

**SERVICE QUALITY DIMENSIONS AND CUSTOMER
SATISFACTION IN BARCLAYS BANK OF 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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This project has been submitted for examination with my approval as University of Nairobi supervisor.

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DEDICATION

This research project is dedicated to my loving mother Tabitha Kwamboka Ongaro for her continuous support, encouragement and prayers during my entire course. Special mention goes to my siblings for their support throughout the entire period of study. God bless them abundantly.

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All glory goes to the Lord Almighty for giving me strength, resources and provision during the entire study period.

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ABSTRACT

The study focused on assessing the service quality dimensions and customer satisfaction in Barclays bank of Kenya. The specific objectives were to determine levels of service quality and levels of customer satisfaction using the SERVQUAL dimensions do an intersegment comparison and finally establish a relationship between service quality and customer satisfaction. The data was collected by use of self –administered questionnaires. Data collected was purely quantitative and was analyzed by descriptive analysis. Descriptive statistics such as frequency, mean, standard deviation range and standard error of mean and sum were used to analyze the data. Tables were used to summarize responses for further analysis and facilitate comparison. ANOVA tests were used to analyze disparities in means and correlations were done to ascertain relationships among variables,i.e perceptions of service quality and customer satisfaction in Barclays bank of Kenya. The study found that service quality levels were perceived to be quite high with superior service in the affluent segment this being a resultant of segmentation, as the mass segment service was inferior. The ranking of SERVQUAL dimensions was in the following order, empathy first, assurance second, tangibles third, responsiveness fourth and reliability last. Customers were satisfied on very few attributes and on the SERVQUAL dimensions customers were generally dissatisfied with an exception of the empathy dimension whereby the expectations were just met. The customer satisfaction was not exceptional despite the perceived quality being superior. Service quality is generally good in Barclays bank of Kenya but there is need for improvement as customers are not satisfied in most areas. More can be done to exceed customers ‘expectations on all the dimensions of service quality i.e. tangibility, reliability, responsiveness, assurance and empathy. Segmentation has improved service quality especially in the affluent segment as per indication of superior service. The mass segment needs to be addressed especially on the reliability dimension. The affluent segment is very sensitive, despite service quality being high, this segment needs a lot of personalized service and expectations are relatively high. In the business segment, transactions’ being done within SLA’s is critical and should be adhered to.

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LIST OF ABBREVIATIONS

CBK	Central Bank of Kenya
SERVPERF	Service Performance model
SERVQUAL	Service Quality Model
P-E	Perception-Expectations
Std Dev	Standard Deviation
SPSS	Statistical Package for Social Sciences
ATM's	Automated Teller Machines
SLA's	Service Level Agreements
USA	Unites States of America
US	United States

CHAPTER ONE: INTRODUCTION

1.1 Background

Commercial banks, assaulted by the pressures of globalization, competition from non-banking financial institutions, and volatile market dynamics are constantly seeking new ways to add value to their services. Financial services compete in the marketplace with generally undifferentiated products and thus, service quality becomes a primary competitive weapon (Stafford, 1996). Technological changes are causing banks to rethink their strategies for services offered to both commercial and individual customers (Hossain and Sherloy, 2010).

Banks that excel in quality service can have a distinct marketing edge since improved levels of service quality are related to higher revenues, increased cross-sales, higher customer retention (Bennett and Higgins, 1988), and expanded market share (Bowen and Hedges, 1993). Therefore, banks should focus on service quality as a core competitive strategy (Chaoprasert and Elsey, 2004). Within this background customer satisfaction and service quality are compelling the attention of all banking institutions around the world and in recent years, academicians and practitioners give more attention in this area as it assumed that service quality is a critical measure of firm performance (Lasser, 2000; Bick 2004; Andreassen and Olsen, 2008).

Service process performance in the banking industry should be measured continuously. Building customer relationship means delivering superior value over competitors to the target customers (Kotler, 2002). Higher levels of quality lead to higher levels of customer satisfaction (Kotler and Keller, 2009). It has been proven by an author that “an organization that consistently satisfies its customers enjoys higher retention levels and greater profitability due to increased customer loyalty” (Wicks and Roethlein, 2009). Customer satisfaction not only means, satisfying the customers but also customer retention. The organization should solve the complaints through various service recovery strategies. It is mandatory to identify the impact of service failure through customer feedback.

1.1.1 Service Quality

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski and Donnelly, 1996). There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Wisniewski and Donnelly, 1996).

Nowadays service quality has become one of the important determinants in measuring the success of industries. Marketers agree that service quality has truly presented a significant influence on customers to distinguish competing organizations and contribute effectively to customer satisfaction (Parasuraman, Zeithaml and Berry, 1985). Service quality can be defined as the difference between customer expectation for service performance prior to the service encounter and their perceptions of the service received (Asubonteng, McCleary and Swan 1996)

Service quality is the delivery of excellent or superior service relative to customer expectations (Zeithaml and Bitner 1996). Service quality is recognized as a multidimensional construct. Service quality revolve around the idea that it 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 (Lewis and Booms 1983).

Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985). Always there exists an important question: why should service quality be measured? Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery. Edvardsen (1994) states that, the starting point in developing quality in service is analysis and measurement. The SERVQUAL is the most common method for measuring service quality.

Among general the most popular model used for evaluation of service quality is SERVQUAL, a well-known scale developed by (Parasuraman et al., 1985). The attributes of (Parasuraman et al., 1985) were tangibles, reliability, responsiveness, competency, courtesy, assurance, credibility, security, access and understanding. Parasuraman et al., 1988 later reduced these ten dimensions into five by using a factor analysis. Based on (Parasuraman et al 1988) conceptualization of service quality, the original SERVQUAL instrument included 22 items. The data on the 22 attributes were grouped into five dimensions. Tangible: well-maintained waiting queues, clear and easy bank statements, convenient location and faster operation with modern technology. Reliability: provide services when promised. Responsiveness: Employees' attention in solving problems, employees' full service, prompt errors correction. Assurance: safe feeling on transactions, competitive loan rates, interest rates on saving and time deposits, helpful employees. Empathy: employees search for solution.

1.1.2 Customer Satisfaction

Customer satisfaction is one of the key factors in modern marketing and customers' behavior analysis. Generally speaking, if the customers are satisfied with the provided goods or services, the probability that they use the services again increases. Satisfied customers will most probably talk enthusiastically about their buying or the use of a particular service. This will lead to positive advertising. Customer satisfaction is often considered the most important factor thriving in today's highly competitive business world. Services have unique characteristics that distinguish them from the physical goods (Zeithaml and Bitner, 1996). Services are often characterized by intangibility, inseparability, heterogeneity, and perishability (Lovelock, 1996).

Customer satisfaction is often considered the most important factor thriving in today's highly competitive business world. Services have unique characteristics that distinguish them from the physical goods (Zeithaml and Bitner, 1996). Services are often characterized by intangibility, inseparability, heterogeneity, and perishability (Lovelock, 1996). The importance of the above characterizations is that using them for evaluation before, while, and after using a particular service by the customers is often very hard

(Legg and Baker, 1996). Because of the quality of being intangible, understanding how the customers would evaluate the quality of the organization's services is often very hard (Zeithaml and Bitner, 1996).

Kotler and Armstrong (2012) preach that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Researchers are divided over the antecedents of service quality and satisfaction. The studies of Sulieman (2011) suggests service quality leads to customer satisfaction. To achieve a high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction.

Banking is one of the numerous services in which the customer satisfaction has had an ever increasing importance in the corresponding research areas. This is essentially because the banking sector is becoming more and more competitive (Levesque and McDougall, 1996). Retail banks are pursuing this strategy, in part, because of the difficulty in differentiating based on the service offering. Typically, customers perceive very little difference in the services offered by retail banks and any new offering is quickly matched by competitors (Coskun and Frohlich, 1992) and (Devlin,1995).

Other economic systems are also experiencing the same changes occurring in their external environments. In such systems, moving toward privatization and economic liberalization have increased the rivalry and have prepared the system for foreign rivals. The outcome of this increasing rivalry is that a lot of financial institutions are focusing on increasing the customer satisfaction and trying to keep them by any possible means (Levesque and McDougall, 1996).

1.1.3 Barclays Bank of Kenya Market Segment Differentiation

The companies act, the banking act, the Central bank of Kenya act and the various prudential guidelines issued by the Central bank of Kenya (CBK), govern the banking industry in Kenya. As at 31st December 2009, the banking sector was composed of 46 institutions (CBK bank supervision annual report, 2009). The banks offer corporate and

retail banking services but a small number, mainly comprising the larger banks, offer other services including investment banking.

The Kenyan banking sector has demonstrated a solid growth over the past few years. According to Central bank of Kenya, the number of deposit accounts has increased from 2.55 million in 2005 to nearly 12 million at end of September 2010 (CBK 2010). The industry continues to offer significant profit opportunities for the major participants. Banks generally earn their revenues from taking in funds and lending them out at a higher rate. The spread between deposits and loans continues to be around 10.5% (international norms are 5-6%), offering much profit potential. Overall the banking sector is solid with a low level of non-performing advances, strong liquidity, solid profitability and well capitalised (Kenya's banking sector performance 2010). In 2010, the 43 banks recorded a total net profit of kes 57 billion with the top 7 banks contributing 70%.

Barclays has operated in Kenya for over 90 years. Financial strength coupled with extensive local and international resources have positioned Barclays bank of Kenya as a foremost provider of financial services. Barclays bank of Kenya is a leading financial services provider in the country and has established an extensive network of 117 outlets with over 230 ATMs spread across the country. The bank's financial performance over the years has built confidence among the bank's shareholders, with a reputation as one of the leading blue chip companies on the Nairobi stock exchange.

According to the Banking survey part IV (2004), Barclays bank is a market leader in the retail segment (mass and affluent) and corporate/ business. The products offered by the bank can be classified into liability and assets products. Liability products include current and savings accounts that are disaggregated into various market segments. For this study Barclays is segmented into mass market (standard), affluent (prestige, premier) and business/corporate segments. The products within the segments are also differentiated.

The mass segments asset products are Barclay loans, scheme loans, and liability products are savings, payroll and fixed deposit accounts respectively. The banking halls are standard and the queuing system is a characteristic of this segment, charges are minimal in comparison to the other segments and the operation hours are limited, Barclays current

account and saving account product pack (2013). This segment targets the low to medium class in terms of earnings and the students respectively.

Affluent segment's liability products are prestige loan, premier loans, executive loans and credit cards. This segment also enjoys longer banking hours, refreshments during banking, minimal queues, personalised services, boardrooms and state of the art ambience in the banking in addition to the services, Barclays current account and saving account product pack (2013). The charges on the services are high; the segment targets the upper class income earners.

Business segment's liability products are business loans, overdrafts and other lending services including letters of credit and guarantees. This segment is mostly relationship managed and the services are tailor made to specification, the charges are relatively high owing to the turnover and the cash movement involved. This segment targets the businessmen specifically the small and medium sized enterprises and corporates, Barclays current account and saving account Product Pack (2013). The bank offers various credit cards products through its flagship international credit card brand Barclaycard products accessible to all segments.

There has been a tremendous change in the way of banking between the year 2005 and 2009, and customers have also rightly demanded world class quality services from the banks. With multiple choices available, customers are not willing to put up with anything less than the best. Banks have recognized the need to meet customers' aspirations as different customers have different personalities, so it is an urgent drive for the banks to establish the determinants of customer loyalty in the banking sector in order to enhance customer loyalty and retention.

1.2 Statement of the Problem

In the changing banking scenario of the 21st century, banks have had to build a strong identity to provide world-class services. The banks have had to be of high standard, committed to excellence in customers, shareholders and employees' satisfaction, and to play a leading role in the expanding and diversifying of financial sector. The perceived service quality has had positive effect on satisfaction of customers. Previous studies had

revealed that perceived service quality had positive effect on satisfaction of customer in four service sectors i.e. dry cleaning, fast food, pest control and banking (Cronin and Taylor 1992). Bei and Chiao (2006) also reported positive influence of perceived service quality on three service providers i.e. petrol station, automobile repair and banking. Significant correlations had been found between overall customer satisfaction and service quality dimensions (Buttle 2002). The service quality in banking industry related to assurance, empathy, responsiveness and reliability (Johnston 1995).

Reliability and assurance had strong influence on banking sector service quality and customer satisfaction (Zhou 2004). Study carried out on the USA, Netherland, Hong Kong, Morocco and Australian banking sector reported direct impact of service quality on customer satisfaction (Brady and Cronin, 2001). Mbogua (2007), study on customer perceived qualities of service in the banking sector found that majority of the respondents were satisfied with the services offered by banks. Magori (2011), study on customers' perception of the quality of services offered by Kenya Commercial bank branches in Nairobi revealed that service rendered was mainly perceived to be of average quality thereby signifying that the customers' expectations of the quality were higher than the delivered service. Studies on service quality and customer satisfaction had been done targeting businesses as an entity and specialization had not been done to segment level. The research gap was to identify the most important service quality dimensions for each banking segment and analyze the relationship between the customer demographic variables and the bank status of ownership, as demographic characteristics were an accepted basis for segmenting markets and customers (Blech 1993; Kotler and Armstrong, 1991). Investigating these aspects was to add to the existing body of knowledge since there was lack of research at segment level. The study intended to find answers to the following research questions: What were the customers' perceptions on quality of service using the service quality dimensions and levels of quality in the segments? Were customers satisfied, and what were the satisfaction levels in market segments in BBK? What was the link in service quality trends and customer satisfaction in BBK?

1.3 Research Objectives

The specific objectives of this study were:

- i. To determine customers perceptions on the quality of service using the service quality dimensions and do comparison within the segments in BBK.
- ii. To determine if customer were satisfied and do a comparison of satisfaction levels within the market segments in BBK.
- iii. To link perceived service quality trends with customer satisfaction in BBK.

1.4 Value of the Study

Barclays bank had a relatively big market share in Kenya and thus such a research was to be applied across all other banks in the same category. The feedback was to be used to evaluate differentiation of service quality within the market segments and its efficacy towards achieving customer satisfaction. The study also evaluated the specific parameters on a dimensional basis that were emphasized in a specific market segment in comparison to what was actually required. This would enable a perfect fit towards provision of quality services. The study would enable a cost benefit analysis as the satisfaction was to be compared to the level of investment in the segment and would point out the specific areas of emphasis as far as investment is concerned in specific segments and ensure that the service aligned to the prevailing market conditions and customer needs, while preserving value for the bank.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the literature on the key aspects of this study which were service quality, customer satisfaction and market segmentation. Service quality, its determinants and measurements were analyzed and this was compared to customer satisfaction. The relationship between service quality and customer satisfaction was illustrated through a conceptual framework.

2.2 Service Quality

The concept of service comes from business literature. Many scholars offered various definitions of service. For example, Ramaswamy(1996) described service as "the business transactions that take place between a donor (service provider) and receiver (customer) in order to produce an outcome that satisfies the customer. For Zeithaml and Bitner (1996) they defined service as "deeds, processes, and performances". Whereby, Gronroos (1990) pointed out that: a service is an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and /or systems of the service provider, which are provided as solutions to customer problems.

Some researchers view service from the perspective of a system-thinking paradigm: a production system where various inputs are processed transformed and value added to produce some outputs which have utility to the service seekers. This is not merely in an economic sense but from supporting the life of the human system in general, even may be for the sake of pleasure (Lakhe and Mohanty, 1995). Yong (2000) reviewed these definitions of service and pointed out that the following features of service are noteworthy in order to better understand the concept. First, service is a performance, it happens through the interaction between consumers and service providers (Gronroos, 1990; Ramaswamy, 1996). Second, other factors such as physical resources or environments play an important medium role in the process of service production and consumption (Gronroos, 1990). Third, service is needed by consumers to provide certain

functions such as problem-solving (Gronroos, 1990; Ramaswamy, 1996). These points put together lead to the conclusion that, "a service, combined with goods products, is experienced and evaluated by customers who have particular goals and motivations for consumers for consuming the service".

Although there have been many efforts made to understand the concept of service, there is no consensus among researchers on the characteristics of service. Furthermore, according to Yong (2000), the conceptualization could be divided into two groups. First, some researchers view the concept from the perspective of service itself - they pay attention to the discrepancy between the marketing strategies of service and goods. This approach differentiates service (intangible) from goods (tangible), which suggests that different marketing strategies should be taken for each of these concepts. Parasuraman, Zeithaml, and Berry (1985), and Zeithaml and Bitner (1996) identified four features of service that distinguish it from goods. Service is intangible, heterogeneous, and simultaneous in production and consumption, and perishable.

This approach distinguishes service from goods, by pointing out the unique features of service. It advances the understanding of the concept. However, it has drawn many critiques. On the one hand, the four characteristics mentioned above are not universal in all service sectors. Wright (1995) criticized this first approach for four reasons. First, a service industry depends more on tangible equipment to satisfy customers' demand while some customers do not care about whether goods are tangible or not. Second, some service businesses are well standardized such as franchise industries. In addition, in some cases, customers value the equality and fairness from the service provided. Third, many services are not simultaneously produced and consumed. Fourth, highly technological or equipment based services could be standardized. On the other hand, this approach focuses on service and ignores the role of customers (Wyckham, Fitzroy, and Mandry, 1975).

The second approach is based on the ideas of some researchers who view service from the perspective of service customers - they focus on the utility and total value that the service provides for the consumer. This approach points out that service combines tangible and intangible aspects to satisfy customers during the business transaction (Gronroos, 1990; Ramaswamy, 1996). It is implied that because consumers evaluate

service quality in terms of their experiences, customers' subjective perceptions have great impact upon service success or failure (Shostack, 1997).

2.2.1 Service Quality and Its Determinants

Service quality has been defined as customers' overall impressions of an organization's services in terms of relative superiority or inferiority (Johnston, 1995). Further, service quality is considered to not only meet but to exceed customer expectations, and should include a continuous improvement process (Lloyd-Walker and Cheung, 1998). Customers evaluate banks' performance mainly on the process of their interpersonal contacts and interactions (Grönroos, 1990). Service quality arises from a comparison of the difference between service expectations developed before an encounter with banks and the performance perceptions gained from the service delivery based on the service quality dimensions (Bloemer, 1998). Berry, (1985) and Zeithaml and Bitner (1996) indicated that service quality consisted of five dimensions.

Tangibles refer to appearance of physical facilities, equipment, personnel and written materials. Reliability refers to the ability to perform the promised service dependably and accurately. Responsiveness refers willingness to help customers and provide prompt service. Assurance refers to knowledge and courtesy of employee and their ability to inspire trust and confidence and empathy refers to caring, individualized attention the firm provides its customers. In the study by Berry, (1994) with more than 1,900 customers of five large famous US corporations, they found that (32%) placed emphasis on reliability, followed by responsiveness (22%), assurance (19%), empathy (16%) and tangibles (11%). Thus, reliability is considered the essential core of service quality. In addition, other dimensions will matter to customers only if a service is reliable, as those dimensions for example, responsiveness and empathy from service staff compensate for unreliable service delivery. Further, they found that more companies were deficient in reliability than in other service dimensions, but their best performance was on the least essential dimensions of tangibles.

2.2.2 Measuring Service Quality

Measuring service quality has proven to be challenging for both the researchers and companies due to its characteristics (Tiernan, 2008; Parasumaran, 1985; Johnson, 1995). Different from product quality, a set of specifications or by physical aspects such as defects cannot be applied to service quality due to service intangibility and simultaneous production and consumption (Tiernan, 2008). In addition, service quality cannot be measured by evaluating outcomes of service process only (Johnson, 1995), but as well has to consider service production process – e.g. employee training and customer-employee interaction. Hence, measuring all aspects of service production is essential to understand the quality of a service. Researchers have developed a number of measurement instruments, and some of them will be discussed. Probably the most famous service quality model is SERVQUAL, developed by Parasumaran et al. in 1985. The researchers say that quality is a comparison between expectations and performance, i.e. how well the service that is delivered matches customers' expectations. Gronroos (1982) also made similar conclusions. The SERVQUAL-model measures discrepancy between what customers expect from the service and how customer perceives it.

Johnson et al. (1995) suggest that service quality depends on quality of each three dimensions: quality of inputs, quality of processes and quality of outputs. Input quality refers to e.g. equipment that is up-to-date, waiting areas that are clean and comfortable, service personnel with skills and knowledge and appropriately attired. Next, process quality is a quality of interaction between provider and customer. Often, customers are directly affected by service production process; thus, accessibility, availability and service provider's willingness to help are parts of process quality. Output quality refers to the result of service provision and includes both tangible results and intangible benefits; it means changes in the customer's physical/mental state or a change in something that the customer possesses. By testing systems approach, Johnson,(1995) conclude that the consumers evaluate quality by considering various aspects of output, process and input, with output being most important and input almost insignificant. Process was important in e.g. transportation industry.

2.3 Customer Satisfaction

Customer satisfaction is an applied term that determines on how products and services supplied by a company meet or surpass customer expectation. Cronin (2000), conceptualized customer satisfaction to be an evaluation of an emotion, reflecting the degree to which the customer believes the service provider evokes positive feelings. Customer satisfaction reflects the degree to which a consumer believes that the possession or use of a service evokes positive feelings. Cronin (2000) various models and theories that have been developed to this end (Oliver, 1980; Anderson and Sullivan, 1993), indicate that customer satisfaction is related to the size and direction of disconfirmation, which is defined as the difference between the post-purchase and post-usage evaluation of the performance of the product/service and the expectations held prior to the purchase (Sharma and Ojha, 2004).

The dream of every organizations; having a satisfied customer will be injection for its success and basis to continue its business lifecycle, if achieved through continuous delivery of satisfactions by reducing resistance and reluctance of the customers towards offered products and services. If not, just a respite and waste of time and fund. Customer retention is also dependent on a number of other factors. These include a wider range of product choices, greater convenience, better prices, and enhanced income (Storbacka, 1994).Whereas Ioanna (2002) further proposed that product differentiation is impossible in a competitive environment. Organisations everywhere are delivering the same products. For example, there is usually only minimal variation in interest rates charged or the range of products available to customers. Prices are fixed and driven by the marketplace. Thus, organisations tend to differentiate their firm from competitors through service quality. Service quality is an imperative element impacting customers' satisfaction level in organisations. Quality is a multi-variable concept, which includes differing types of convenience, reliability, services portfolio, and critically, the staff delivering the service.

Studies showed that increased use of service quality and professional behaviours (such as formal greetings) improved customer satisfaction and reduced customer attrition. Several

studies are conducted in this setting regarding the customer satisfaction. In those studies, the contradiction occurs in variables that affect the customer satisfaction. In some studies, price and variety of product/services are major factors affecting the customer satisfaction while in some other studies there is an inverse finding that there is no possibility to differentiate their price and services, thereby they have less or no impact in customer satisfaction.

2.4 Service Quality and Customer Satisfaction

Previous reference has been made to the concept of customer satisfaction in the context of customer-perceived service quality. Indeed, a review of the literature will reveal that both terms are quite often used interchangeably, which has caused confusion. While both concepts are related and appear to be merging, there are still gaps in the understanding of the two constructs, their relationship to each other, and their antecedents and consequences (Gwynne, Devlin, and Ennew, 1998). A distinction needs to be made between both. According to Cronin and Taylor (1992), this distinction is important to both managers and researchers alike, because service providers need to know whether their objective should be to have consumers who are satisfied with their performance or to deliver the maximum level of perceived service quality." Oliver (1981) takes the view that satisfaction is "the emotional reaction following a disconfirmation experience." Getty and Thompson (1994) define it as a "summary psychological state experienced by the consumer when confirmed or disconfirmed expectations exist with respect to a specific service transaction or experience."

The most commonly used representation of customer satisfaction is the disconfirmation approach (Ramaswamy, 1996), in which satisfaction is related to the variation between a customer's pre-purchase expectations and their post purchase perceptions of the actual service performance. According to disconfirmation theory, the extent of satisfaction or dissatisfaction that a customer has with a particular service is determined by the difference between the customers' expectations of performance and the actual perceived performance of the service (Oliver, 1996). Any difference between them is referred to as disconfirmation. If the service experienced is better than expected, then positive

disconfirmation or high levels of satisfaction will result. If, however, the service performance falls short of what was expected, then negative disconfirmation or dissatisfaction will result. Confirmation or zero disconfirmation results when perceived performance just meets the customer's expectations or when the service experience is much as expected in the customers.

2.5 Service Quality and Market Segmentation

The real need of market segmentation was investigated by Laurent (1979) employing a factor analysis centred around five banks that differed from each other on seven main attributes: friendliness, quality of service, community spirit, standard of facilities, convenience, range of services and ownership. The main findings revealed that on the basis of perceptions of the overall image of the five banks relative to each other, there existed three distinct market segments: convenience, service, and staff friendliness - oriented segments. Laroche (1986) studied diverse demographic segments to find the services used and factors considered important in selecting a bank. Key findings included importance of location convenience, speed of service, competence and friendliness of bank personnel.

Ricky (1993) conducted a study on the banking behaviour of college students that confirmed several findings from western countries like limited banking, demand of students, popularity of split banking in account ownership, price consciousness of students, and importance of location convenience and on campus promotion. In a study by Clifford and Russ (1994) the factors that predict the successful sale of financial services to affluent investors were gone into, by collecting data using a new set of scales that measure traits, selling strategies, and compliance gaining tactics. Results suggest that effective relationship managers to sell the services of financial service institutions to various; geographically diverse, affluent investors

Raj and Everett (1996) used benefit segmentation by factor analysis group customers in relation to their particular attitudes and behaviour instead of geographic, demographic, socio-economic, and psychological characteristics to segment the market for financial services. The study identified eight benefits, in order of their popularity as personal

service, investment, limited banking, accessible cash, cash card, advice, money management, and full banking. Achim and Sebastian (2001) studied the use of segmentation by demographic factors in bank marketing and found that the correlation of such factors with the needs of customers is often weak. Finding is that segmentation by expected benefits and attitudes could enhance a bank's ability to address the conflict between individual service and cost-saving standardisation. Niels (1995) in his study found that the bank customers may be divided into an Internet banking segment and a branch banking segment and that the former is growing and the latter is declining, necessitating the development of technology in bank marketing.

2.6 Theoretical Framework

The construct of service quality as conceptualized in the service marketing literature centers on perceived quality, defined as a consumer's judgment about an entity's overall excellence or superiority (Zeithaml, 1987). While the SERVQUAL instrument has been widely used, it has been subject to criticism (Asubonteng et al., 1996; Buttle, 1996). Criticisms include the use of difference scores, dimensionality, applicability and the lack of validity of the model, especially with respect to the dependence or independence of the five main variables (Babakus and Boller, 1992; Carman, 1990; Cronin and Taylor, 1992). The criticism of note to this study is the point that SERVQUAL focuses on the service delivery process and does not address the service encounter outcomes (Gro'nroos, 1990; Mangold and Babakus, 1991). It is interesting to note that the developers of SERVQUAL initially suggested that service quality consists of functional (process) and technical (outcome) dimensions (Parasuraman et al., 1985). However, the SERVQUAL instrument does not include any measure of the technical quality dimension. Essentially, technical quality has been neglected in efforts to study and measure service quality

Although the elements listed in SERVQUAL model have been proven to be the main method for evaluating service quality from the consumer's perspective (Brown et al., 1993), drawbacks in using SERVQUAL in measuring service quality has been the reason that the SERVPERF scale was proposed by Cronin and Taylor (1992), cited in Jain et al. (2004) after they called into question the conceptual basis of the SERVQUAL, having

found it, led to confusion with service satisfaction (Jain et al., 2004). These researchers discarded the 'E' for 'expectation' claiming instead that 'P' for 'performance' alone should be used. They meant that higher perceived performance entails higher quality service. Unfortunately, during this past century, customers have changed their behaviors in ways that do not suit organizational behavior. Till date, it is unclear as to which of SERVQUAL and SERVPERF is superior in measuring service quality (Jain et al., 2004).

2.7 Empirical Studies

Several researchers have argued for the addition of items and/or dimensions to SERVQUAL. For example, from a less sociological and more operational perspective, Crosby (1979) defines quality as conformance to requirements and argues that those requirements should be specifically defined to measure quality. From Crosby's (1979) view and the general total quality management perspective. Certain aspects of quality (of services or otherwise) intuitively ought to be incorporated, along these lines, in applying SERVQUAL to measure perceived quality of retail financial services.

In developing SERVQUAL, Parasuraman Zeithaml, and Berry followed a general procedure of qualitative research (interviews and focus groups) to develop the initial scale and then performed quantitative surveys to refine and empirically test the scale. These interviews and surveys included retail consumers of appliance repair or maintenance, retail banking, long-distance telephone service, securities brokers, and credit card services. Additional research has expanded the use of SERVQUAL to include retail consumers of health care, residential utilities, job placement, pest control, dry cleaning, financial services, and fast-food services, and the resultant dimensions have ranged from one to eight (e.g. Babakus and Boller 1992; Cronin and Taylor 1992; Parasuraman et al., 1985).

Customer satisfaction is generally defined as the full meeting of one's expectations (Oliver, 1980) and can be described as the feeling or attitude of a customer towards a product or service after it has been used. Numerous studies from different service sectors have investigated the relationship between service quality and customer satisfaction. Although researchers have agreed that there is a relationship between the two constructs,

there has been no consensus regarding the direction of this relationship. Some researchers have proposed a causal link from customer satisfaction to service quality (Bitner et al., 1990), whereas others researchers have proposed a causal link in the opposite direction (Bolton and Drew, 1991).

While a substantial amount of research has reported a causal link between service quality and customer satisfaction (e.g. Anderson and Sullivan, 1993; Bolton and Drew, 1991; Cronin and Taylor, 1992), few have investigated the link between each of the service quality dimensions and satisfaction and have reported some mixed results (Johnston, 1995; Lassar et al., 2000; Zhou, 2004; Arasli et al., 2005). For example, Arasli et al. (2005) reported that assurance, reliability, empathy and tangibles dimensions of service quality were predictors of customer satisfaction in the Cyprus banking sector. Additional support comes from Zhou (2004), who reported that reliability and assurance were important predictors of satisfaction for bank customers in China.

Service quality is an important tool to measure customer satisfaction. Empirical studies show that the quality of service offered is related to overall satisfaction of the customer. According to Jamal and Naser (2002), reliability, tangibility and empathy are positively related with customer satisfaction. Joshua and Moli (2005), in their study on 'expectation and perception of service quality in old and new generation banks', observed that the performance of the new generation banks across all the service quality dimensions are better than those of old generation banks. Al-Fazwan (2005) in his study found that the bank should concentrate on the accessibility dimension. He stated that the particular bank should make maximum efforts to raise the level of services to meet the customer expectations.

Sudesh (2007) revealed that poor service quality in public sector banks is mainly because of deficiencies in tangibility, lack of responsiveness and empathy. Private sector banks, on the other hand, were found to be more reformed in this respect. Above all, foreign banks were relatively close to the expectations of their customers with regard to various dimensions of service quality. Further, the study revealed that there existed service quality variations across demographic variables and suggested that the management of

banks should pay attention to potential failure points and responsive to customer problems.

Koushiki (2007) in his study suggests that customers perceive four dimensions of service quality in the case of the retail banking industry in India, namely, attitude, competence, tangibles and convenience. Identifying the underlying dimensions of the service quality construct in the Indian retail banking industry is the first step in the definition, and hence, provision of quality service. The paper has drawn upon the findings of the service quality dimensions to determine the initiatives that bank managers can take to enhance their employees' skills and attitudes and instill a customer-service culture.

Musyoka (2010) in his study implied that service quality accounted for 73.9% of library user satisfaction among universities in Kenya. The findings further revealed that reliability dimension contributed most towards user satisfaction while empathy dimension contributed the least. The results also indicate that the libraries cannot afford to ignore any of these other dimensions since they all appear to influence customer satisfaction although at different degrees.

Mugambi (2009) in his study concluded that the e-banking customers seem to be quite satisfied in the following areas: security, efficiency, accurate records, convenience and accurate transactions.

2.8 Summary and Conceptual Framework

SERVQUAL is a well-known research instrument for evaluating service quality in banking industry. SERVQUAL perfectly covers the dimensions that are considered by a customer in evaluating quality of service in a bank. SERVQUAL can generally be applied for evaluating service quality in any service sector ((Parasuraman et al. 1988). Most of the studies have utilized SERVQUAL for evaluating service quality of banking industry (Arasli. 2005; Zhou 2004). This will form the conceptual framework of this study

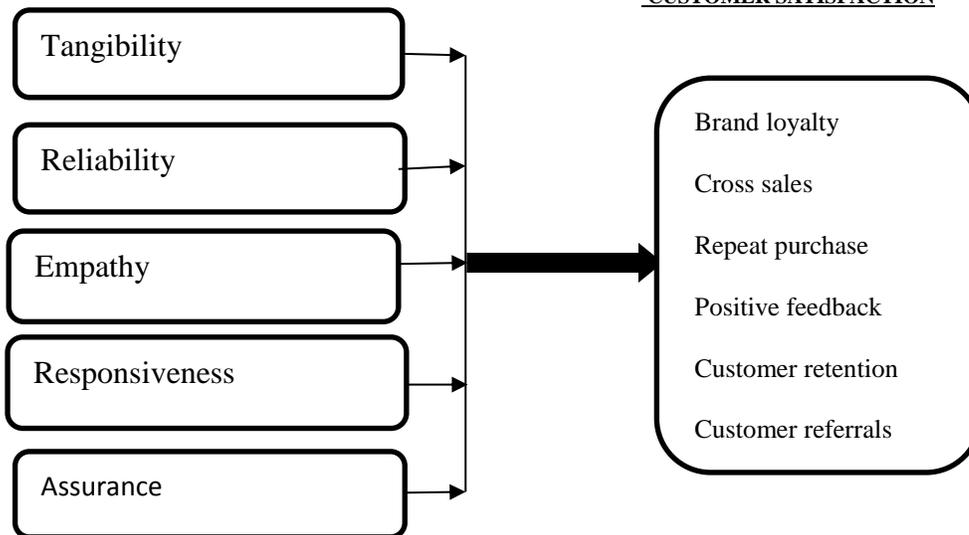
Figure 2.1 Conceptual framework

Independent Variable

Dependent Variable

SERVQUAL DIMENSIONS

CUSTOMER SATISFACTION



Source: Own Compilation 2015

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter presented the research design and methodology of the study. In this stage, decisions were made on how research was done, the approach, as well as when, where and how it is was completed. The chapter therefore entailed the way the study was designed, the data collection techniques and the data analysis procedure.

3.2 Research Design

This study adopted a descriptive survey approach. A descriptive study attempts to describe the state of affairs as it exists then (Kothari, 2004). According to Mugenda and Mugenda (1999), a descriptive study ensured that the observer eliminated subjectivity by administering a standard stimulus to all respondents, the study was therefore able to generalize the findings to the three major segments of emphasis in Barclays bank i.e. mass, business and affluent banking respectively.

3.3 Population

Population is a total of all that conform to a given characteristic (Mugenda and Mugenda, 2002). The target population in this study consisted of all the customers in the branches of Nairobi as the segmentation was distinct in these branches; Barclays Nairobi had 37 branches specializing in mass, 11 in affluent and 15 in business segment respectively.

3.4 Sample Design

According to Cooper et al. (2003) the basic idea about sampling is that by selecting some of the elements in a population, conclusions were drawn about the entire population. The researcher used judgmental and convenience sampling to randomly select 50 respondents for the study. The number was limited to 50 respondents as the products offered within the segments were quite homogenous.

3.5 Data Collection

Primary data was used and obtained through the administering of a structured questionnaire to 50 Customers as the products offered in the segments were quite homogenous. Statistically, in order for generalization to take place, a sample of at least 30 elements (respondents) must exist (Cooper and Schindler, 2003).

The Questionnaire was divided into three sections. Section A aimed at gathering demographic profile of the respondents which provided the general information about respondents on age, gender, market segments represented, number of products and years banked with Barclays. This enabled the researcher get a better understanding of the type of respondents and related it to how they perceived service quality. Section B was to measure the service quality offered by the bank this was by measuring customer perceptions. Section C was to measure level of customers satisfaction with service rendered by the bank this was analyzed by the P-E scores. The data collected on section B and C was analyzed further to ascertain the impact of service quality on customer perception. This was presented on a graph to establish the trends on the two parameters, i.e. service perception and customer satisfaction.

It was quite difficult to ascertain the number of customers at any one given time, most customers had more than one product and thus operating multiple account, other customers had dormant accounts. The branch distribution was subsequently used as a guide for questionnaire distribution. The branch distribution had a format of 37 branches specializing in mass, 15 in business and 11 in the affluent segments respectively. Distribution of the 50 questionnaires was random and based on convenient and judgmental sampling. Questionnaires were distributed using the segment branch network as a basis, as per table 3.1 below.

Table 3.1 Questionnaire Distribution as per Branches in Each Segment

	Segment	Branches	Allocation per Segment	Actual Questionnaires to be administered
1	Mass	37	29.4	29
2	Affluent	11	8.7	9
3	Business	15	11.9	12
4	Totals	63	50	50

29 questionnaires were presented to the mass segment, 9 to the affluent segment and 12 to the business segment respectively.

3.6 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The responses were grouped into various categories. Data collected was purely quantitative and was analyzed by descriptive analysis. Descriptive statistics such as frequency, mean, standard deviation range and standard error of mean and sum were used to analyze the data. Tables were used to summarize responses for further analysis and facilitate comparison. Inferential statistics i.e. Correlation and ANOVA were used to analyze relationships among variables. Analysis was aided by Statistical Package for Social Sciences (SPSS)

Graph on Gap analysis being an indication of the relationship between customer satisfaction and service quality perception was plotted to indicate the trend of customer satisfaction vis-à-vis quality perception. This was to determine the impact of service quality perception on customer satisfaction.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter detailed the findings and analysis of the primary data that was gathered from the respondents of the study. Questionnaires were used to collect data from the 50 respondents. The questionnaires were issued out in excess to enhance the response rate resulting in feedback being gathered from 48 respondents representing (96%) response rate. The questionnaires were allocated on a segment based model and the response rate was as follows; mass segment response was 28 out of the expected response of 29 representing (97%) response rate, business segment response was 11 out of the expected response of 12 representing (91.7%) response rate and affluent segment response was 9 out of the expected response of 9 representing (100%) response rate.

4.2 Demographic Profile of the Respondents

The demographic characteristics of the respondents analysed include segment banked, gender, age of respondents, years banked, customer occupation and current products held with the bank.

Table 4.1 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	30	62.5	62.5	62.5
	Female	18	37.5	37.5	100
	Total	48	100	100	

Source: Research Data

Data collated had (62.5%) male and (37.5) female, this indicated more male respondents than female.

Table 4.2 Ages of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-30	5	10.4	10.6	10.6
	31-35	23	47.9	48.9	59.6
	36-40	8	16.7	17.0	76.6
	41-45	11	22.9	23.4	100.0
	Total	47	97.9	100.0	
Missing	System	1	2.1		
	Total	48	100.0		

Source: Research Data

Majority of the respondents were in the age bracket of 31-35 years (47.9%) followed by 41-45 years (22.9%), 36-40 years (16.7%) and 26-30 years (10.4%). There was one missing respondent representing (2.1%)

Table 4.3 Years Banked

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5	9.0	17.6	18.8	18.8
	5-10 yrs	27.0	56.9	56.3	75.0
	Over 10 yrs	12.0	25.5	25.0	100.0
	Total	48.0	100.0	100.0	

Source: Research Data

Majority of the respondents had banked with the institution for 5-10 years (56.9%). Those banked for over 10 years represented (25.5%) of the population. Those banked below 5 years were least represented (17.6%).

Table 4.4 Customer Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Professional	39	81.3	81.3	81.3
	Self Employed	1	2.1	2.1	83.3
	Business men	8	16.7	16.7	100.0
	Total	48	100.0	100.0	

Source: Research Data

Majority of the respondents were professionals (81.3%), business men consisted (16.7%) and self-employed respondents were minimal, represented by (2.1%).

Table 4.5 Products with the Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	All	36	75.0	76.6	76.6
	Loan& Credit Cards	5	10.4	10.6	87.2
	Loan & Savings	1	2.1	2.1	89.4
	Loans	1	2.1	2.1	91.5
	Savings	1	2.1	2.1	93.6
	Current	3	6.3	6.4	100.0
	Total	47	97.9	100.0	
Missing	System	1	2.1		
	Total	48	100.0		

Source: Research Data

Most of the respondents (75%) utilized all bank products, (10.4%) utilized loans and credit cards, (6.3%) utilized current accounts, loans and savings each had a representation of (2.1%). There was one missing respondent representing (2.1%).

4.3 Respondents perceptions of Service Quality

The first objective of the study was to determine the perceptions of service and to measure service quality using SERVQUAL dimensions in Barclays bank of Kenya and subsequently do an inter-segment comparison. All factors had a maximum ranking of 7 and a minimum ranking of 1 on the likert scale, 7 being the largest extent while 1 no extent at all. A mean of score 5.00 – 6.00 was ranked to a very large extent, 6.00 – 7.00 and 4.00-5.00 was ranked to a small extent and mean of 1.00-2.00, 2.00-3.00 and 3.00 - 4.00 was ranked at no extent. Standard deviation measured how spread out the distribution was, a standard deviation greater than 1 indicated significant variation in the respondents while a standard deviation of less than 1 indicated no significant variation between respondents.

The dimensional attributes means were tabulated on average basis and at a decreasing trend. The segments on segment means were also tabulated at a decreasing trend. The general representational trend in most attributes was affluent, business and mass respectively. Exceptions to this trend were annotated.

Table 4.6 Customers Perceptions of Service Quality

Tangibles	Segments						Average	
	Affluent		Business		Mass			
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
The banking hall layout and amenities are high standards	6.78	0.44	5.91	0.54	5.27	1.31	5.98	0.76
Materials associated with the service i.e. computers, note counters and ATMs amongst others are visually appealing	5.78	0.83	5.40	0.52	5.00	1.39	5.98	0.91
Employees are formally dressed and presentable	6.00	1.22	6.00	0.63	5.77	1.04	5.92	0.97
Average	6.19	0.83	5.77	0.56	5.34	1.25	5.77	0.88

Source: Research Data

Reliability	Segments						Average	
Attributes	Affluent		Business		Mass		Average	
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
Products offered by Barclays are of good quality and meet customers' needs	6.11	0.78	5.73	0.47	5.23	1.33	5.69	0.86
When a customer has a problem, they show a sincere interest in solving it	5.56	1.51	5.64	0.50	5.10	1.47	5.43	1.16
Company performs the service right the first time	5.56	1.24	5.36	0.67	4.40	1.81	5.11	1.24
Service offered at Barclays bank is dependable	5.33	1.80	5.09	0.94	4.77	1.36	5.06	1.37
Transactions are carried out within the specified SLA's	5.33	1.58	4.82	0.98	4.47	1.46	4.87	1.34
Average	5.58	1.38	5.33	0.71	4.79	1.49	5.23	1.19

Source: Research Data

Responsiveness	Segments						Average	
Attributes	Affluent		Business		Mass		Average	
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
Employees are always willing to help customers	6.11	0.78	5.73	0.47	5.37	1.25	5.74	0.83
Employees make information easily obtainable by customers	6.11	0.78	5.36	0.67	5.00	1.26	5.49	0.91
Employees are never too busy to respond to customers	5.67	1.00	5.45	0.93	5.03	1.59	5.38	1.17
Employees give prompt service to customers	5.78	0.97	5.45	0.52	4.83	1.53	5.36	1.01
Average	5.92	0.88	5.50	0.65	5.06	1.41	5.49	0.98

Source: Research Data

Assurance	Segments						Average	
Attributes	Affluent		Business		Mass		Average	
	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev	Mean	Std Dev
Customers feel safe in their transactions	6.56	0.73	5.91	0.54	5.60	1.28	6.02	0.85
Employees are polite and courteous with customers	6.22	0.83	5.91	0.70	5.40	1.22	5.84	0.92
The behaviour of employees instils confidence in customers	6.11	0.78	5.91	0.54	5.27	1.17	5.76	0.83
Barclays employees are well knowledgeable about the banks products and are able to address Customers Queries appropriately	6.00	0.87	5.73	0.47	5.13	1.17	5.62	0.83
Average	6.22	0.80	5.86	0.56	5.35	1.21	5.81	0.86

Source: Research Data

Empathy	Segments						Average	
	Affluent		Business		Mass			
	Mean	Std Dev						
Barclays bank has their customers' best interest at heart	6.22	0.83	5.91	0.83	5.60	1.43	5.91	1.03
Banks operating hours are convenient to all their customers	6.44	0.88	5.55	0.82	5.60	1.19	5.86	0.96
Service is personalized at the customers level	6.33	1.12	5.73	0.47	5.00	1.66	5.69	1.08
Average	6.33	0.94	5.73	0.71	5.40	1.43	5.82	1.03

Source: Research Data

The tangibility, findings indicated both the attribute of the banking hall layout and amenities being of high standards and materials associated with service i.e. computers, note counters and ATMs amongst others being visually appealing were ranked first at a tie. This resonates to Laroche (1998) who had location convenience as an important factor in his studies. The attribute of formal dress and present ability ranked last. The segment trend in the tangibility dimension indicated highest scores were in the affluent, business and mass segments respectively in that order.

On reliability, findings revealed that products of the company having good quality was highest ranking ,sincerity of problem solving second ,service being performed right first time third, service dependability attribute fourth, and transactions being carried out within specified SLA last. Although this ranked last in BBK studies, Laroche (1998) had speed of service ranking highly in his studies. The trend in the reliability dimension indicated that the highest scores were in the affluent, business and mass segments respectively. An exception was noted on the attribute of sincere interest in solving customer problems of which the business segment had the highest score.

On responsiveness, attributes employees' willingness to help had the highest mean aggregate score, attribute on information being easily obtainable by customers second, employees' response to customers third, and service promptness last. The segment trend of higher scores in affluent, business and mass respectively applied in this dimension.

On assurance, findings revealed that customers felt very safe in their transactions with highest aggregate mean, this is further enhanced by Laroche (1998) who had competence

in the same category in his studies. Employees' politeness to customers came in second, employees instilling confidence third and knowledge ability of products to address queries last. The segment trend of affluent, business and mass respectively was applicable in this dimension.

On empathy, findings revealed that Barclays having customers interest ranked first, convenience of the banking hours attribute ranked second and personalization of services last. Applicable to this dimension was the segment trend of affluent, business and mass respectively. Clifford and Russ (1994) in their study suggested that effective relationship managers were to sell financial services institutions to various; geographically diverse, affluent investors and this resonated with the BBK dimensional segment trends that indicated superior service in the affluent segment.

4.3.1 Dimensional ranking of Service Quality

Data from table 4.6 was extracted to form table 4.7. The aggregate means of the dimension were tabulated in a decreasing order and the inter-segment values ranked horizontally at a decreasing rate. The standard deviation was tabulated to indicate disparity of respondents.

Table 4.7 Ranking of SERQUAL Dimensions and Intersegment comparison

Tangibles	Segments						Average	
	Affluent		Business		Mass			
	Mean	Std Dev						
Empathy	6.33	0.94	5.73	0.71	5.40	1.43	5.82	1.03
Assurance	6.22	0.80	5.86	0.56	5.35	1.21	5.81	0.86
Tangibles	6.19	0.83	5.77	0.56	5.34	1.25	5.77	0.88
Responsiveness	5.92	0.88	5.50	0.65	5.06	1.41	5.49	0.98
Reliability	5.58	1.38	5.33	0.71	4.79	1.49	5.23	1.19
Average	6.05	0.97	5.64	0.64	5.19	1.36	5.62	0.99

Source: Research Data

The empathy dimension was ranked first, assurance second, tangibles third, responsiveness fourth, and reliability last. The mean dimensional score comparatively was highest in the affluent, business and mass segments respectively. The average

standard deviation was highest in the mass and lowest on the affluent and business segments in that order. In dissonance to BBK findings, study by Berry, (1994) with more than 1,900 customers of five large famous US corporations, found that emphasis on the dimensions on a decreasing order was most on reliability, followed by responsiveness, assurance, empathy and tangibles. Thus, reliability was considered the essential core of service quality. Further, they found that more companies were deficient in reliability than in other service dimensions, but their best performance was on the least essential dimensions of tangibles. Sudesh (2007) revealed that poor service quality in public sector banks is mainly because of deficiencies in tangibility, lack of responsiveness and empathy. Private sector banks, on the other hand, were found to be more reformed in this respect. This was further supported by the BBK studies that indicated overall superior service quality.

4.3.2 Test of Differences in the Service Quality mean rankings

The data was further analyzed to test differences in mean rankings using ANOVA test as per results on table 4.8. The hypothesis fronted was the dimensional service quality levels were similar in affluent, business and mass respectively. H_0 : service quality affluent mean = service quality business mean = service quality mass mean. The ANOVA results were presented on a dimensional basis, the data was represented in a decreasing order, from the highest disparity to the lowest respectively. F critical was used to determine the criteria for acceptance or rejection of null hypothesis. The confidence interval used was 95% and the value was obtained from F critical tables at 5% level of significance.

Table 4.8 Intersegment Dimensional ANOVA analysis

ASSURANCE						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	5	26.75	5.35	0.03		
Business	5	29.32	5.86	0.01		
Affluent	5	31.11	6.22	0.04		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.92	2	0.96	36.00	0.00	3.89
Within Groups	0.32	12	0.03			
Total	2.24	14				

Source: Research data

RESPONSIVENESS						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	5	25.29	5.06	0.04		
Business	5	27.49	5.50	0.02		
Affluent	5	29.59	5.92	0.04		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.85	2	0.92	28.80	0.00	3.89
Within Groups	0.39	12	0.03			
Total	2.23	14				

Source: Research data

EMPHATHY						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	4	21.6	5.4	0.08		
Business	4	22.92	5.73	0.022		
Affluent	4	25.32	6.33	0.01		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.78	2	0.89	24.32	0.00	4.26
Within Groups	0.33	9	0.04			
Total	2.11	11				

Source: Research data

RELIABILITY						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	6	28.76	4.79	0.11		
Business	6	31.97	5.33	0.11		
Affluent	6	33.47	5.58	0.08		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.93	2	0.96	9.49	0.00	3.68
Within Groups	1.53	15	0.10			
Total	3.46	17				

Source: Research data

TANGIBLES						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	4	21.38	5.35	0.10		
Business	4	23.08	5.77	0.07		
Affluent	4	24.75	6.19	0.18		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1.42	2	0.71	5.99	0.02	4.26
Within Groups	1.07	9	0.12			
Total	2.49	11				

Source: Research data

A dimensional intersegment analysis of the findings revealed that service quality levels were not similar within the segments and on a dimensional level as is represented by the $F > F$ critical in all the dimensions. The intersegment dimensional disparities were in the following decreasing order, assurance, responsiveness, empathy, reliability and last tangibility. The p values in all instances were < 0.05 and thus the null hypothesis H_0 : mean of affluent = mean of business = mean of mass was rejected. This was an indication of significant disparities in the service quality within the segments and superior service quality in the affluent in relation to the business and mass segments respectively.

4.4 Gap Analysis to measure Customers Satisfaction levels P-E Scores

The second objective of the study was to measure satisfaction levels data, was collated using the customer expectations values on likert scale. Customer satisfaction levels were done by a GAP analysis on the P-E scores. Service experienced being better than expected indicated a positive disconfirmation or high levels of satisfaction. Service performance falling short of what was expected indicated a negative disconfirmation or dissatisfaction. The aggregate means were ranked in a decreasing order (from high-low) customer satisfaction levels per attribute.

Table 4.9 GAP Analysis P-E Scores

TANGIBLES	SEGMENTS									
	Mass			Business			Affluent			MEAN GAP
	EXP	PERC	GAP	EXP	PERC	GAP	EXP	PERC	GAP	
Employees are formally dressed and presentable	5.60	5.77	0.17	6.00	6.00	0.00	6.00	6.00	0.00	0.06
The banking hall layout and amenities are high standards	5.57	5.27	-0.30	5.82	5.91	0.09	6.67	6.78	0.11	-0.03
Materials associated with the service i.e. computers, note counters and ATMs amongst others are visually appealing	5.33	5.00	-0.33	5.73	5.40	-0.33	6.00	5.78	-0.22	-0.29
Average	5.50	5.34	-0.16	5.85	5.77	-0.08	6.22	6.19	-0.04	-0.09

Source: Research data

RELIABILITY	SEGMENTS									
	Mass			Business			Affluent			MEAN GAP
	EXP	PERC	GAP	EXP	PERC	GAP	EXP	PERC	GAP	
Products offered by Barclays are of good quality and meet customers' needs	5.43	5.23	-0.20	5.73	5.73	0.00	6.22	6.11	-0.11	-0.10
When a customer has a problem, they show a sincere interest in solving it	5.23	5.10	-0.13	5.73	5.64	-0.09	6.00	5.56	-0.44	-0.22
Company performs the service right the first time	4.77	4.40	-0.37	5.64	5.36	-0.28	5.78	5.56	-0.22	-0.29
Transactions are carried out within the specified SLA's	4.70	4.47	-0.23	5.45	4.82	-0.63	5.33	5.33	0.00	-0.29
Service offered at Barclays bank is dependable	4.90	4.77	-0.13	5.55	5.09	-0.46	6.00	5.33	-0.67	-0.42
Average	5.01	4.79	-0.22	5.62	5.33	-0.29	5.87	5.58	-0.29	-0.26

Source: Research data

RESPONSIVNESS	SEGMENTS									
	Mass			Business			Affluent			MEAN GAP
	EXP	PERC	GAP	EXP	PERC	GAP	EXP	PERC	GAP	
Employees are always willing to help customers	5.37	5.37	0.00	5.55	5.73	0.18	6.22	6.11	-0.11	0.02
Employees make information easily obtainable by customers	5.23	5.00	-0.23	5.45	5.36	-0.09	6.00	6.11	0.11	-0.07
Employees are never too busy to respond to customers	5.30	5.03	-0.27	5.64	5.45	-0.19	6.11	5.67	-0.44	-0.30

Employees give prompt service to customers	5.13	4.83	-0.30	5.64	5.45	-0.19	6.33	5.78	-0.55	-0.35
Average	5.26	5.06	-0.20	5.57	5.50	-0.07	6.17	5.92	-0.25	-0.17

Source: Research data

ASSURANCE	SEGMENTS									MEAN GAP
	Mass			Business			Affluent			
Statement criteria	EXP	PERC	GAP	EXP	PERC	GAP	EXP	PERC	GAP	
Customers feel safe in their transactions	5.67	5.60	-0.07	6.00	5.91	-0.09	6.67	6.56	-0.11	-0.09
The behaviour of employees instils confidence in customers	5.47	5.27	-0.20	6.00	5.91	-0.09	6.22	6.11	-0.11	-0.13
Barclays employees are well knowledgeable about the banks products and are able to address Customers Queries appropriately	5.33	5.13	-0.20	5.82	5.73	-0.09	6.22	6.00	-0.22	-0.17
Employees are polite and courteous with customers	5.67	5.40	-0.27	6.18	5.91	-0.27	6.33	6.22	-0.11	-0.22
Average	5.53	5.35	-0.18	6.00	5.86	-0.14	6.36	6.22	-0.14	-0.15

Source: Research data

EMPATHY	SEGMENTS									MEAN GAP
	Mass			Business			Affluent			
Statement criteria	EXP	PERC	GAP	EXP	PERC	GAP	EXP	PERC	GAP	
Barclays bank has their customers' best interest at heart	5.77	5.60	-0.17	5.82	5.91	0.09	6.11	6.22	0.11	0.01
Service is personalized at the customers level	5.27	5.00	-0.27	5.91	5.73	-0.18	6.33	6.33	0.00	-0.15
Banks operating hours are convenient to all their customers	5.80	5.60	-0.20	5.82	5.55	-0.27	6.56	6.44	-0.12	-0.20
Average	5.61	5.40	-0.21	5.85	5.73	-0.12	6.33	6.33	0.00	-0.11

Source: Research data

On tangibles, table 4.9, the attribute of employees being formally dressed had a positive gaps indicating customer satisfaction. Improvement was needed on the banking hall layout and materials associated with service being visually appealing in that order. On reliability improvement was needed on all attributes as stated (from least-most) on, quality of products meeting customers need, sincerity in problem solving, transactions carried out within specified SLA's, company performing service right first time and dependability of service in that order. Responsiveness attribute of employees willing to

help customers was satisfactory. Improvement was needed on all other attributes as stated in a decreasing order (from least-most) on, obtainability of information, responsiveness to customers and prompt service to customers. On Assurance Improvement was needed on all other attributes as stated in a decreasing order (from least-most) on, customers feeling safe in their transactions, behavior of employees instilling confidence, knowledge ability of products, and employee's politeness and courtesy to customers. On empathy customers were satisfied with Barclays bank having customers' best interest at heart. Service personalization at customer level and convenience of banking operating hours were unsatisfactory in that order.

On attribute analysis, the highest positive gaps indicating customer satisfaction were on employees willingness to help customers in business segment (responsiveness), formal dress on employees in mass segment (tangibles), banking layout and amenities standards in affluent segment (tangibles) at a tie with Barclays bank having customers interest at heart (empathy) in affluent segment, and banking layout and amenities standards in business segment (tangibles) in that order, (from high-low) customer satisfaction. On the aggregate gaps on attributes, positive gaps indicating customer satisfaction (from high to low) were on formal dress (tangibles), employees' willingness to help customers (responsiveness) and Barclays having customers best interest at heart (empathy).

All other attributes had negative gaps (indicating customer dissatisfaction)with the highest negative gaps in dependability of service (reliability) in affluent segment, transactions being carried out within specified SLA's (reliability) in business segment, prompt service to customers (responsiveness) in affluent segment and employees never too busy to respond to customers in affluent segment at a tie with sincere interest towards problem solving in affluent segment (responsiveness)(reliability) in that order,(from high-low)levels of customer satisfaction respectively. On aggregate gaps majority of the attributes had negative gaps (indicating overall dissatisfaction).

Nil gaps represented zero disconfirmation results when perceived performance just met the customer's expectations or when the service experience was much as expected in the customers. Such gaps were on were on willingness to help customers(responsiveness)and

employee formal dress (tangibles) in mass segment, quality of products (reliability) and formal dress(tangibles) in business segment, transactions carried out within SLA's(reliability) and service personalized(empathy) at customers' level in affluent segment. On a dimensional analysis all other SERVQUAL dimensions had negative scores with empathy having a nil mean gap (0.00).

4.4.1 Test of Differences in P-E GAP Rankings

The data was further analyzed to test the differences in the GAP mean rankings using ANOVA test. The results were as presented on table 4.10. The hypothesis fronted was the dimensional service quality levels were similar in affluent, business and mass respectively H: Gap affluent mean =Gap business mean = Gap mass mean. The ANOVA results are presented in a decreasing order, on a dimensional basis from the highest disparity to the lowest respectively.

Table 4.10 Intersegments Dimensional ANOVA

EMPATHY						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	3.00	-0.64	-0.21	0.00		
Business	3.00	-0.36	-0.12	0.04		
Affluent	3.00	-0.01	0.00	0.01		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.07	2.00	0.03	1.95	0.22	5.14
Within Groups	0.10	6.00	0.02			
Total	0.17	8.00				

Source: Research Data

RESPONSIVENESS						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	4.00	-0.80	-0.20	0.02		
Business	4.00	-0.29	-0.07	0.03		
Affluent	4.00	-0.99	-0.25	0.09		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.07	2.00	0.03	0.70	0.52	4.26
Within Groups	0.42	9.00	0.05			
Total	0.49	11.00				

Source: Research Data

RELIABILITY						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	5.00	-1.06	-0.21	0.01		
Business	5.00	-1.46	-0.29	0.07		
Affluent	5.00	-1.44	-0.29	0.07		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.02	2.00	0.01	0.20	0.82	3.89
Within Groups	0.60	12.00	0.05			
Total	0.62	14.00				

Source: Research Data

ASSURANCE						
SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	4.00	-0.74	-0.19	0.01		
Business	4.00	-0.54	-0.14	0.01		
Affluent	4.00	-0.55	-0.14	0.00		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.01	2.00	0.00	0.53	0.61	4.26
Within Groups	0.05	9.00	0.01			
Total	0.06	11.00				

Source: Research Data

TANGIBLES						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Mass	3.00	-0.46	-0.15	0.08		
Business	3.00	-0.24	-0.08	0.05		
Affluent	3.00	-0.11	-0.04	0.03		
ANOVA						
<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	0.02	2.00	0.01	0.20	0.82	5.14
Within Groups	0.31	6.00	0.05			
Total	0.33	8.00				

Source: Research Data

Findings revealed that customer satisfaction disparities within segments were not significant as is represented by the $F < F$ critical in all the dimensions. The null hypothesis was thus accepted. The intersegment dimensional disparities were in a decreasing order of, empathy, responsiveness, reliability, assurance and tangibility respectively. The p value in all instances was >0.05 . This indicated that despite significant disparities in service quality customers were generally dissatisfied in all segments and disparities were just due to chance, thus indicating negative disconfirmation throughout the segments but in differing proportions. The data collated in BBK indicated general dissatisfaction in no particular format no consistent trends were noted this is a further

reflection of the general disconfirmation indicated within the segment and on a dimensional level.

4.5 Linking Service Quality to Customers' Satisfaction

The third objective was to link service quality to customer satisfaction, this was done by correlations to ascertain the direction of the relationship, a graph representation of the relationship was done.

Table 4.11a Linking of service quality and customer satisfaction

DIMENSIONS	Service Quality	Mean Gap (Customer satisfaction)
EMPATHY	5.82	-0.11
ASSURANCE	5.81	-0.15
TANGIBLES	5.77	-0.09
RESPONSIVNESS	5.49	-0.17
RELIABILITY	5.23	-0.27

Table 4.11b Correlation Statistics Linking of Service quality and Customer satisfaction

Link Between Service Quality and Customer satisfaction		
	Service Quality	Customer satisfaction
Service Quality	1.00	
Customer satisfaction	0.91	1.00

Figure 4.11c Graph representations - Link of Service Quality and Customer Satisfaction



The correlation analysis indicated a positive relationship between service quality and customer satisfaction table 4.11a. As per the graph details figure 4.11c superior service quality indicated customer satisfaction although not proportionately in each dimension. Empirical studies showed that the quality of service offered is related to overall satisfaction of the customer. Although researchers had agreed that there was a relationship between the two constructs, there had been no consensus regarding the direction of this relationship. Some researchers had proposed a causal link from customer satisfaction to service quality (Bitner et al., 1990), whereas other researchers had proposed a causal link in the opposite direction (Bolton and Drew, 1991).

4.5.1 Intersegment Link of Service Quality to Customers' Satisfaction

The third objective was analysed further to link service quality to customer satisfaction within the dimensions and segments respectively. This was done by correlations to ascertain the direction of the relationship on a dimensional basis and do an intersegment comparison.

Table 4.12 Inter- Segment Dimensional Correlations

Tangibles					
	<i>Mass Service Quality Perception</i>		<i>Business Service Quality Perception</i>		<i>Affluent Service Quality Perception</i>
Mass Service Quality Perception	1.00		Business Service Quality Perception	1.00	Affluent Service Quality Perception
Satisfaction	0.96		Satisfaction	0.94	Satisfaction

Source: Research Data

Reliability					
	<i>Mass Service Quality Perception</i>		<i>Business Service Quality Perception</i>		<i>Affluent Service Quality Perception</i>
Mass Service Quality Perception	1.00		Business Service Quality Perception	1.00	Affluent Service Quality Perception
Satisfaction	0.66		Satisfaction	1.00	Satisfaction

Source: Research Data

Responsiveness					
	<i>Mass Service Quality Perception</i>		<i>Business Service Quality Perception</i>		<i>Affluent Service Quality Perception</i>
Mass Service Quality Perception	1.00		Business Service Quality Perception	1.00	Affluent Service Quality Perception
Satisfaction	0.96		Satisfaction	0.86	Satisfaction

Source: Research Data

Assurance						
	<i>Mass Service Quality Perception</i>		<i>Business Service Quality Perception</i>		<i>Affluent Service Quality Perception</i>	
Mass Service Quality Perception	1.00		Business Service Quality Perception	1.00	Affluent Service Quality Perception	1.00
Satisfaction	0.58		Satisfaction	-0.33	Satisfaction	0.61

Source: Research Data

Empathy						
	<i>Mass Service Quality Perception</i>		<i>Business Service Quality Perception</i>		<i>Affluent Service Quality Perception</i>	
Mass Service Quality Perception	1.00		Business Service Quality Perception	1.00	Affluent Service Quality Perception	1.00
Satisfaction	0.96		Satisfaction	0.96	Satisfaction	-1.00

The correlation analysis indicated a positive relationship between service quality and customer satisfaction in the tangibles dimension, the segment significance in a decreasing order was mass, business and affluent respectively. The reliability relationship was also positive and the segment significance in a decreasing order was business, mass and affluent respectively. The responsiveness relationship was also positive and the segment significance in a decreasing order was mass, affluent and business respectively. The assurance relationship was positive in a decreasing order on affluent, mass and negative on business. The empathy relationship was positive to the same extent in mass and business segments and negative in the affluent. Studies by Arasli et al. (2005) reported that assurance, reliability, empathy and tangibles dimensions of service quality were predictors of customer satisfaction in the Cyprus banking sector. Additional support came from Zhou (2004), who reported that reliability and assurance were important predictors of satisfaction for bank customers in China. According to Jamal and Naser (2002), reliability, tangibility and empathy were positively related with customer satisfaction. Al-Fazwan (2005) in his study found that the bank should concentrate on the accessibility dimension. He stated that the particular bank should make maximum efforts to raise the level of services to meet the customer expectations. So, this approach implied that because consumers evaluate service quality in terms of their experiences, customers' subjective perceptions had great impact upon service success or failure (Shostack, 1997).

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The specific objectives of this study were to measure service quality, determine customer satisfaction using SERVQUAL dimensions, do inter segment comparison, and ultimately link perceived service quality trends with customer satisfaction in Barclays bank of Kenya. The data collated led to the following discussions, conclusions and recommendations on these objectives.

5.2 Summary

Findings from the first objective which was to measure service quality using the SERVQUAL dimensions in Barclays bank of Kenya and do inter-segments comparison revealed that service quality was more superior in the affluent segment, average in the business segment and inferior in the mass segment. Attributes that scored highest were customers feeling safe in their transactions, Barclays having customers best interest at heart, banking hall amenities being of high standards and materials associated with service i.e. computers note counters among others being visually appealing. Attributes with lowest scores were transactions not being carried out within specified SLA's, service not being dependable and Barclays not performing services right first time.

On segment to segment basis the highest scores on the affluent segment indicated that the banking layout and amenities were of very high standards, customers felt very safe in their transactions and the banking hours were convenient to customers. Service quality in the mass market was inferior on the attribute of company performing service right the first time, transactions being carried out within specified SLA's and dependability of service. The business generally had relatively average service quality in comparison to the other segments.

The ranking of SERVQUAL dimensions was in the following order, empathy first, assurance second, tangibles third, responsiveness fourth and reliability last. The

aggregate mean scores were highest in the affluent, business and mass segments respectively indicating superior service in the affluent segment. The standard deviations indicated a greater disparity on the mass segment respondents, business respondents had least disparity in their views and the affluent disparity was average. ANOVA analysis within the segments indicated disparities in service quality levels within the segments.

On the second objective to determine customer satisfaction and comparisons within segments, findings revealed that customers were satisfied with employees willingness to help customers in the business segment, formal dress on employees in the mass segment, banking layout and amenities standards in the affluent segment, Barclays bank having customers interest at heart in the affluent, and banking layout and amenities standards in the business segment. On the aggregate all customers were generally satisfied with formal dress, employee's willingness to help customers, and Barclays having customers' best interest at heart. On SERVQUAL dimension level customers were dissatisfied with all dimensions with an exception of empathy that indicated the expectations just met the customer perceptions thus customers were just satisfied. ANOVA analysis indicated insignificant disparities between customer satisfaction levels and thus indicating no specific segment with superior customer satisfaction, necessitating improvement on customer satisfaction.

The third objective was to link perceived service quality trends with customer satisfaction, correlation findings revealed that service quality has a positive relationship with customer satisfaction. A graph representation indicated that the relationship was not proportionate on a dimensional basis. Further analysis indicated that the relationship was not proportionate as indicated by the disparities in the correlation co-efficient on each dimension and on a segment to segment basis.

5.3 Conclusions

The study sought to assess the service quality and customer satisfactions in Barclays bank in Kenya and do inter segment comparison. The findings indicated that customers perceived service quality to be relatively superior the affluent segment on a significant level. The mass segment viewed services to be inferior to other segments. On dimension basis empathy,

assurance and tangibles dimensions were ranked very highly and improvement needed on the reliability and responsiveness. Customers were satisfied with formal dress; employees' willingness to help customers and Barclays having customers' best interest at heart, improvement was needed on all the other attributes. On SERVQUAL dimension level customers were dissatisfied with all dimensions with an exception of empathy on this the expectations were just met. Customer satisfaction levels are positively linked to service quality but not proportionately.

5.4 Recommendations

Service quality is generally good in Barclays bank of Kenya but there is need for improvement as customers are not satisfied in most areas. More can be done to exceed customers satisfaction on all the dimensions of service quality i.e. tangibility, reliability, responsiveness, assurance and empathy. Segmentation has really improved service quality especially in the affluent segment as per indication of superior service. The mass segment needs to be addressed especially on the reliability dimension. The affluent segment is very sensitive, despite service quality being high this segment needs a lot of personalized service and expectations are relatively high. In the business segment transactions' being done within SLA's is critical and should be adhered to.

5.5 Limitations of the Study

There was a delayed response and researcher had to increase the number of questionnaires distributed to increase the response rate. Some respondents were reluctant to participate in the research and had to be convinced that it was an academic exercise. Some respondents were asking too many questions on the study and did not end up filling the questionnaires this was time wasted for the researcher. The questions were too many and this made the segment comparison tiring and rigorous.

5.6 Suggestions for further study

Segmentation was limited to three i.e. affluent mass and business respectively, the study revealed that this is such a high level demarcation and with the availability of time and resources the customer portfolio may be segmented further forming a new base of further study.

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APPENDIX I: 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. Market Segment Banked?

Mass Business Affluent

Other, specify

2. Gender M F

3. Please tick the age bracket in which you fall

Below 25 years 36 – 40 years
 26- 30 years 41 – 45 years
 31 – 35 years 45 years and above

4. For how many years have you banked with Barclays?

Below 5 years 5 - 10 years
 More than 10 years

5. Customer occupation?

Student Self-employed Businessman Professional

6. Current products with the banks

Loans
 Savings
 Credit cards

SECTION B: SERVICE QUALITY IN BARCLAYS BANK OF KENYA

Please, show the extent to which these statements reflect your perception of service quality in Barclays Bank of Kenya and 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 Disagree somewhat**
- 4 Undecided**
- 5 Agree somewhat**
- 6 Agree**
- 7 Strongly agree**

Choose one option only

(A) Tangibles

Statement Criteria	1	2	3	4	5	6	7
1. The banking hall layout and amenities are high standards							
2. Employees are formally dressed and presentable							
3. Materials associated with the service i.e. computers, note counters and ATMs amongst others are visually appealing							

(B) Reliability

Statement Criteria	1	2	3	4	5	6	7
4. Products offered by Barclays are of good quality and meet customers' needs							
5. Transactions are carried out within the specified SLA's							
6. Service offered at Barclays bank is dependable							
7. When a customer has a problem, they show a sincere interest in solving it							
8. Company performs the service right the first time							

(C) Responsiveness

Statement Criteria	1	2	3	4	5	6	7
9. Employees are never too busy to respond to customers							
10. Employees give prompt service to customers							
11. Employees are always willing to help customers							
12. Employees make information easily obtainable by customers							

D) Assurance

Statement Criteria	1	2	3	4	5	6	7
13. The behaviour of employees instils confidence in customers							
14. Employees are polite and courteous with customers							
15. Barclays employees are well knowledgeable about the banks products and are able to address Customers Queries appropriately							
16. Customers feel safe in their transactions							

E) Empathy

Statement Criteria	1	2	3	4	5	6	7
17. Service is personalized at the customers level							
18. Barclays bank has their customers' best interest at heart							
19. Banks operating hours are convenient to all their customers							

SECTION C: CUSTOMER SATISFACTION LEVELS IN BARCLAYS BANK OF KENYA

Please, show the extent to which you think Barclays bank of Kenya ‘**should**’ possess the following features. We are interested in knowing your expectation levels with the quality of service offered by Barclays Bank of Kenya Limited. 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 Highly Dissatisfied**
- 2 Dissatisfied**
- 3 Somewhat Dissatisfied**
- 4 Undecided**
- 5 Somewhat satisfied**
- 6 Satisfied**
- 7 Highly Satisfied**

Choose one option only

(A)Tangibles

Statement Criteria	1	2	3	4	5	6	7
1. The banking hall layout and amenities are high standards							
2. Employees are formally dressed and presentable							
3. Materials associated with the service i.e. computers, note counters and ATMs amongst others are visually appealing							

(B)Reliability

Statement Criteria	1	2	3	4	5	6	7
4. Products offered by Barclays are of good quality and meet customers’ needs							
5. Transactions are carried out within the specified SLA’s							
6. Service offered at Barclays bank is dependable							
7. When a customer has a problem, they show a sincere interest in solving it							
8. Company performs the service right the first time							

(C) Responsiveness

Statement Criteria	1	2	3	4	5	6	7
9. Employees are never too busy to respond to customers							
10. Employees give prompt service to customers							
11. Employees are always willing to help customers							
12. Employees make information easily obtainable by customers							

(D) Assurance

Statement Criteria	1	2	3	4	5	6	7
13. The behaviour of employees instils confidence in customers							
14. Employees are polite and courteous with customers							
15. Barclays employees are well knowledgeable about the banks products and are able to address Customers Queries appropriately							
16. Customers feel safe in their transactions							

(E) Empathy

Statement Criteria	1	2	3	4	5	6	7
17. Service is personalized at the customers level							
18. Barclays bank has their customers' best interest at heart							
19. Banks operating hours are convenient to all their customers							