

**SERVICE QUALITY AND CUSTOMER LOYALTY IN DEPOSIT
TAKING SACCOs IN KENYA**

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DECLARATION

This research project is my original work and has not been submitted for examination in any other university

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DEDICATION

This Research Project is dedicated to my loving parents, Sophie and Dalmas Owino whose words of encouragement and push for tenacity ring in my ears and to my wonderful son Ryan Moss for giving me inspiration and being my best cheerleader. This work is also dedicated to my friends Judy Williams for pushing me to reach the finishing line, Fredrick Ochieng for being a constant source of support and encouragement during the challenges of graduate school and Sam Ochieng for the many hours of proofreading my work and technical support. I would not have made it if not for your immeasurable support

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ABSTRACT

The main objective of this study was to investigate the relationship between Service Quality and customer loyalty in DT-SACCOs in Kenya. Service quality has been considered as independent variable whereas customer loyalty was considered as the dependent variable. Five dimensions of service quality have been considered in this study namely: tangibility, responsiveness, reliability, assurance and empathy based on SERVQUAL model of (Parasuraman, et al, 1991). The other objectives included, an investigation of the effect of demographics on customer loyalty in DT-SACCOs in Kenya, the perception of service quality provision in DT-SACCOs in Kenya and the customer's expected service quality. A descriptive cross-sectional survey research design was used. A 47 item instrument was generated comprising of 44 items for the five dimensions of Service Quality on the basis of the work of (Parasuraman, et al, 1991) and 3 items for customer loyalty on the basis of the work of (Dick & Basu, 1994). The study used judgmental and convenience sampling to restrain the sample to 40 DT-SACCOs located in Nairobi County where semi-structured questionnaires were administered to 2 customers found in the service area of the selected DT-SACCOs. The quantitative data generated were analyzed with the aid of Statistical Package for Social Sciences (SPSS). The study used regression as the model of analysis. The study findings revealed that there is a significant relationship between service quality and customer loyalty. The regression model shows that taking all the factors (Tangibility, Responsiveness, Reliability, Assurance and Empathy) constant at zero, customer loyalty would be -0.980. with results, statistically significant as $P > 0.05$ at 0.000. The service quality had a positive and significant effect on customer loyalty with a correlation coefficient of 0.898 at p-value of .001. The study further shows that a unit increase in service quality with respect to empathy will lead to a 1.017 increase in customer loyalty, tangibility will lead to 0.941 increase in customer loyalty; a unit increase in assurance will lead to a 0.887 increase in customer loyalty, unit increase in responsiveness will lead to a 0.796 increase in customer loyalty and a unit increase in reliability will lead to a 0.777 increase in customer loyalty. These results imply that of the five service quality elements variables studied; empathy contribute more to the customer loyalty in the DT-SACCOs followed by tangibility, assurance, responsiveness and lastly reliability. The SACCOs should adopt and use SERVQUAL model with respect to the entire elements so as to improve on customer loyalty.

LIST OF ABBREVIATIONS

ANOVA	Analysis of Variance
BOSA	Back Office Services Activity
CBK	Central Bank of Kenya
CRBs	Credit Reference Bureaus
DT- SACCOs	Deposit Taking SACCOs
FOSA	Front Office Services Activity
GDP	Gross Domestic Product
GOK	Government of Kenya
ICA	International Co-operative Alliance
KUSCCO	Kenya Union of Savings and Credit Cooperatives
MFBs	Micro Finance Banks
MFI	Micro Finance Institutions
Mo CDM	Ministry of Co-operative Development and Marketing
MRPs	Money Remittance Providers
NSE	Nairobi Securities Exchange
SACCOs	Savings & Credit Co-operative Societies
SASRA	Sacco Societies Regulatory Authority
SPSS	Statistical Package for Social Scientists
WOCCU	World Credit Council of Credit Unions

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CHAPTER ONE: INTRODUCTION

1.1 Background

Competition in the business world today is dynamic and challenging because customers have become more aware of their rights and have access to different channels of information on available products and services in the market (Mäntymaa, 2013). The management of service quality helps managers to maintain consistency in service delivery and to meet changing customer expectations more efficiently and effectively (Yap, Ramayah, & Shahidan, 2012)

1.1.1 Service quality

Service quality is the consequence of the contrast that customers construct between their prospect about a service and their discernment of the way the service has been performed (Caruana, 2002), according to (Kotler & Armstrong, 2012) “It is the ability of a service firm to hang on to its customer” that is, in their opinion customer retention is the best measure of service quality. Quality is an important element for the success of a business because of the realization of its positive link with profits, increased market share and customer satisfaction (Kotler & Armstrong, 2012). Several earlier studies and authors pointed out that quality concept in service is different from the concept prevalent in the goods sector. The reasons for such a treatment are inherent features of services like intangibility, inseparability from the provider, heterogeneous etc. Hence there is a distinct frame work for quality explication and measurement (Kotler & Armstrong, 2012)

1.1.2 Customer Loyalty

Customer loyalty according to (Kotler & Armstrong, 2012) is derived from the realization of a customer’s anticipation, while the prospect comes from the familiarity of preceding purchases by customers, the view of friends and relatives, and information from the marketer or a competitor. Organizations develop long-term relationships with customers because of the following reasons: (1) The elevated price tag of new customer acquirement; (2) The loyal customers are inclined to spend more; (3) The happy clients will advise the company services or merchandise to others. So if the customers are satisfied, they will have faithful and replicate purchases, also have the encouraging grapevine. Finally, the business will get more of new clientele (Zeithaml & Bitner, 2012)

The study is guided by the two theories, SERVQUAL Model by (Parasuraman, Berry, & Zeithaml, 1991), and Relationship Marketing (RM) Theory by (Koiranen, 1995). The SERVQUAL Model denotes that service quality has five dimensions namely: tangibility accentuated by the physical infrastructure, paraphernalia, and physical appearance of workers; reliability: which is the potential to perform the assured service time after time and properly; responsiveness: eagerness to assist clientele and offer punctual services; assurance: awareness and courteousness of workers and their abilities to instigate trust and self-assurance and empathy: gentleness, individualized consideration the organization gives to its clients. RM strategy stipulates that it is more useful to engage in long-term customer interactions that lead to customer loyalty than to rely on one-time exchanges. The relationship marketing include: customer relations, stakeholder plight, attraction marketing, promotional incentives, strategy, and guidance and all these components when implemented bring about customer loyalty.

1.1.3 SACCOS in Kenya

One Sector that has become competitive in Kenya is the Financial Services Sector, dominated by the Banks, the sector consists of the Central Bank of Kenya, forty two (42) commercial banks, one (1) mortgage finance company, eight (8) agent workplace of overseas banks, thirteen (13) Microfinance Banks (MFBs), three (3) credit reference bureaus (CRBs), seventeen (17) Money Transmittal Providers (MRPs) , seventy seven (77) foreign exchange (foreign) bureaus, Capital Markets, Insurance, Pensions, Investor Compensation Fund for Capital Markets subsector; Insurance Policy holders' Compensation Fund for the insurance subsector and Savings and Credit Cooperative Societies (Bank Supervision Annual Report, 2016). The sector's assets as a share of nominal GDP were 83.27 per cent (Financial Stability Report, 2015). In expressions of the proportions by each sub-sector, the sum total of banking sub-sector resources account for 56.11 per cent; the Pension subsector accounted for 13.08 per cent; Insurance industry accounted for 7.90 per cent; and Saccos subsector accounted for 5.59 per cent, respectively of nominal GDP by end December 2015 (Mäntymaa, 2013).

In Kenya, the SACCO sub industry consists of DT-SACCOs segment and non- DT-SACCOs. DT-SACCOs are approved, overseen and synchronized by SASRA under the SACCO Societies Act of 2008, they are defined by law as those SACCOs that accept withdrawable deposits, and they undertake both Back Office Services Activities

(BOSA) as well as Front Office Services Activity (FOSA). Non-DT SACCOS are supervised by the Ministry of Industry, Trade and Cooperatives and undertake only Back Office Services Activity (Sacco Supervisory Annual Report, 2015). All SACCOS are registered under the Co-operative Societies Act CAP 490 (Co-operative Societies (Amendment) Act (2004). FOSA present fundamental banking services comparable to those given by commercial banks while BOSA savings are monthly SACCO payment that can only be withdrawn upon retiring from SACCO association (Sacco Supervisory Annual Report, 2015). According to SASRA there were 171 DT-SACCOS in Kenya as at December 2015, the DT-SACCOS control in excess of 78% of the total deposits and assets of the SACCO business. The call for closer supervision of the DT-SACCOS is because handling withdrawable deposits is considered high risk as depositors face the danger of losing their wealth. DT-SACCOS offer financial services that are analogously the same as ones assumed by commercial banking organizations; the only difference is that such deposits are taken from members (Sacco Supervisory Annual Report, 2015).

SACCOS have been critical agents of mobilization of savings and advancing credit to members thus promoting economic development in the country, contributing up to 30% of the GDP (Financial Stability Report, 2015). Kenya has the highest number of registered co-operatives in Africa with one out of five Kenyans being members of a cooperative (Mudibo, 2005). However, the growth of SACCOS has recently been threatened by competition from other financial institutions offering alternative services (Naibei & Koskei, 2017). The performance of SACCOS, has also greatly shrunk over the years and (Kiraju & Okibo, 2014) posit that the poor performance of SACCOS is attributable to withdrawal of members. Most of the products in this sector are easy to duplicate and the other service providers offer nearly identical services, as a result customers find it easy to change from one service provider to a new one, therefore the players in this sector can only differentiate themselves on the foundation of price and quality (Manickavasakam, 2012). Imminent researches reveal that membership and customer loyalty is declining at faster rate. This presents a problem to SACCOS, the advent of similar products among SACCOS have created situations that have prompted more movement between SACCOS as members no longer experience that sort of loyalty as the previous encounters in the last 5 years (ACAL, 2012) To be victorious, a SACCO desires at least to sustain its volume of member transactions. With increased rivalry, it can do this only through constant improvements in services while maintaining and

offering affordable prices. Enhanced service provision may denote intensifying the series of services obtainable to members or improving the delivery of offered services (Mamouni, Watson, Mazzarol, & Soutar, 2012)

1.2 Statement of the Problem

The exceptional relationship of SACCOs with their members as customers and owners of the society is a latent source of competitive advantage and can be a key attributor to their pliability (Jussila, Goel, & Tuominen, 2012). A key progress in the economics literature over the last two decades has been the recognition and study of challenges facing co-operatives due to the character and dynamics of their rapport with their members (Jussila et al, 2012). Regulation in the SACCO industry have made most SACCOs to have similar business and operating models. Moreover, their product submission is very much the same therefore creating a flooded market, since members have a small range of products to choose from between SACCOs. The market faces stiff competition due to the saturation and expanding competition, therefore a number of SACCOs embarked on rebranding and spreading out to find more sustainable ways to construct value addition for their clients (ACAL, 2012). Insights have shown that customers are now on the search for superior products and options from the rivalry. There is reduced loyalty as members are reluctant to entrust the service providers where service quality are minimal in relation to value derived (ACAL, 2012). While the majority of SACCOs may retain 80% and above of their preliminary members, they envisage a sustainability and growth gap if they cannot draw new members, distinguish their product and build a strong client base (Jussila et al, 2012). Competitive benefit is shaped through the deliverance of quality offerings (Caruana, 2002)

Imminent researches reveal that membership and customer loyalty is declining at faster rate. This is a problem to SACCOs, the advent of similar products among SACCOs have created situations that have prompted more movement between SACCOs as members no longer experience that sort of loyalty as the previous encounters in the last 5 years (ACAL, 2012). To be competitive, a SACCO is required at least to sustain its volume of member transactions. With increased rivalry, it can do this only through constant improvements in quality of its services while maintaining and offering affordable prices (Mamouni et al, 2012). This necessitates SACCOs to implement a diverse approach that is essentially focused on the customer and service quality. Based

on this, therefore study seeks to assess the reflection of professed service quality by members of a DT SACCOs in Kenya and examine the effects of service quality scope on member loyalty. The main input of this research lies in the appliance of the SERVQUAL model and the conception of service quality in a cooperative organization, an area that has been at the center of few academic studies.

1.3 Research Objectives

1.3.1 General Objectives

The objectives of the study was to investigate the relationship between service quality and customer loyalty in deposit taking SACCO's in Kenya by adopting the SERVQUAL Model

1.3.2 Specific Objectives

1. To determine the effect of demographics on customer loyalty in DT-SACCOs in Kenya
2. To determine the perception of service quality provision in DT-SACCOs in Kenya
3. To determine the customer's expected service quality in DT-SACCOs in Kenya
4. To investigate the relationship between service quality and customer loyalty in DT-SACCOs in Kenya

1.4 Value of the Study

This research is expected to provide DT-SACCOs in Kenya an understanding of the relationship between service quality and customer loyalty in the Sector. The study is expected to enable DT-SACCOs to improve their service delivery processes in order to improve customer loyalty in their respective operating environments by developing competencies and capabilities that would work at every point in their operations.

The policy makers especially the government is expected to find the research supportive in prominence part of guidelines fissure that would necessitate enhancement inside SASRA set up, how to address such gaps and improve on the governance bit in ensuring that quality service is rendered to the members. This would result into cost effective policy decisions regarding influence of government's regulations in the DT-SACCOs industry in Kenya. This knowledge and understanding is expected to create an environment for healthy business growth of the DT-SACCOs

The study is expected to be of great benefit to the future researchers and academicians as it provides insight on the study gap and references that is expected to add to the knowledge creation and theory development. Academicians and practitioners are expected to gain knowledge of service quality and how it influences customer loyalty in the DT-SACCOs in Kenya at a period like this where competition is stiff.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section shows a review of literature. It focuses on the theories that anchor the study, service quality, customer loyalty and the SACCO's sector.

2.2 Theoretical Foundation

The study is guided by the two theories namely; SERVQUAL Model by (Parasuraman et al, 1991) and Relationship Marketing (RM) Theory by (Koiranen, 1995).

2.2.1 SERVQUAL Model

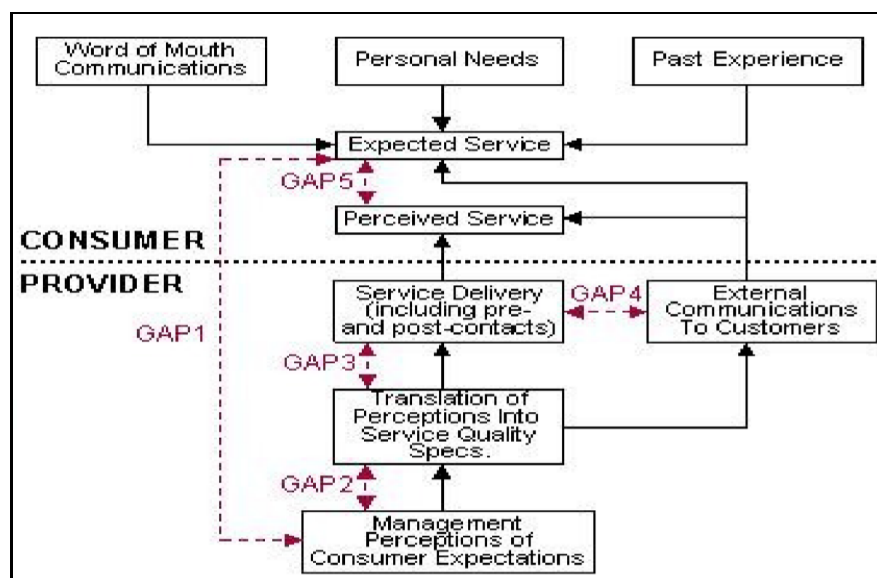
The SERVQUAL Model dictates that service quality is based across five dimensions which further induced customer loyalty. These entail: the tangibility nature accentuated by the physical amenities, paraphernalia and outward show of workers; reliability: which is the ability to do duties dependably and accurately; responsiveness: eagerness to help customers and offer punctual services; assurance: awareness and politeness of workers and their abilities to bring about trust and self-assurance and empathy: gentleness, individualized consideration the organization give to its clients (Parasuraman et al, 1991).

The SERVQUAL model that is acronymic derivative of the term Service Quality is a well-tested model and a technique that lay bare service quality with five precepts of proportions that trigger customer loyalty. SERVQUAL method typically includes a series of service areas disseminated all through the five service quality tenets. The assessment often asks the client to present two diverse ratings on each one of the attributes dazzling on the level of service they would anticipate from outstanding companies in a given segment and the other reflecting on their discernment of the service rendered by a specific company within a zone. The disparity amid the expectation and perception rating will amount to a qualified determiner of service quality. The exploit of SERVQUAL seems to be most successful in financial services sector, health care and education sector. The different items of SERVQUAL have been used to measure service quality within several industries (Ismail, Zaki, & Rose, 2016).

The structures of (Parasuraman et al, 1991) further attempt to spot services' deficit and thus identifying the prospect for further improvement so that optimum level can be reached in delivering such provision to the clients. (Parasuraman et al, 1991) concur

with other writer's further by giving guidance on the tangibility that it comes along with such a tributes like; empathy, reliability, assurance and responsiveness which induce interest of the client to seek more. The tangibility is the outward look of the material facilities, apparatus, human resources and contact material contained by a service. Empathy denoted how well care can be shown to an individual and attention is given promptly by the service provider to customers whereas reliability is the readiness of the service provider to carry out the promised service feasibly with much accuracy. Assurance then is the conviction in the understanding or awareness and proficiency of the service provider. Responsiveness reveals much of a willingness to assist a customer and offer an immediate service in specific; this framework is a measure of how clients distinguish a firm's excellence of service when they obtain it. This dimension is arrived at through a contrast between clients' anticipation on how they should be as long as it is served and what they ultimately obtain and at last. The SERVQUAL framework has been accosted by its inventors as a straightforward and all-inclusive in dimension measuring level that has high-quality of dependability and soundness in its results.

Figure 1: SERVQUAL Gap Analysis



Source: (Parasuraman, Zeithaml et al. 1991)

The polished Service quality model was crafted by (Parasuraman et al, 1991) gives and expose on the five (5) components of service quality and these entails: Tangibility, Reliability, Responsiveness, Assurance, and Empathy.

2.2.3 Relationship Marketing (RM) Theory

According to (Koiranen, 1995), RM strategy denotes that it is more effectual to spend on long-term customer engagements that yield customer loyalty than to rely on one-time exchanges. The relationship marketing include the idea of: customer relations, stakeholder plight, attraction marketing, promotional inducement, plan, and control and all these components when implemented bring about customer loyalty. Relationship Marketing (RM) in essence entails maintaining, and enhancing long-term friendship with customers (Koiranen, 1995). An input supposition is that all stakeholders will be able to convene their issues through the affiliation. Organizations must rethink on different issues based on the stage of growth. It is also related and inter connected to the concept of customer relationship management (CRM), with CRM which is the progression that recognize clients, generate customer knowledge, construct customer relationships, and outline customers' awareness of the business and its offerings (Srivastava, Tasadduq, & Liam, 1999). Subsequently on the CRM viewpoint, liaison marketing is the phase that comes in amid creating customer awareness and determining customer perceptions after products have been delivered.

Relationship marketing is a striking notion because it relates together many outwardly unconnected strands of marketing consideration. Some of these filament include: customer relations, sales executions, tactical thinking, above-board relationships. RM strategy lay down that it is more effectual to endow in long-term customer interface that lead to customer loyalty than to rely on one-time dealings. In observation, however, RM is not that effortless to put into practice. There are interested parties to mull over, and firms have to be confident and give an assurance that value is provided to all the customers. The relationship marketing include a myriad of concepts that entails customer relations, attraction marketing, promotional for inducement, plan, and control and all these marketing components when put into perspective bring bout customer loyalty (Srivastava et al, 1999)

2.3 Service Quality

Diverse scholars have developed different opinions on the concept of service quality (Parasuraman et al, 1991) critically reveals that consumers' discernment of service quality is the breach amid the anticipation of widespread echelon of service provided and performance by a given Service. Service quality of a firm is fitting as a significant

aspect of rivalry factor within the industry (Es, 2012). Service quality model was developed to gauge service quality as articulated by (Gronroos, 1990). He further acknowledged that a service is a progression of actions of more or less elusive scenery that normally occur during exchanges between the client and service provider presenting a system of relations that result into solutions to customers.

Gronroos, (1990), deployed a two-dimensional concept that is fit and add more insight to the study of quality service. The first aspect is the 'technical-quality' that present an outcome of service performance out of the service provided. The second breadth is the 'functional-quality', that is skewed perceptions on how service is rendered. It is resolute that service quality align consumer interactions with the service providers provide a basis for continual interactions. The model further shows dimensions of service performance with the client expectations as well as the satisfaction derived from it. The general deductions over these views show that customers do have their own single discernment attached to the excellence of a service provided. Myriads of years have elapsed now since researchers put forth the poignant and elaborate literature on service quality with the likes of (Parasuraman et al, 1991) who denotes that it is now perceived as a worldwide verdict or approach that concerns the advantage of the service and how well it fulfills the client inquest.

2.4 Customer Loyalty

Customer loyalty has typically been referred to as a corollary of all the understanding that a client has with a supplier (Kotler & Armstrong, 2012). The know-how valor comprises of physical connections, arousing involvements, and significance chain moments, according to (Kotler & Armstrong, 2012). A swing in faithfulness strategy from a contentment strategy can significantly augment client retention and reduce marketing costs. It is not always the case that customer defection is the inverse to loyalty, customers may stay with a particular organization owing to changing costs, deficient in of perceived demarcation of choice, location constraints on choice, time or money constraints, custom or apathy which are not related to loyalty (Zeithaml & Bitner, 2012). Customer loyalty can be distinct as the contiguous pace to the repurchasing deeds of customers.

Customer loyalty has been fundamentally and deliberately reviewed in user perspective and within the marketplace. A widespread description is ascertained by customer loyalty cofounders as the likes of (Dick & Basu, 1994) put it, that Customer loyalty is seen as an element of relative attitude and repeat patronage. They additionally it connotes that client loyalty is not only a habitual occurrence, in addition the conduct facet also denote to the mind-set of a client towards a product. The second scope of client loyalty entails the virtual outlook that maybe either high or low. It also presents as much a repeat patronage that is rated as greater or less, indicating four (4) spectra of loyalty (Garland & Gendall, 2004). They further analyzed the model of (Dick & Basu, 1994) and they confirmed the effectiveness of typologies. They all affirmed equally that feelings and actions are vital factor of client loyalty.

Figure 2: Typology

		Repeat patronage	
		High	Low
Relative attitude	High	True loyalty	Latent loyalty
	Low	Spurious loyalty	No loyalty

Adopted from (Dick and Basu, 1994)

In the procession of (Dick & Basu, 1994) and (Rauyruen & Miller, 2007) it came out that there are three (3) breadth of study in client loyalty: behavioral loyalty factor, attitudinally oriented loyalty aspect and compound loyalty aspect. In which behavioral loyalty focuses on the series of replicate purchase, attitudinal loyalty delves on the readiness to advocate for merchandise or service and the encouraging in a word spread. Composite loyalty is a blend of both fronts. The substantial facet of client loyalty is certified by a number of research studies and profitable firms. To affirm of the same, authors such as (Walsh, Groth, & Wiedmann, 2005), (Cavana, Corbett, & Lo, 2007) and (Pfeifer, 2005) all wrap up their reanalysis the outlay of helping a loyal customer is way below the cost of acquiring another client. As (Gee, Coates, & Nicholson, 2008) mention quite a number of recompense of client loyalty and which entails having less service cost attached, they pay high price for a product or service and also tend to operate as a marketing agent through grapevine avenue. (Heskett, Sasser, &

Schlesinger, 1997), further crafted a concept termed as 'Service Profit Chain' that shows strong correlations between customer allegiance, fulfillment and the value derivative. Their wrap up was reveal that fidelity is and outcome of customer contentment is immensely inclined to the quality of services and standards. A poignant constituent of loyalty is the free flow of information outlaid. The swap of in sequence on piece of information can endow with a constructive actions and status of mind concerning to the information correspondent. Therefore manning customer loyalty is very imperative as it form chiefly the wealth of the organization.

2.5 Customer Satisfaction

Clients who are satisfied form a key component element and present a clear indication of the repetitive aspiration to purchase future products. At the present time, customer satisfaction is carefully measured as the business approach and a plan that amount to successful entrepreneurship and product innovation hence consumer patronage of company offerings. A lot of contributions have been considered among which, reveal some parity in the submission of writers. And (Sureshchandar et al, 2002) did a wide-ranging assessment of customer satisfaction writings and they reveal that there are three (3) universal apparatus encompassing response, focus and time that form key aspect in customer service. They therefore distinct customer satisfaction as an arousing or cognitive reaction bringing about expectations, product and consumption experience, it occurs at a specific instant subsequently after experience or consumption. Several authors have shown experiential proof of the relationship that exists between client satisfaction with client loyalty (Yu & Dean, 2001) and (Heskett et al, 1997). On the other hand (Rauyruen & Miller, 2007) and (Henkel, et al., 2006), found out that clients who are happy with the service rendered will certainly or objectively add to their habits and buy such items future times. (Parasuraman, et al, 1991) and (Chavan & Ahmad, 2013) on the other hand established that client satisfaction is the true outcome of excellence in quality, and (Sureshchandar et al, 2002) further put forward that there is a dual connection linking service quality and client satisfaction.

2.6 Service Quality and Customer Loyalty

The relationships that exist between service quality and customer loyalty has laid a lot of room for critics to air their views and opinion and some scholars have prudently shown that it can directly affect customer loyalty proven by empirical researches. According to (Parasuraman et al, 1991), who keenly merited that the inter-link between

service quality and customer loyalty are based on behavioral intentions which are promoted by the closeness of customer's final action and that with the service provider accentuated by the service quality. The service quality will influence the customer's readiness to urge to others and present their intention to carry our repeat purchase, this bring an important index when measuring customer loyalty. So there is an existence of positive and constructive correspondence between service quality and customer loyalty. (Han & Wang, 2003), critically point out that, service excellence has a straight brunt on clients' cognitive reasoning as well as emotional attachment. This came about after study of six groups of service enterprises especially the hotel industry, banking industry, hospitality, civil aviation, mobile telephony and beauty parlor. (Caruanaa, Ewing, & Ramaseshanc, 2000) put forth a lean model that enclosed service superiority, client satisfaction and client loyalty in equal perspective, after they reviewed the three aspects that further demonstrated the supposition through the studies on the retail banks. The outcome of the studies showed that service quality influences customer loyalty, but when customer satisfaction was initiate, service quality become the epitome to post purchase dissonance hence loyalty.

2.7 Savings and Credit Co-Operatives (SACCOs)

SACCOs are mutual institutions providing saving and loan services to their members, (Mudibo, 2005). They comprise legal entities owned and democratically controlled by their members. KUSCCO its submission denotes co-operative as a self-governing association of persons unified willingly to realize the common socio-cultural and economic, needs of its members based upon the values and derivatives such as: of self-help, self-responsibility, democratic system, fairness, and commonality. The Co-operative Societies (Amendment) Act (2004) explicitly states that co-operative members must have a "common bond" in order for their registration to be accepted. The common bond refers to being in a particular occupation from which ones contributions can be channeled to the SACCO through a payroll system. SACCO membership is open to all and the management board is elected after every three years in an Annual General Meeting to form the Central Management Committee charged with the overall governance of the SACCO affairs (Mudibo, 2005)

DT- Saccos operate in a unique environment, for instance, they take withdrawable deposits, offer payment services, automated teller machines, salary processing, mobile

banking and other quasi (Jussila et al, 2012). A banking services offered by commercial banks. (SASRA, 2015). There is a mix of socio-economic objective of all cooperatives. The financial endeavor seek to broadly summarize as follows; support thriftiness by cheering members to keep frequently, offer loans to members at a sound rate of interest and to lend a hand in making more efficient use of their financial prowess SACCO does not seek to make profits as its main objective. Uniformly, it is not a charitable trust, which means members have to display their capacity to set aside recurrently before being considered for a loan (Mudibo, 2005). Although a SACCO is very diverse from a bank, the two set of organizations are potentially in rivalry in the areas of saving, reserves and loans since most of their products are identical (Mudibo, 2005). The World Council of Credit Unions (WOCCU) approximate that the Kenyan SACCO zone or division is the biggest in Africa and as at 2005, SACCOs had grouped connection of more than 2.5 million, share capital and deposits of read up to US\$1.66 billion, and a loan portfolio of US \$1.24 billion (SASRA, 2015).

Scholars have recognized a range of factors which put in to the malfunction of most co-operatives and (Bhuyan, 2007) quote lack of members' involvement, (Nyoro, Ngugi, Barrett, Mude, & Omiti, 2007) quote economic aspect, education and awareness of supervision committee and the staff, (Chibanda, Ortmann, & Lyne, 2009) quote debt weight, wrangles, aggression, lack of establishment lucidity and fragile administration whereas the (ILO, 2002) quote liquidity problems. (Munene & Makori, 2013) and (Auka & Mwangi, 2013), spotted the requirement of competitiveness of SACCOs products and services as contrasted to other financial institutions that are providers of financial products. (Kilonzo, 2010) studied on forces that infringe on the economic structure and the lack of suitable strategy to alleviate the sound-effects of these forces. Notably, very few studies are anchored on membership in general and member's loyalty in specific. This is despite the fact that the strength of a SACCO depends, among other things, the membership base. Therefore, retention and loyalty of members is an important element of SACCO performance.

2.8 Knowledge gap

Several studies have been done in this area both internationally and locally. Especially, (Archi & Srivastava, 2016) investigated the effects of Service Quality on Customer Loyalty in India and found that there a positive relationship but his was in India. (Poku,

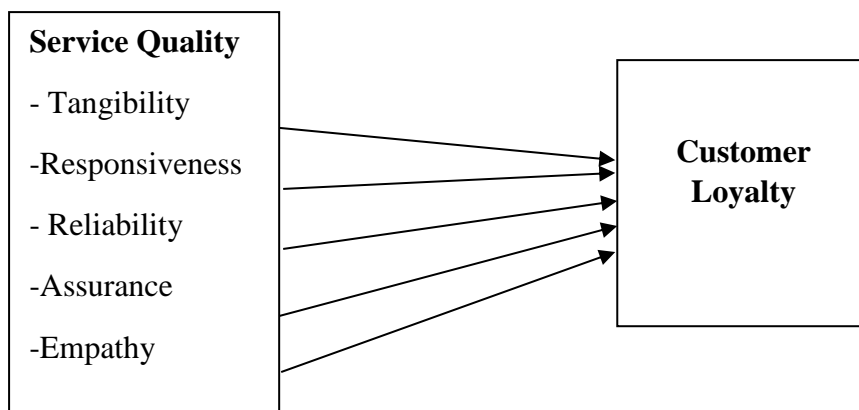
Ansah, & Lamptey, 2013) studied the influential aspect of Service Quality on Customer Loyalty in Telecommunication sector in Ghana but this did not look into the Kenyan market and SACCOs. (Agyei & Kilika, 2013) investigated the association between Service Quality and Customer Loyalty in Kenya but this looked into the Mobile Telecommunication Service Industry but not the SACCOs industry. On this basis vested on the knowledge gap, the researchers was induced to determine the rapport that exists between the service quality and client loyalty in deposit taking SACCOs in Kenya,

2.9 Conceptual Framework

Basing on the assessed literature and our objective to establish the connection between Service Quality and client Loyalty in DT Sacco's in Kenya, the study adopted the below framework:

Figure 3: Conceptual Model

Independent Variables → **Dependent Variable**



Source: Researcher (2017)

The following hypotheses were tested to ascertain the relationship that exists linking the variables. The assumptions were articulated in regards to the variables: the independent variable and the dependent variable (Field, 2009)

Ho1: There is no effect of demographics on customer loyalty in DT-Saccos in Kenya

Ho2: There is a negative perception on Service Quality in DT-Saccos in Kenya

Ho3: There is negative customer's expected service quality in DT-Sacco's in Kenya

Ho4: There is no relationship between service quality and client loyalty in DT-Sacco's in Kenya

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This section discloses the methodology used. It covers the study design, population, sample techniques, data collection and data analysis.

3.1 Research Design

The study espoused a descriptive cross-sectional survey design. A descriptive research design was suitable as it was used to get information relating to the existing position of the phenomena in question and to depict what exists with reverence to variables under study. Cross-sectional research designs was found to be useful as it is normally deployed when investigating one or more variables within a given population at one point in time and are helpful for establishing linkages and for formative prevalence (Churchill, 1991).

3.2 Population

The target population of the study encompass of all the DT- Sacco's in Kenya. There are currently 177 registered DT-Sacco's in Kenya, SASRA (2015). Therefore the unit of analysis was 171 DT-Sacco's within Kenya

3.3 Sample Design

According to (Field, 2009), in his submission, he states that the interest of a researcher is to unearth outcome that relate to the whole population. Due to inadequate resources such as relatively not as much of time as required, funds and manpower, there was no contact to every member of the population. The study used judgmental and convenience sampling to restrain the sample to DT-Sacco's located in Nairobi County. There are 40 DT-Sacco's in Nairobi County SASRA, (2015) that formed our unit of observation in this study. In each of the selected SACCOs, two (2) questionnaires were distributed to the first two customers met in the lobby of the SACCO, on a given day to provide a randomly selected sample for the customer portion of the study.

3.4 Data Collection

The research study used primary method on data gathering by use of semi-structured questionnaire having closed ended questions prepared in line with the objectives of the study. It was selected since it was simple to manage on the spot in terms of gathering

of information. The method also necessitated privacy of customer's delicate information as there was no disclose their individuality while substantial feeding the information in the questionnaire. The questionnaires were distributed in November 2017 throughout operational hours from 9 am to 4 pm Monday to Friday. Questionnaires were issued to two customers in the lobby of each of the 40 DT-SACCOs in Nairobi County by the researcher and the research assistants. The entirety number of objects that considered the Service quality were 22 and were operationalized using a 5-point Likert-Scale ranging from (1= SD) to (5= SA). The range was constructive in measuring the strength of the respondents' responses on the items on Service Quality. The objects were supported by the SERVQUAL Model. Customer loyalty objects were chosen based on apparent behavior distinctiveness that incorporated referrals, recommending the Sacco to family and friends, making positive comments about the Sacco and having the intention to continue being a member of the Sacco. The selection of these items ensured completeness in covering the key aspects of customer loyalty in the study

3.5 Data Analysis

The study opted for both descriptive and inferential analyses. Descriptive analysis implicated the totaling the rate of recurrence and their distributions, mean, and standard deviation, which were helpful to recognize disparities. Inferential scrutiny helps in indulgent of associations that exist among variables. In array to congregate the research objectives of this study, all compelling rejoinders were evaluated using multiplicity of statistical techniques: Pearson's Correlation and regression analysis. Before processing the response, the questionnaires were checked for wholeness and constancy. The data was veiled and checked for any errors and omissions. Answers from the questionnaires were put into a table. The SPSS was used to analyze the variables as guided by (Field, 2009). The results were presented using frequency distribution tables, mean and standard deviation.

The following regression model was adopted:

$$LOY = \beta_0 + \beta_1 * TAN + \beta_2 * REL + \beta_3 * RESP + \beta_4 * ASSU + \beta_5 * EMP + e$$

(LOY: Loyalty, TAN: Tangibility, REL: Reliability; RESP: Responsiveness, ASSU: Assurance, EMP: Empathy)

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter delineates data analysis, results and understanding of the results. In array to make findings simpler the researcher resorted to tables and figures that summarized the combined reactions and views from the respondents. The chapter is outlined as follows; first it looks at the response rate, reliability analysis and demographic aggregation, trailed by analysis of Demographics and customer loyalty, Customer Perception of Service Quality, Customer Expectation of Service Quality and finally the relationships between Customer Service Quality and Customer Loyalty DT-SACCOs in Kenya. The study scrutinized the following study objectives:

- a. To determine the effects of demographics on customer loyalty in DT-SACCOs in Kenya
- b. To determine the perception of Service Quality perception in DT-SACCOs in Kenya
- c. To determine the customer's expected service quality in DT-SACCOs in Kenya
- d. To determine the relationship between service quality and customer loyalty in DT-SACCOs in Kenya

4.2 The Response Rate

The unit of observation was 40 DT-SACCOs in Nairobi County. In each of the SACCOs (2) questionnaires were issued to the members in the banking hall lobby. Out of the 80 questionnaires sent to the DT-SACCOs 78 were wholly ticked and returned showing 98% response rate. This laudable response rate was made possible after the researcher and the research assistant personally administered the questionnaires to the first two customers met in the service area of the DT SACCOs. As per (Kothari, 2008), a response of 70% and over is excellent for data simplification. This means that the reply for this study was exceptional and therefore ample for data investigation and analysis.

4.3 Reliability Analysis

Reliability is distinct as the degree to which a questionnaire, observed tested, or any sized process bring into being the same outcome on repeated trials (Field, 2009). Reliability is measured by studying the Cronbach's alpha (α) which ranges from 0 to 1,

with 0 indicating completely unreliable and a value of 1 representing ideal reliability. Alpha values lesser than 0.70 are not advantageous (Nunnally, 1978)

A pilot study was taken, a pretest done to ascertain the legality and consistency of the data gathering instrument using 4 questionnaires prior to the main study. These questionnaires were later on incorporated into the number of the units.

Table 4. 1: Reliability Coefficients

Scale	Cronbach's Alpha	No. of Items
Tangibility	0.83	78
Responsiveness	0.8	78
Reliability	0.82	78
Assurance	0.79	78
Empathy	0.84	78

The result in Table 4.1 of the study reveals an analysis of the ending outcome where the Cronbach's Alpha values were 0.816 reflecting the scale. This is suitable according in line with (Nunnally, 1978). It is also nearer to 1.0 symbolizes a greater interior steadiness of the elements under consideration. The findings show that the instrument continuously gave outlying more than the ground results achieved an averaging of 0.816 accepted as first-rated and exceedingly above the requisite Cronbach's alpha coefficient of 0.7. It gave reassurance of an instrument's steadiness and reliability.

4.4 Demographic profiles

There were slightly more female respondents than and male respondents with most of the respondents being professionals and married. A majority of the respondents were certificate/diploma holders hence they had no difficulty in answering the questionnaire. Majority of the respondents were middle aged and had been members for not more than 10 years. The customers had mostly taken loans more than three times from the DT-SACCOs. Our Sample's uniqueness in expressions of demographics are presented in Table 4.2

Table 4. 2: Demographic profile of the respondents

Items		Frequency	Percentage
Gender	Male	33	42.3
	Female	45	57.7
	Total	78	100
Occupation	Professional	67	85.9
	Business	11	14.1
	Total	78	100
Marital Status	Single	6	7.7
	Married	72	92.3
	Total	78	100
Education	Secondary	2	2.6
	Certificate/Diploma	57	73.1
	Degree and Above	19	24.4
	Total	78	100
Age	26-35yrs	6	7.7
	36-45yrs	53	67.9
	46-55yrs	19	24.4
	Total	78	100
Membership	Below 5yrs	7	9
	5-10yrs	59	75.6
	More than 10yrs	12	15.4
	Total	78	100
Loan Access	1time	5	6.4
	2times	28	35.9
	3times	39	50
	More than 3times	6	7.7
	Total	78	100

There were more female respondents (57.7%) than male respondents (42.3%) revealing more females involvement with financial decisions in households. Majority of the respondents were more professionals (85.9%) this is because professionals have a more stable income that they can allocate for savings in the DT-SACCOs than business men while students have no income to allocate as savings in the DT-SACCOs. 92.3% married respondents indicate that this category of people have adopted a savings culture with DT-SACCOs than other individuals. Most respondents were certificate/Diploma holders (73.1%). Most of the respondents were aged between 36 – 45 years. A majority of the respondent have been members of the DT-SACCO between 5 – 10 years while most of the members have accessed loans more than three times from their DT-SACCOs, this is an indication that most DT-SACCOs join a SACCO to access loans pegged on their savings

4.5 Demographics and customer loyalty in DT-SACCOs

The first objective was to determine the effects of demographics on customer loyalty in DT-SACCOs in Kenya. The client loyalty is the mind-set that influences consumers either to return to a corporation, shop or outlet to purchase a fussy product, service or brand (Dick & Basu, 1994). Customer loyalty objects were chosen on a pedestal order on observable behavior distinctiveness that included referrals, recommendations of the Sacco to family and friends, making positive comments about the Sacco and having the intention to continue being a member of the Sacco. The responses were measured by semantic differential scale ranging from 1=Not at all, 2=Neutral, 3=Somehow, 4=somewhat and 5=very much. Table 4.3 gives a summary of the respondent's opinion on the three items of Customer loyalty

Table 4. 3 Customer Loyalty in DT-SACCOs

Customer Loyalty item	Mean	Std. Deviation
Recommend the Sacco to family and friends	4.5	1.029
Make positive comments about the Sacco	4.41	1.037
Have the intention to continue being a member	4.65	0.735
Overall mean	4.52	

The main customer loyalty item was the customer having the intention to continue being a member of the DT-SACCO. The overall mean of 4.52 indicate that the loyalty level is high in DT-SACCOs. (Caruana, 2002) Noted that education, occupation and income are all important elements of social class which have an influence on customer loyalty. Knowledge of whether different social class groupings have different customer loyalty levels has considerable marketing implications for a particular organization. This may provide information to the organization on the profitable market segments on which it should focus its resources (Caruana, 2002). To determine the effect of demographics on customer loyalty, in this study, cumulative frequency distribution of the demographic items on Table 4.2 were used

The finding on the effect of demographics on customer loyalty were itemized as follows: Gender: Female customers have more effect on loyalty than the male customers; Occupation: Professionals have more effect on loyalty than business people, students have no effect on loyalty as they are highly mobile; Marital Status: married customers had more effect on loyalty than single customers, indicating also that married individuals are more keen to save than single individuals; Education:

Certificate/Diploma holders had more effect on loyalty compare to degree holders in terms of the cumulative frequency distribution; Age: members who were 36-45 years had more effect on customer loyalty than the other age groups, this is an indication that this is the age group where there is active savings; Membership: membership has a major effect on customer loyalty, majority of the respondents have been members of the DT-SACCOs for between 5-10 years; Loan access: has an effect of customer loyalty; majority of the respondents had accessed loans more than three times, all the respondents had at least accessed a loan. The overall frequencies of the demographics indicate the level of effect on customer loyalty and this can be seen in the overall mean of the customer loyalty measure which indicate that the loyalty level in DT-SACCOs is satisfactory.

4.6 Perceived Service Quality in DT-SACCOs in Kenya

The second objective was to determine the perception of service quality provision in DT-SACCOs in Kenya. Customer perceptions are judgments about the actual service performance or delivery by a company (Zeithaml & Bitner, 2012). The respondents' feedback on the perception of service quality offered by DT-SACCOs was analyzed and presented in table 4.3

Table 4. 4: Service Quality Perceptions in DT- SACCOs in Kenya

	Service Quality Attributes	Mean	Std. Deviation
Tangibility	Modern looking equipment	4.12	1.019
	Visually appealing installations	3.53	0.817
	Well dressed and neat employees	3.71	0.854
	Easy to use self- service resources	3.60	0.795
	Overall mean for Tangibility	3.74	
Reliability	Meets deadlines	3.86	0.734
	Addresses problems with genuine interest	3.56	0.847
	Provide services correctly the first time	3.55	0.784
	Provide services when promised	3.42	0.782
	Error free services	3.41	0.729
	Overall mean for Reliability	3.56	
Responsiveness	Provide accurate information	3.71	0.899
	Give prompt service	3.59	0.673
	Willing to help customers	3.40	0.888
	Clarify customer's doubt	3.42	0.730
	Overall mean for Responsiveness	3.53	
Assurance	Employee behavior instils confidence	3.95	0.820
	Transactions and services are reliable	3.81	0.704
	Employees are courteous	3.59	0.780
	Employees are knowledgeable	3.64	0.755
	Overall mean for Assurance	3.75	
Empathy	Give Individual Attention	3.69	0.827
	Operating hours are convenient	3.28	0.896
	Provide personal services	3.38	0.777
	has members best interest at heart	3.31	0.827
	Employees understand client's needs	3.31	0.795
	Overall mean for Empathy	3.39	

Table 4.4 presents the respondents' perceived service quality level based on the SERVQUAL dimensions. The mean and the standard deviation of the 22 attributes of the SERVQUAL dimensions were obtained to gauge the echelon of the perceived service quality by the clientele of the DT-SACCOs. The range of the service quality discernment items was from 1 (very low perceptions) to 5 (very high discernment). The customer's service quality perception was in the following order: Assurance, Tangibility, Reliability, Responsiveness and Empathy. The customer's had the highest perception on Assurance dimension implying that they were happy with the employees of the Sacco's knowledge, courtesy and the ability of the DT-SACCOs to inspire trust and confidence in them, they also had high perception on Tangibility, (Parasuraman, et al, 1991) states that tangibility dimension enhances the image of the firm because the appearance of the physical facilities and employees provide hints to customers about the quality of services. The Reliability, Empathy and Responsiveness means were high indicating that there was a general high perception of service Quality in DT-SACCOs. The lowest perception item was 'operating hours are convenient for customers', which indicates that DT-SACCOs do not offer operating hours that are convenient to their customers that could augment service quality. On the other hand the customers' highest opinion were 'the Sacco has modern looking equipment', additionally, clientele extremely assessed the subsequent Sacco characteristic: 'well dressed and neat employees', 'transactions and services are reliable', 'employee behavior instils confidence'. These indicate that the Sacco staff has one of the crucial roles in performing high service quality. The overall mean score for service quality perceptions items in this study was 3.58. This score point out high discernment of the Sacco clientele on the subject of service quality in DT-SACCOs in Kenya

4.7 Expected Service Quality Level in DT-SACCOs in Kenya

The third objective was to determine the expected customer service quality level in DT-SACCOs in Kenya. Respondents accomplished SERVQUAL scale that calculated their prospect of the 22 statement on DT-SACCOs. The respondents' feedback on the expected service quality level was scrutinized and presented in tables exemplifying particular means and standard deviations. The major focal point was on the service quality elements; Tangibility, Responsiveness, Reliability, Assurance and Empathy

Table 4. 5: Expected Service Quality in DT- SACCOs in Kenya

	Service Quality Attributes	Mean	Std. Deviation
Tangibility	Modern looking Equipment	3.35	0.923
	Visually appealing installations	3.27	0.935
	Well dressed and neat employees	3.36	0.882
	Easy to use self- service resources	3.14	0.936
	Overall mean for Tangibility	3.28	
Reliability	Meets deadlines	2.68	0.987
	Addresses problems with genuine interest	2.56	0.877
	Provide services correctly the first time	2.72	0.836
	Provide services when promised	2.67	0.784
	Error free services	2.71	0.941
	Overall mean for Reliability	2.67	
Responsiveness	Provide accurate information	2.71	0.884
	Give prompt service	2.77	0.852
	Willing to help customers	2.68	0.764
	Clarify customer's doubt	2.54	0.833
	Overall mean for Responsiveness	2.68	
Assurance	Employee behavior instils confidence	2.72	0.924
	Transactions and services are reliable	2.67	0.935
	Employees are courteous	2.91	0.956
	Employees are Knowledgeable	2.64	0.872
	Overall mean for Assurance	2.74	
Empathy	Give Individual Attention	2.47	0.817
	Operating hours are convenient	2.68	0.814
	Provide personal services	2.67	0.878
	has members best interest at heart	2.59	0.797
	Employees understand client's needs	2.71	1.021
	Overall mean for Empathy	2.62	

Table 4.5 presents the respondents' opinion on the expected service quality level based. Customer expectations are beliefs about service delivery that is used as a base or benchmark against which the performance of the service is judged (Zeithaml & Bitner, 2012). The variety of the service quality expectations objects was from 1 (very low prospect) to 5 (very high prospect). The higher the means score, the superior the expectations about the quality of service provided by the DT-SACCOs to their customers. The expectations for all the dimensions were high. The expectations ranged in the following

order: Tangibility, Assurance, Responsiveness, Reliability and Empathy. The lowest expectation item was ‘the employees should give individual attention to customers’ while the customers highly expected the following Sacco attributes: ‘modern looking equipment’, ‘visually appealing physical installations’, ‘easy to use self-service resources’ and ‘courteous employees’.

Tangibility which had the highest expectation provides enough hints to customers about the quality of service of the firm. Also, this dimension enhances the image of the firm. Hence it is very important to DT-SACCOs and they need to invest heavily in physical facilities and employees. Assurance is important to DT-SACCOs because customers feel uncertain about their ability to evaluate outcome and that is why it is important to build trust and loyalty between key contact persons in the DT-SACCOs and customers of the DT-SACCOs. Responsiveness dimension focuses in the attitude and swiftness in dealing with client requests, questions, complaints and problems. The conditions of responsiveness can be improved by continuously reviewing the process of service delivery and employees attitude towards requests of customers. Reliability dimension indicates that customers like to do business with those firms, who keep their promises. So it is an important element in the service quality perception by the customer and his loyalty and finally Empathy dimension requires that the DT-SACCOs need to know customers personal needs or wants and preferences. The expectation measures agree with (Jussila, et al, 2012) who found that a co-operative desires to be well accustomed to what its associate and clientele wants and to offer them with a immense shopping familiarity that convene their outlook. Shopping experience is closely related with service quality, which it must be closely aligned with member needs. The overall expectation level for service quality in this study was 2.80 which is generally high

4.8 SERVQUAL GAP Analysis in DT-SACCOs

In measuring the overall service quality in DT-SACCOs, the fissure model of service quality urbanized by (Parasuraman, et al, 1991) was applied. The model indicates the service quality level gap which characterized the disparity amid the largely clientele perceived and expected service quality.

Table 4. 6 Summary of SERVQUAL GAP analysis

	Service Quality Attributes	Perception Mean	Expectation Mean	GAP
Tangibility	Modern looking equipment	4.12	3.35	0.77
	Visually appealing installations	3.53	3.27	0.26
	Well dressed and neat employees	3.71	3.36	0.35
	Easy to use self- service resources	3.60	3.14	0.46
	Tangibility Gap			0.46
Reliability	Meets deadlines	3.86	2.68	1.18
	Addresses problems with genuine interest	3.56	2.56	1.00
	Provide services correctly the first time	3.55	2.72	0.83
	Provide services when promised	3.42	2.67	0.75
	Error free services	3.41	2.71	0.70
	Reliability Gap			0.89
Responsiveness	Provide accurate information	3.71	2.71	1.00
	Give prompt service	3.59	2.77	0.82
	Willing to help customers	3.40	2.68	0.72
	Clarify customer's doubt	3.42	2.54	0.88
	Responsiveness Gap			0.86
Assurance	Employee behavior instils confidence	3.95	2.72	1.23
	Transactions and services are reliable	3.81	2.67	1.14
	Employees are courteous	3.59	2.91	0.68
	Employees are knowledgeable	3.64	2.64	1.00
	Assurance Gap			1.01
Empathy	Give Individual Attention	3.69	2.47	1.22
	Operating hours are convenient	3.28	2.68	0.60
	Provide personal services	3.38	2.67	0.71
	has members best interest at heart	3.31	2.59	0.72
	Employees understand client's needs	3.31	2.71	0.60
	Empathy Gap			0.77
	Overall mean	3.64	2.83	0.81

The importance of the Gap Score gauge outcomes from the actuality that customers' outlook are the standards of service recital alongside which customers' understanding are contrasted. Surrounded by this context, table 4.6 gave a summary of the gap analysis. The gaps between the perceived and expected service quality were calculated by subtracting the value of the expected service quality from the value of the perceived service quality. According to (Parasuraman, et al, 1991), the interpretation of results is

that if the value divergence is constructive, the perceived service quality is more enhanced than expected service quality. When the disparity is 0, then the perceived service quality is the identical to the expected service. When the variation is unconstructive, perceived service quality is lower than the expected service. The overall SERVQUAL (gap) is well thought-out as unsatisfactory (low) if the perceived service quality means score is lower than the expected service quality

After evaluating the feedback, the researcher established that for each issue of the SERVQUAL scale attained given by respondents were over 2.5, both in terms of prospect and discernment. It also noted that the average scores on Tangibility, Reliability, Responsiveness, Assurance and Empathy corresponding to perceptions, were higher than the expected service quality measures which shows a better service than expected, that is a high service quality in DT-SACCOs. Assurance had the highest gap followed by Reliability, Responsiveness, Empathy and finally tangibility. The customer's perceptions on the reliability of transactions and services coupled with the confidence that employees instil on customers contributed to the wide gap in the assurance dimension. The customer's perception that the SACCO meets deadline was higher than expected, contributing to the huge gap in the reliability dimension. Tangibility had the lowest gap as the customer's perceptions and expectations on the tangibility items were quite close. As regards to the GAP by and large the standard has a constructive value that is 0.81. It can be concluded that most clientele interrogated, perceived the service quality to be high hence, the overall gap is 0.81 so, it could be concluded that the level of service quality provided by DT-SACCOs is satisfactory.

4.9 Service Quality and Customer Loyalty

The fourth objective was to investigate the relationship between service quality and customer loyalty in DT-SACCOs in Kenya. In order to give effect to this objective, a hypothesis to determine whether there is significant linear relationship between the various dimensions of service quality and customer loyalty was formulated. This is presented by inferential statistics analysis where correlation of variables is shown.

4.9.0 Inferential Statistics Analysis

The data condensation of the responses was obtained from the study questions driven by objectives where Pearson's correlation models were used. The findings are summed up as follows;

4.9.1 Correlation of Main Variables

The Pearson Correlation analysis was carried out at 95% confidence level ($\alpha = 0.05$) ascertain the correlation the study variables. The statistical analysis of both variables that is; service quality and customer loyalty were done. The outcome in table 4.7, shows that there are relationships between the variables. The finding is within the range of 0.4 and 0.8 (Field, 2009). This demonstrates that the potency of the correlations is shifting from average to strong.

Table 4. 7: Pearson Correlation Analysis

Service Quality	Customer Loyalty	
Tangibility	Pearson	0.76
	Sig. (2-tailed)	0.04
Responsiveness	Pearson	0.69
	Sig. (2-tailed)	0.06
Reliability	Pearson	0.66
	Sig. (2-tailed)	0.00
Assurance	Pearson	0.71
	Sig. (2-tailed)	0.03
Empathy	Pearson	0.77
	Sig. (2-tailed)	0.00

Results in table 4.7 shows that there is positive correlations amid the variables that is Service Quality (Tangibility, Responsiveness, Reliability, Assurance and Empathy) and the dependent variable client Loyalty (recommendation to family members and friends, positive comments and the intention to continue with the Sacco membership). A propos to the record correlation of 1.0, these reveal highly positive correlations coefficients (Field, 2009). Consequently it can be assumed that a high attained score on the service quality dimensions will tend to be harmonized with a high client loyalty. However, there is a clear disparity noticeable in the vigor of the correlation of each service quality components. Some service quality elements (reliability and responsiveness) contain a lower correlation coefficient and elucidate less variance of customer loyalty, than others (tangibility, assurance and empathy). As Field (2009) suggest, a correlation above 0.7 indicate as strong relationship tangibility, assurance and empathy are strongly correlated to customer loyalty. The findings that the variables were considerable and significant at 95% at an interval level of 2-tailed test. We can therefore conclude that there is a significant correlation between the service quality in DT-SACCOs and customer loyalty, hence DT-SACCOs need to emphasize on the service quality to enhance membership loyalty.

4.9.2 Regression of Main Variables against Customer Loyalty

With reference to the conceptual structure accessible in Figure 3, the relationships of service quality and customer loyalty were observed by regression analysis. Regression model is a method that enables researcher to measure the aptitude of the variable(s). The results are summarized in Table 4.8, 4.9 and 4.10.

The following regression equation was established:

$$Y = -0.98 + 0.941X_1 + 0.796X_2 + 0.777X_3 + 0.887X_4 + 1.017X_5 + \varepsilon$$

Where, X_1 = Tangibility, X_2 = Responsiveness, X_3 = Reliability, X_4 = Assurance and X_5 = Empathy

If other variables are kept steady, a unit increase in service quality with respect to empathy will lead to a 1.017 increase in customer loyalty, tangibility will lead to 0.941 increase in customer loyalty; a unit increase in assurance will lead to a 0.887 increase in customer loyalty, and equally responsiveness will lead to a 0.796 increase in customer loyalty and finally reliability will lead to a 0.777 increase in customer loyalty. These results imply that of the five service quality elements variables studied; empathy contribute more to the customer loyalty in the DT-SACCOs followed by tangibility, assurance, responsiveness and lastly reliability.

Table 4. 8: Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	0.898 ^a	0.806	0.765	0.034

a. Predictors: (Constant), Service Quality: Tangibility, Responsiveness, Reliability, Assurance and Empathy

b. Dependent Variable: Customer Loyalty

The upshot in table 4.8 shows that the R-value is at 0.898. It entails a positive bearing of R which is the affiliation between the experimental and predicted rate of the dependent relative of the variable. According to (Field, 2009), the values of R series rated from -1 to 1 indicates the trend of the relationship. The supreme value of R indicates the potency of connotation, of relations Thus, the R significance at 0.898 shows a stronger relationship between the variables.

The integral regression model revealed in table 4.8 shows that service quality had a optimistic and momentous consequence on customer loyalty with a correlation

coefficient of 0.898 at p-value of .001. The in general coefficient of determination R^2 was 0.765 indicative of the five constituents of the independent variables in the study (tangibility, responsiveness, reliability, assurance and empathy), jointly explains a 76.5% of change in Customer Loyalty of DT-SACCOs in Kenya. The other residual proportion of 23.5%, being accounted for by other aspects not considered in this research. Furthermore the research recommends a probe in the other dynamics that manipulates customer loyalty of DT-SACCOs in Kenya.

The ANOVA in table 4.9 illustrates whether the model can predict organizational performance using the independent variables.

Table 4. 9: ANOVA

Model	Df	Sum of Squares	Mean Square	F	Sig.
Regression	4	4.924	1.231	12.31	.002 ^b
Residual	18	0.19	0.1		
Total	22	5.114			

a. Dependent Variable: Customer Loyalty

b. Predictors: Service Quality: (Tangibility, Responsiveness, Reliability, Assurance and Empathy)

The table 4.9 shows that F statistic (F=12.31) was momentarily significant at a 95% confidence level (Sig. F < 0.05). This means that the model has predictive power. There is statistical significant relationship between Service Quality (Tangibility, Responsiveness, Reliability, Assurance and Empathy) on Customer Loyalty.

Table 4. 10: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0.980	0.108		-9.08	0.000
Tangibility	0.941	0.051	0.440	18.44	0.000
Responsiveness	0.796	0.092	0.210	8.66	0.000
Reliability	0.777	0.068	0.281	12.99	0.000
Assurance	0.887	0.068	0.281	12.99	0.000
Empathy	1.017	0.069	0.270	14.67	0.000

a. Dependent Variable: Customer Loyalty

The representation shows that holding the factors constant (Tangibility, Responsiveness, Reliability, Assurance and Empathy) at zero, customer loyalty would be -0.980 with results, statistically significant as $P > 0.05$ at 0.000. The t-value of constant fashioned at (t = -9.08) level of significant at 95% that is (Sig. F < 0.05), thus determines the strength of the model. The results means that of the five service quality

dimensions studied, empathy contributed more to customer loyalty followed by tangibility, assurance, responsiveness and lastly reliability.

Statistically, there is a significant correlation between Tangibility, Responsiveness, Reliability, Assurance and Empathy on customer loyalty. These imply that there is a positive significant relationship between service quality and customer loyalty in DT-SACCOs in Kenya and SACCOs should put much emphasis on their service quality to improve the level of customer loyalty. All five SERVQUAL dimensions were significantly related to customer loyalty at the level of $p > 0.05$, the five SERVQUAL dimensions show positive relationships with customer loyalty. Service quality should be emphasized for maintaining and improving customer loyalty

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter brings hands on piece of articulated study. This chapter eloquently summarizes the result from chapter four and recounts the theory and literature conversed in chapter two. It then connotes the wraps up by concluding on the detailed research objectives and the recommendations made thereof in line of inferential result. It finally emanates the exuded propositions for more research further than the patchy variable and rudiments under consideration.

5.2 Summary of the findings

The study investigated Service Quality in DT-SACCOs in Kenya and the relationship with Customer loyalty. The study addressed the following objectives:

- a. To determine the effects of demographics on customer loyalty in DT-SACCOs in Kenya
- b. To determine the perception of Service Quality perception in DT-SACCOs in Kenya
- c. To determine the customer's expected service quality in DT-SACCOs in Kenya
- d. To investigate the relationship between service quality and customer loyalty in DT-SACCOs in Kenya

The study adopted a descriptive cross-sectional survey design. Data was collected from customers of 40 DT-SACCOs in Nairobi County. The response rate of the study was 98%. This commendable response rate was made possible after the researcher and the research assistant personally administered the questionnaires to the first two customers met in the service area of the DT SACCOs. The facts and figures were evaluated using descriptive statistics, Pearson correlation and regression model were used to find the relationships. The information was prearranged in line to the research objectives and presented using cumulative distribution tables.

The summary of the key findings are as follows: Demographics had some effects on loyalty as stated by (Caruana, 2002) who noted that education, occupation and income are all important elements of social class which have an influence on customer loyalty. Knowledge of whether different social class groupings have different customer loyalty levels has considerable marketing implications for a particular organization. This may provide information to the organization on the profitable market segments on which it

should focus its resources (Caruana, 2002). All the demographic profiles of the respondents were found to have an effect on the customer loyalty; major effects were seen from the respondents who were, female, married, Certificate/Diploma Holders, Professionals, Age group between 36 – 45 years, membership between 5 -10years and those who had taken loans more than 3 times. The main customer loyalty item was the customer having the intention to continue being a member of the DT-SACCO. The overall mean of 4.52 indicated that the loyalty level is high in DT-SACCOs. The customer's had the highest perception on Assurance dimension of service quality implying that they were happy with the employees of the Sacco's knowledge, courtesy and the ability of the DT-SACCOs to inspire trust and confidence in them, they also had high perception on Tangibility, (Parasuraman, et al, 1991) states that tangibility dimension enhances the image of the firm because the appearance of the physical facilities and employees provide hints to customers about the quality of services. The Reliability, Empathy and Responsiveness means were high indicating that there was a general high perception of service Quality in DT-SACCOs. The lowest perception item was 'operating hours are convenient for customers', which indicates that DT-SACCOs do not offer operating hours that are convenient to their customers that could enhance service quality. On the other hand the customers' highest perceptions were 'the Sacco has modern looking equipment', furthermore, customers highly assessed the following Sacco attributes: 'well dressed and neat employees', 'transactions and services are reliable', 'employee behavior instils confidence'. These indicate that the Sacco staff has one of the crucial roles in performing high service quality. The overall mean score for service quality perceptions items was 3.58 indicating a rather high perception of the Sacco customers regarding service quality in DT-SACCOs in Kenya. On the customer's expectation Tangibility had the highest expectation followed by Assurance, Responsiveness, Reliability and Empathy. Tangibility provides enough hints to customers about the quality of service of the firm and enhances the image of the firm. Hence it is very important to DT-SACCOs and they need to invest heavily in physical facilities and employees. Assurance is important to DT-SACCOs because customers feel uncertain about their ability to evaluate outcome and that is why it is important to build trust and loyalty between key contact persons in the DT-SACCOs and customers of the DT-SACCOs. Responsiveness dimension focuses in the attitude and promptness in dealing with customer requests, questions, complaints and problems. The conditions of responsiveness can be improved by continuously reviewing the process of service

delivery and employees attitude towards requests of customers. Reliability dimension indicates that customers like to do business with those firms, who keep their promises. So it is an important element in the service quality perception by the customer and his loyalty and finally Empathy dimension requires that the DT-SACCOs need to know customers personal needs or wants and preferences. The expectation measures agree with (Jussila, et al, 2012) who found that a co-operative needs to be well attuned to what its members and customers want and to provide them with a great shopping experience that meets their expectations. Shopping experience is closely related with service quality, which it must be closely aligned with member needs. The SERVQUAL Gap analysis showed that the average scores on Tangibility, Reliability, Responsiveness, Assurance and Empathy corresponding to perceptions, were higher than the expected service quality measures which shows a better service than expected, Most of the customers interviewed, perceived the service quality to be high hence it could be concluded that the level of service quality provided by DT-SACCOs is satisfactory

The Customer Service quality collectively reports 81.6% of alteration in customer loyalty of the DT-SACCOs in Kenya. The residual fraction of 18.4%, symbolizes other factors not considered in this study. It is distinguished that auxiliary study should be carried out to look into the other factors that account for the remaining (18.4%) that also may affect customer loyalty of DT-SACCOs in Kenya.

The Correlation mode showing the Service quality; (Tangibility, Responsiveness, Reliability, Assurance and Empathy) have a burly constructive correlation on the dependent variable (customer loyalty). Empathy had the strongest correlation on Customer service quality with ($r = 0.778$, and $p < 0.05$) while Reliability had the weak correlation to service quality with a correlation of ($r = 0.660$, $p < 0.05$) meaning that if Empathy is aligned to service quality in tune with customer expected service level inducing the customer loyalty, it can account for increased rate of membership loyalty. This shows that all the forecasted variables under consideration had a positive relationship with the dependent variable hence DT-SACCOs need to emphasize on the service quality to enhance membership loyalty.

The regression model shows that taking all the factors; (Tangibility, Responsiveness, Reliability, Assurance and Empathy) constant at zero, customer loyalty would be -

0.980. with results, statistically significant as $P > 0.05$ at 0.000. The t-value of constant fashioned at ($t = -9.08$) level of significant at 95% that is (Sig. $F < 0.05$), thus ascertaining the strength of the model. Further, if other variables are kept steady, a unit increase in service quality with respect to empathy will lead to a 1.017 increase in customer loyalty, tangibility 0.941; assurance 0.887, responsiveness 0.796 and reliability 0.777 increase in customer loyalty. These results imply that of the five service quality elements variables studied; empathy contribute more to the customer loyalty in the DT-SACCOs followed by tangibility, assurance, responsiveness and lastly reliability.

Statistically, there is a considerable correlation between Tangibility, Responsiveness, Reliability, Assurance and Empathy on customer loyalty. These imply that there is a positive significant relationship between service quality and customer of DT-SACCOs in Kenya and SACCOs should put much prominence on their service quality to improve the rate of customer loyalty.

5.3 Conclusion

Service quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Caruana, 2002), Customer loyalty according to (Kotler & Armstrong, 2012) is derived from the fulfillment of a customer's expectation, while the expectation comes from the experience of previous purchases by customers, the opinions of friends and relatives, and an information from the marketer or a competitor. Basing on the study, Service quality with respect to tangibility affects customer loyalty, this is shown by; DT-SACCOs modern equipment, presentable employees, visible marketing materials of SACCOs and the SACOs appealing physical location. this is supported by (Gronroos, 1990) who further acknowledged that a service is a sequence of actions of more or less elusive nature that normally occur during exchanges between the customer and service provider presenting a system of relations that result into solutions to customers.

Reliability affect customer loyalty which is depicted by; SACCO being able to meets deadline, SACCO are able to addresses clients problems, SACCO do provide services correctly for the first time, SACCO are able to provide services as and when promised and SACCO possesses error free records. This is supported by (Parasuraman et al, 1991) who denotes that reliability is the readiness of the service provider to carry out the

promised service feasibly with much accuracy. Responsiveness do affects Sacco's membership loyalty. It is shown by; SACCO Providing accurate information, Sacco's employees give prompt service, SACCO employee clarify, SACCO employees are willing to help, this is supported by (Parasuraman et al, 1991) who records that responsiveness reveals much of a willingness to assist a customer and offer an immediate service in specific; this framework is a measure of how clients distinguish a firm's excellence of service when they obtain it. Assurance affects Sacco's membership loyalty. It is revealed by; SACCO Employee are being Courteous, SACCO employees behaviors instill confidence in the members), members find SACCO Transaction Safer, SACCO employee are knowledgeable. This is supported by (Parasuraman et al, 1991) who says that Assurance is the conviction in the understanding or awareness and proficiency of the service provider. Finally, empathy affects SACCOs Membership loyalty. It is depicted by; SACCO Gives Individual Attention to its members, SACCO has best members interest at heart, SACCO employees understands Client needs, SACCO operating hours is convenient, and SACCO Provide Personal Service to Members. This is supported by (Parasuraman et al, 1991) who denoted on how well care can be shown to an individual and attention is given promptly by the service provider to customers whereas reliability is the readiness of the service provider to carry out the promised service feasibly with much accuracy.

In conclusion, there is a significant correlation between Tangibility, Responsiveness, Reliability, Assurance and Empathy on Customer Loyalty. These mean that there is a constructive significant relationship between service quality and customer of DT-SACCOs in Kenya and SACCOs should put much prominence on their service quality to improve the rate of customer loyalty.

5.4 Recommendation

The study established that service quality enormously affects customer loyalty and that there exist a strong positive relationship between service quality and customer loyalty. These put into perspective the service quality elements namely; tangibility, responsiveness, reliability, assurance and empathy. The customer expected service level with respect to tangibility in respective SACCOs so as to improve on their membership loyalty. This is described through service quality elements. The DT-SACCOs management should provide services basing on SERVQUAL model of tangibility, responsiveness, reliability, assurance and empathy. The Tangibility should

be able to able to improve on customer loyalty through having neat employees, modern equipment, physical installation and SACCO marketing material should be appealing. The SACCOs should be Reliable in a manner that it should provide services correctly, meet deadline, perform services when promised, and address members' problems. The responsiveness in the respective SACCOs should reflect on the employees being able to give prompt information, providing accurate information, willing to help and employee and clarify member's doubts. Assurance in the respective DT-SACCOs should provide an avenue to improve membership loyalty through; employee being able to show courtesy, instill confidence in members, provide safety during transacting at the DT-SACCO and have knowledge for queries when asked by members. On the other hand, empathy in the respective DT-SACCOs should improve the membership loyalty rate. This can be shown by; employee being able to understand specific need of members, convenient operating hours, provision of personal service to members, and to have members interest at heart and SACCO should offer attention to members. The SACCOs should adopt and use SERVQUAL model and the entire element so as to improve on customer loyalty.

5.5 Limitations of the Study

The study paid attention exclusively on two respondents from each DT-Sacco, this put plausible restraint in terms of taking a broad view of the results to authenticate those other respondents' views. The entire assortment was skewed towards the simplification of the domino effect on the population. The fineness and specificity of this study meant that the results were based only on the DT-SACCOs members that were reached and this may not be of much help to other members in terms of views and opinion. The sample was only limited to DT-SACCOs in Nairobi County

5.6 Suggestions for further Research

The study mainly focused on the variables opined, which tried to look into accomplishing the intended purpose which were skewed within the scope and rapport that existed between the variables. The areas that were not covered require further research;

The data collected were only limited to 40 DT-SACCOs in Nairobi Kenya. The study additionally wished-for supplementary research which should be carried out to not only

look into the limited SACCOs within Nairobi County but also other Counties at a broader spectra that offer services to their members to enhance their loyalty rate and which might have been left out during the study due to scope. It also issued 2 questionnaires per SACCO with an assumption that these will reflect the views and opinion of all other members. Therefore the number should be expanded.

The data gathering was partial and delved on the use of semi-structured questionnaires, more highly developed data compilation methods to be used for future research namely.

There is a grim need to do further research on other factors that affect customer loyalty which could be used alongside service quality that might add much to customer loyalty in DT-SACCOs in Kenya.

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QUESTIONNAIRE

Introduction

Please answer all the questions to the best of your knowledge. Your views, opinions and evaluations are important in this research. Your individual responses will only be used to compute percentages, proportions and average scores. Be assured that your responses will be confidential and shall not be revealed to a third party.

Section A: Demographics

1. Area of residence:
2. Sacco Name
3. Gender Male Female
4. Occupation
Student Professional Business other (Please specify).....
5. Marital Status
6. Highest Level of education
Primary Secondary Certificate/Diploma Degree and above
7. Please tick the age bracket in which you fall
Below 25 years 26-35 years 36-45 years 46-55 years
Over 55 years
8. For how many years have you been a member of this Sacco
Below 5 years 5-10years More than 10 years
9. Frequency of getting loans from the Sacco in the last 5 years
 1 time
 2 times
 3 times
 More than 3 times

Section B: Perceived Service Quality in the SACCO

Please show the extent to which these statements reflect your perception of service quality in your SACCO and circle the number that most accurately reflects how much you agree or disagree with the statements based on your experience according to the following scale:

1 = Strongly Disagree 2= Disagree 3=Neutral 4 = Agree 5= strongly Agree

Choose one option only

A. Tangibles					
Statement Criteria	1	2	3	4	5
1. The Sacco has modern looking equipment					
2. The Sacco has visually appealing physical installations					
3. The Sacco has well-dressed and neat employees					
4. The Sacco pamphlets and statements are visually appealing					
B. Reliability					
Statement Criteria	1	2	3	4	5
5. The Sacco meets deadlines					
6. The Sacco addresses your problems with genuine interest					
7. The Sacco provide services correctly for the first time					
8. The Sacco performs services when promised					
9. The Sacco has error free records					
C. Responsiveness					
Statement Criteria	1	2	3	4	5
10. Employees in the Sacco provide accurate information					
11. Employees in the Sacco give you prompt service					
12. Employees in the Sacco are always willing to help you					
13. Employees are never too busy to clarify your doubt					
D. Assurance					
Statement Criteria	1	2	3	4	5
14. The behaviour of employees in the Sacco instils confidence in you					

15. You feel safe in your transactions with the Sacco					
16. Employees in the Sacco are consistently courteous to you					
17. Employees in the Sacco have the knowledge to answer your questions					
E. Empathy					
Statement Criteria	1	2	3	4	5
18. The Sacco gives you individual attention					
19. Operating hours are convenient for members					
20. Employees provide personal services to members					
21. The Sacco has your best interest at heart					
22. Employees of the Sacco understand your specific needs					

Section C: Expected Service Levels in SACCOs

Please show the extent to which you think your Sacco should possess the following features. We are interested in knowing your expectation levels with the quality of service offered by your Sacco. Circle the number that most accurately reflects how much you agree or disagree with the statement based on your experience according to the following scale:

1 = Strongly Disagree, 2= Disagree, 3=Neutral 4 = Agree, 5= Strongly Agree

Choose one option only

A. Tangibles					
Statement Criteria	1	2	3	4	5
1. The Sacco should have modern looking equipment					
2. The Sacco should have visually appealing physical installations					
3. The Sacco should have well-dressed and neat employees					
4. The Sacco pamphlets and statements should be visually appealing					
B. Reliability					
Statement Criteria	1	2	3	4	5
5. The Sacco should meet deadlines					
6. The Sacco should address members' problems with genuine interest					

7. The Sacco should provide services correctly for the first time					
8. The Sacco should perform services when promised					
9. The Sacco should have error free records					
C. Responsiveness					
Statement Criteria	1	2	3	4	5
10. Employees of the Sacco should provide accurate information					
11. Employees should give prompt service to members					
12. Employees in the Sacco should be willing to help members					
13. Employees in the Sacco should never too busy to clarify member's doubt					
D. Assurance					
Statement Criteria	1	2	3	4	5
14. Employees behaviour should instil confidence in members					
15. You should feel safe in your transactions with the Sacco					
16. Employees should sincerely be courteous to members					
17. Employees should have the knowledge to answer member's questions					
E. Empathy					
Statement Criteria	1	2	3	4	5
18. The Sacco should offer individual attention to members					
19. Operating hours should be convenient for members					
20. Employees should provide personal services to members					
21. The Sacco should have members' best interest at heart					
22. Employees in the Sacco should understand the specific needs of the members					

Section D: Member Loyalty

Please show to what extent you concur with the following statements. Circle the number that most accurately reflects your opinion on the following statement basing on the scale below.

1 = Not at all 2=Neutral 3 Somehow 4= Some What 5= Very Much

Statement Criteria	1	2	3	4	5
1. I recommend my Sacco to my family and friends					
2. I make positive comments about my Sacco					
3. I have the intention to continue being a member of this Sacco					

THANK YOU VERY MUCH FOR YOUR TIME

Appendix II: List of Deposit Taking SACCOs in Nairobi County

1. AFYA SACCO SOCIETY LTD
2. AIRPORTS SACCO SOCIETY LTD
3. ASILI SACCO SOCIETY LTD
4. CHAI SACCO SOCIETY LTD
5. CHUNA SACCO SOCIETY LTD
6. COMOCO SACCO SOCIETY LTD
7. ELIMU SACCO SOCIETY LTD
8. FUNDILIMA SACCO SOCIETY LTD
9. HARAMBEE SACCO SOCIETY LTD
10. HAZINA SACCO SOCIETY LTD
11. JAMII SACCO SOCIETY LTD
12. KENPIPE SACCO SOCIETY LTD
13. KENVERSITY SACCO SOCIETY LTD
14. KENYA BANKERS SACCO SOCIETY LTD
15. KENYA POLICE STAFF SACCO SOCIETY LTD
16. KINGDOM SACCO SOCIETY LTD
17. MAGEREZA SACCO SOCIETY LTD
18. MAISHA BORA SACCO SOCIETY LTD
19. MILIKI SACCO SOCIETY LIMITED
20. MWALIMU NATIONAL SACCO SOCIETY LTD
21. MWITO SACCO SOCIETY LTD
22. NACICO SACCO SOCIETY LTD
23. NAFKA SACCO SOCIETY LTD
24. SHOPPERS SACCO SOCIETY LTD (FORMERLY NAKU SACCO)
25. NASSEFU SACCO SOCIETY LTD
26. NATION SACCO SOCIETY LTD
27. NYATI SACCO SOCIETY
28. SAFARICOM SACCO SOCIETY LTD
29. SHERIA SACCO SOCIETY LTD
30. SHIRIKA SACCO SOCIETY LTD

31. STIMA SACCO SOCIETY LTD
32. TELEPOST SACCO SOCIETY LTD
33. TEMBO SACCO SOCIETY LTD
34. UFANISI SACCO SOCIETY LTD
35. UKRISTO NA UFANISI WA ANGLICANA SACCO SOCIETY LTD
36. UKULIMA SACCO SOCIETY LTD
37. UNAITAS SACCO SOCIETY LTD
38. UN SACCO SOCIETY LTD
39. WANAANGA SACCO SOCIETY LTD
40. WANANDEGE SACCO SOCIETY LTD