in Nairobi where 30 of them were sampled representing a 10% of the population. A total of 30 respondents fully participated in the study by filling the questionnaires and returning them for analysis which represented a response rate of 100% which was excellent and sufficient for analysis. A simple random sampling method was used to ensure that customers stood an equal chance of being selected into the sample to avoid sample bias and ensure the results are reliable enough to be generalized.

Data analysis was further performed using descriptive methods and inferential analysis methods where frequencies, mean, standard deviation were used to summarize the collected data and the results were presented in form of tables and charts. Under the Inferential analysis, Pearson's

correlation analysis and multiple linear regression were used in assessing the influence of the independent variable on the dependent variable and were also used testing the study hypothesis. The study used a 5% level of significance.

The first objective of the study aimed establishing the influence of service delivery on customer satisfaction. The study established that service delivery at I & M bank led to customer satisfaction among the customers (M= 3.91, SD = 0.642). Further, the study findings revealed that there was a moderate linear relationship between leadership style and employees' level of job satisfaction r (30) = 0.410, p=0.024. Therefore, service delivery significantly influenced customer satisfaction of at I & M bank in Nairobi Kenya.

Regarding the second objective which aimed at identifying the influence of Information Technology on customer satisfaction at I & M bank in Nairobi Kenya, the study established that the bank adopted Information Technology (M= 3.92, SD = 0.392). Correlation analysis established that there was a statistically significant positive effect of Information Technology on the customer satisfaction r (30) = 0.680, <0.001.

The last objective aimed at investigating the influence of bank culture on customer satisfaction at I&M bank Kenya. The findings revealed that there was a good bank culture at I&M leading to customer satisfaction (M= 3.85, SD = 0.393). In addition, correlation analysis revealed that staff development significantly and moderately affected the employees' level of job satisfaction positively (*r (85) = 0.486, p = 0.006*).

5.3 Conclusion

This section presents the conclusion of the study based on the research objectives.

5.3.1 Influence of Service delivery on Customer satisfaction at I&M bank in Nairobi Kenya

The results of the study established that service delivery significantly influenced customer satisfaction at I&M bank in Nairobi Kenya. The study concludes that banks ought to be reliable, responsive, assure customers safety in their transactions, tangibility and empathy. All these would have an effect on the level of customer satisfaction.

5.3.2 Influence of Information Technology on Customer satisfaction at I&M bank in Nairobi Kenya

The study findings established that Information Technology significantly influenced customer satisfaction at I&M bank in Nairobi Kenya. The study concludes that Information Technology used in banks especially I & M bank is very important in relation to customer satisfaction. Aspects that were considered important in relation to customer satisfaction were ease of use of Internet and mobile banking by customers and their ability to enhance the bank's service delivery to customers.

5.3.3 Influence of bank culture on Customer satisfaction at I&M bank in Nairobi Kenya

Lastly, the study findings established that bank culture significantly influenced customer satisfaction at I&M bank in Nairobi Kenya. The study concludes that bank culture used in banks especially I & M bank is very important in relation to customer satisfaction. Aspects that were considered important in relation to customer satisfaction were organizational values, organizational artefacts and basic organizational assumptions. They were considered pivotal to any banking organization.

5.4 Recommendations

The following recommendations are made from the study findings based on the research objectives.

5.4.1 Suggestions for Improvement

The study established that service delivery is a key influencer of customer satisfaction at I&M bank in Nairobi Kenya. Therefore, the study recommends that banks should be able to meet their promised time-frames for customer responses, be able to respond promptly to their customers, assure customers safety in their transactions and lastly be able to operate at hours convenient to all customers and gives each customer individualized attention.

The study again established that Information Technology significantly influenced customer satisfaction at I&M bank in Nairobi Kenya. The study therefore recommends that banks adopt Information Technology especially mobile banking and internet banking as they would lead to customer satisfaction. Aspects that were considered important in relation to customer satisfaction are the ease of use of Internet and mobile banking by customers and their ability to enhance the bank's service delivery to customers.

Lastly, the study recommends that banks have a good bank culture comprising of organizational values, organizational artefacts and basic organizational assumptions for customer satisfaction.

5.4.2 Suggestions for Further Studies

This study was on factors that influence customer satisfaction in the banking industry in Kenya with a case study of I & M bank where service delivery, Information Technology and Bank culture were studied as factors. The study therefore, recommends further research that looks at customer satisfaction levels across a wider range of banks and even beyond the banking sector

here in Kenya. This will provide additional insights, hence undertaking a research on a wider array of organizations in future research could be instructive. The study further revealed that the three factors jointly contributed 41.2% towards explaining customer satisfaction. Therefore, a further research should be conducted to establish other factors that account for the rest 58.8%.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

SECTION I: – INFLUENCE OF SERVICE DELIVERY ON CUSTOMER SATISFACTION

Kindly tick (✓) the answer that best represents your views (**Strongly Disagree = 1…,Strongly Agree = 5**)

Service delivery	1	2	3	4	5
Reliability: I &M Bank meets their promised time-frames for Customer responses					
Responsiveness: I & M bank employees responds promptly to the customer requests					
Assurance: I& M Bank customers feel safe when transacting with employees					
Tangibility: I&M bank has up to date equipment and the appearance of the physical facilities of the bank are consistent with the type of service industry					
Empathy: I&M Bank operates at hours convenient to all customers and gives each customer individualized attention					

SECTION II – EXTENT TO WHICH INFORMATION TECHNOLOGYINFLUENCES CUSTOMER SATISFACTION

Kindly tick (✓) the answer that best represents your views (**Strongly Disagree = 1…,Strongly Agree = 5**)

Information Technology	1	2	3	4	5
I & M bank has Mobile banking that is easy to use					
I & M bank has Internet banking that is easy to use					
Internet and Mobile banking has enhanced the bank's service delivery to customers					
I am satisfied with internet and mobile banking at I & M bank					

SECTION III –BANK CULTURE

Kindly tick (✓) the answer that best represents your views (**Strongly Disagree = 1…,Strongly Agree = 5)**

Bank Culture	1	2	3	4	5
I &M Bank values enhance customer satisfaction					
The bank values are essential for enhanced customer experience					
Beliefs and stories I have developed at the bank forms part of my satisfaction					
Professionalism is highly practised at I &M bank					

SECTION IV – CUSTOMER SATISFACTION (DEPENDENT VARIABLE)

Kindly tick (✓) the answer that best represents your views (**Strongly Disagree = 1…, Strongly Agree = 5)**

Customer Satisfaction	1	2	3	4	5
I& M has good Customer satisfaction policies					
You believe employees' are trained on customer satisfaction					
Customer satisfaction is essential for growth of I&M Bank					
Customer satisfaction is essential for competitive advantage					

The End, Thank you for your participation