

**INFLUENCE OF CONTEMPORARY MARKETING PRACTICES ON CUSTOMER
SATISFACTION AMONG COMMERCIAL BANKS IN KENYA.**

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DECLARATION

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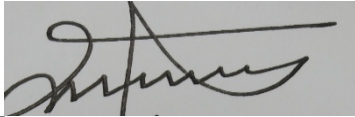
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ABSTRACT

Banking is a significant economic driver for any country therefore its performance in terms of satisfying customers is considered a necessity for growth. The study investigated the influence of contemporary marketing practices (CMP) on customer satisfaction among banks in Kenya. Feedback of the study established that interaction marketing was adapted to a large extent through the involvement of some individuals across functions and levels in the firm. Interactive marketing was significant influence customer satisfaction at a great extent. Also, the output established that digital marketing was adopted to a great extent through the promotion of brands to connect with potential customers using the internet was adopted at a great extent. Other respondents also reported that Database Marketing Through marketers relying on information technology to create relationships and the consumers have a role in relaying information sharing was at a moderate extent. However, some respondents reported that Network Marketing through Information sharing and the existence of relationships among customers, distributors, suppliers, competitors were adopted at a small extent. The output was in collaboration with the existing literature. Interactive marketing activities are based on face-to-face modalities that enhance social processes and relationships between the seller and the potential buyer. The relationships are considered formal and also informal depending on the needs of the customer. The relationships are mutually beneficial to one another and guarantee functional benefits to all (Coviello et al, 2017). According to Salaun 2011, interactive marketing and customer satisfaction are mutually exclusive events that are explored by both the seller and the buyer through trust, familiarity, personalization of service as well as information quality. Feedback of the study revealed the coefficient of determination R^2 is 0.686 indicating that the model explained 68% of customer satisfaction among banks in Kenya. It also shows digital marketing, database marketing, interactive marketing, and network marketing explained 68% of customer satisfaction among commercial banks in Kenya thus being significant for decision making. The study recommends that staff appraisal on best practices that enhances customer satisfaction. The banks should also be consistent in conducting customer surveys for them to package and offer them services that satisfy their needs promptly.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The modern space within which businesses operate is more competitive than ever before and therefore marketing is deemed to be a game-changer for organizations to make a difference. More changes have emerged in terms of challenging markets assorted and changes in technological innovations (Kim & Mauborgne, 2019). In such an unprecedented environment resigning business models as well as adopting contemporary marketing, practices come in and sustain business growth. In the past regimes, traditional marketing strategies were aimed at pulling customers to specific products with little or no concern about customer needs and tastes, and as well as perception on the same. However, there are some improvements in terms of marketing that products and services over the years. For instance, pay per click and use of social media platforms and email marketing.

A contemporary marketing practice involves the customer-focused way of marketing that puts the customers' needs first. Essentially, it refers to the adoption of new technology in doing marketing of products and services to achieve organizational goals. Contemporary marketing practices (CMP) include digital marketing, transaction marketing, network marketing, and database marketing that are powered by new technological innovations.

Customer satisfaction refers to the optimum level of utility for customers' needs being addressed as required. The changes in customer need and wants triggers changes in customer satisfaction parameters. Most organizations in business are geared towards satisfying their customers. When products and services are served/offered at the right quality, quantity, time, place and meet

customers' expectations, then that is customer satisfaction. This applies to profit-making firms while non-profit firms work for value for money the products and services being offered.

Expectancy Disconfirmation Theory and Contingency Theory would be instrumental in the current study. Expectancy Confirmation Theory is employed in the service industry to determine the level of consumer utility. The theory emphasizes the fact that a comparison between expectation and perceived performance is significant enough to change an organization's modalities of firm performance. In this regard, expectation and outcome performance are key components in determining customer satisfaction. About contingency theory in management, it holds that there is no specific formula used in managing organizations but rather organizations are managed in differently depending on the context and the external environmental conditions that the firm is established from.

The banking industry in Kenya has faced ups and downs in terms of changes in the business environment. According to Kenya Bankers Association (KBA, 2020), most bank clients preferred contactless banking avenues that reduce the chances of contracting COVID-19 disease. Most of the banks have no congestions in the banking halls. The 43% of participants revealed that clients endured mobile banking services as a preferred way to transact business; while on the other hand, only 16% of the participants supported ordinary visits to banking halls for transactions (KBA, 2020).

On the other hand, most age groups of 50 years surveyed revealed that they preferred Automated Services as opposed to interaction, with the banks in person. The banking sector is an integral part of the growth of the country's economy since it sustains financial growth and liquidity in the economy. Therefore, most financial institutions are now opting for marketing their products and

services to increase awareness to potential customers. Additionally, Islamic Banks have also emerged as a way of supplementing conventional banks to satisfy Muslim customers who prefer Sharia Compliant Transactions. Marketing strategies are therefore a significant component for the growth of the banking industry owing to the new business environment. Managers have to employ modern marketing practices to sustain their growth (Bhatt & Gor, 2012).

1.1.1 Contemporary Marketing Practices

Contemporary Marketing Practices (CMP) Concept involves various techniques in showcasing products and services beyond the traditional marketing method powered by new technology. Contemporary Marketing Practices (CMP) includes Network Marketing, Digital Marketing, Interactive Marketing, and Database Marketing, (O'Dwyer, Gilmore & Carson, 2019). Database Marketing involves the use of digital techniques to enhance long-term relationships between the organization and customers concerning economic and information exchange. Digital Marketing involves personalized relationships and interaction activities from distant or virtual forms as well as face-to-face relationships. It occurs in social forms as well as personal interactions in both formal and informal ways (Sacramento & Teixeira, 2014).

Interaction Marketing involves different levels of customer interaction with the seller a given point. The situation demands that there should be mutual benefit amongst the seller and the buyer as such guaranteeing utility in the transaction sought by the buyer. The seller ensures that the buyers utility is achieved based on the terms and conditions involved (Coviello et al. 2017).

Networking marketing practices incorporate relationships across organizations in social forums while at the same time developing individual relationships. Network Marketing broadly encompasses both corporate and individual relationships to achieve intended goals respectively.

Digital Marketing on the other hand highlights online-oriented platforms tools such as e-mails, search engines, social media among others. The level of Contemporary Marketing Practices relies barely on interactions by clients and companies and other stakeholders in modern society. The interactions are both personal and corporate at the same time and as such, enhance the growth of businesses (Coviello, Brodie & Munro, 1997).

1.1.2 Customer Satisfaction

Customer satisfaction is a given utility obtained from products and services offered to clients (Terpstra et al, 2014). Concerning the banking industry, customers' satisfaction depicts a valence state of mind by clients about banks' products and services. Moreover, there are 3 categories of satisfaction levels in the banking sectors; first consumption is an ongoing process that utility is achieved in the long-term thus being summary satisfaction. The second category involves manifesting the feelings of customers about the bank through cognitive recognition. The third category is embodied in dimensional satisfaction and dissatisfaction with products being offered.

Customer satisfaction and financial performance are interdependent (Kanning and Bergman, 2009). Anderson et al, (1994) offer a different dimension of satisfaction based on two establishments. One of them elaborates satisfaction through specific purchase occasion while the other one focuses on the overall evaluation of good or bad service offer the purchase has been made. On the other hand, Kanning and Bergman (2019) noted that the customer satisfaction paradigm model and dissatisfaction model occur when customers' expectations and perceptions of a given product or service have been served rightfully if not they are dissatisfied. Moreover, satisfied customers are good pioneers that spread the good news about the banking service offered to them and thus bringing new customers to the business.

When customers are satisfied, they play a significant role in positively talking about their experience through a word of mouth thus winning over new clients for the business (Kaura, 2013). On the other hand, dissatisfied customers can negatively influence over 1000 clients which affects the business negatively (Gupta & Dev, 2012). Quality services involve reliability, commitment, flexibility, trust, and competence in the delivery of the same. This creates a significant relationship with customers that boosts their satisfaction and improves organizational performance in the long run (Gritti & Foss, 2010).

1.1.3 Commercial Bank in Kenya

Banks in the country are regulated by the Companies Act (CAP 486) and is badly affected by the COVID-19 Global Pandemic and as such, a slowdown in economic growth is eminent in 2021. Another reality is that the increase in interest rates in 2021 has slowed down the uptake of loans thus affecting liquidity in the economy. More importantly, COVID-19 Pandemic has largely led to the customers preferring online transactions that are paperless and minimize the risk of contracting COVID-19 (KBA, 2020). Currently, Kenya has 44 Banks commercially while at same time; one bank is under receivership hence not operational. The banks are categorized as follows; 21 small peer groups, 15 medium groups, and 6 large groups. There are also 12 banks listed at NSE. The Consolidated EPS dipped by 7.3% over the same time compared to 12.2% growth in Q1 of 2019. This shows a significant drop in earnings of the Banking Sector, thus a call for concern (KBA, 2020).

In 2020, most of the bank's performance was negatively affected whereby 11 banks analyzed indicated how the cost of operations increased due to COVID-19 Pandemic. At the same time, many loans were restructured while some were declared bad debts for having been considered non-performing from respective banks. The rationale behind choosing Commercial Banks was

arrived at because COVID-19 has disrupted business activities for the banks and a reduction in their profits. The researcher, therefore, figured out how CMP influences customer satisfaction in the banking industry.

1.2 Research Problem

Transformation in the business environment has significantly affected the banking sector in Kenya. Stiff competition, changes in technology, changes in customer tastes and preference to banking services, preference to digital banking services among customers coupled with the emergence of new normal in the business environment informed the researcher on the choice of the current study.

Belas, Cipovova, and Demjan (2014) did a comparative study about customer satisfaction with services offered by banks in the Czech Republic and Slovakia. The output of the study findings indicated that Slovakia had a 61% rate of customer satisfaction compared to 62% of Slokalairas. The findings showed a marginal difference of 1% on banking services preferred by customers in both countries was satisfied. The study did not capture contemporary marketing practices hence the knowledge gap. Palmer and Wilson (2016) did a study on the practice of marketing and how it influence performance in the United Kingdom firms. Omotoyo (2009) researched strategies of marketing that affected the performance of Nigerian Export firms.

The results revealed that marketing position, promotion adaptation, and product adaptation are marketing strategies that significantly impacted on firm's export performance. The study did not highlight the CMP as intended by the current study.

According to Odhiambo (2015), his research in the communication of sales price on social networks affects the business performance of traders in Nairobi County. The feedback of the study revealed that sellers did key comparisons of prizes using different techniques to win over customers in the property market. Therefore, this helped to deter investors from creating their prices in the market to the disadvantage of consumers. The study concluded that technology-powered strategies influenced how prices were varied for growth. The study did not cover how CMP influences customer satisfaction among banks in the country hence a gap. Kangogo and Manasi 2013 carried out a study about customer satisfaction preferences and growth of the hotels in western. The study output revealed how clients were very satisfied with the quality of beverage and food offered as well as reception and reservations by the hotel staff were satisfactory to clients since they matched global standards. The researcher further identified how customer satisfaction impacted positively service quality, market share and hotel image, and sales turnover. These researchers failed to cover the current study context or the topic in general thus exposing a contextual gap and a conceptual gap that this study sought to address. This study sought to discover the influence of contemporary marketing practices on customer satisfaction among Banks in Kenya.

1.3 Research Objectives

To find out the influence of contemporary marketing practices on customer satisfaction among Banks in Kenya.

1.4 Value of the Study

The feedback from the research findings would play a pivotal role in shaping policies related to marketing functions. The policymakers therefore would utilize these findings as reference material to formulate modern marketing policies that are technology-driven.

To academicians, the output of this study would create more significance in the marketing field by offering more literature on the same as well as customer satisfaction. Future researchers will therefore employ the same to shape their studies in different fields of study. This would therefore enrich marketing literature in academia. More importantly, the study would add new information on contingency theory as well as Expectancy Disconfirmation Theory. The new information will reflect the modern ways in which organizations manage their functions and that technology has been used as an enabler of every function.

To the practitioners, the study output would be of great significance to the Kenyan banking industry in general since it would have new information about CMP that will help the industry grow, even more, when fully implemented by the respective banks to enhance customer satisfaction.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the prerequisite literature based on the topic of study. Theories were also covered in this chapter as well as the empirical literature based on the study variables.

2.2 Theoretical Framework

The study was anchored on both Contingency Theory and Expectancy Disconfirmation Theory

These are briefly discussed here.

2.2.1 Expectancy Disconfirmation Theory

The theory was fronted by Oliver (1980, 1997). It emerged from the subject for determinants of utility by Anderson and Sullian (1993). The theory holds that disconfirmation (the difference between expectations and perceived performance influences citizens in a given organization.

The theory emphasizes the fact that a comparison between expectation and perceived performance is significant enough to change an organization's modalities of firm performance. In this regard, expectation and outcome performance are key components in determining customer satisfaction. The expectation disconfirmation theory postulates that for an organization to increase satisfaction among its customers, it is expected that such firms will increase product performance while at the same time, decreasing expectations among clients. Every customer has their expectation when it comes to the consumption of products and services being offered (Anderson & Sullivan). Moreover, every firm has a responsibility to enhance the quality services offered for them to benefit from the customers' expectations which is the baseline for their satisfaction, thus a guarantee in organization optimal performance.

2.2.2 Contingency Theory

Contingency Theory was put forward by Burns and Stalker (1971) after criticism of classical theories that had emphasized one way to manage the organization. In this regard, contingency

theory in management holds that there is no specific formula used to manage organizations but rather organizations are managed differently depending on the context and the external environmental conditions that the firm is established from.

Burns and Stalker (1971) did a study on external environmental factors on the 20 industrial firms in the United Kingdom. The study revealed that mechanistic and organic systems were significant for firms that operate under normal conditions. The mechanistic systems refer to firms that operate with stable environmental conditions where technology and functional departments exist through a well-structured communication channel. Their organizational structure is also well defined with rules and responsibilities of each department well-articulated.

On the other hand, the organic systems are very ideal for firms that operate under unstable conditions and that such firms only adapt to changes as they come. The rules and procedures do not necessarily apply but rather coping with the existing situation at a given time is the order of the day. The communication system under this system is consultation-based as opposed to vertical channels.

2.3 Empirical Literature

The empirical literature highlighted the related research to the current study variables that included CMP as well as customer satisfaction. There are many studies done to show how digital marketing relates to customer satisfaction across the globe. These include research conducted by Dalbough (2018) in Jordan, Alharibi, and Hinder 2012 in Saudi Arabia, Okolo, Nebo, and Ojeze 2017 in Imo Nigeria, Sayoye 2015 in Lagos as well as Kagendo 2015 in Kenya. Most of these organizations are online businesses that have well-established electronic commerce platforms.

According to Assad and Gomez (2011) and Neti (2011), Social media marketing is a channel to convince potential clients about the existing products and services offered to them that serve their interests through LinkedIn, Twitter, and Facebook. Onobrakpeya and Mac-Attama (2017) did a study on how Digital Marketing improves customer satisfaction at Banks in Nigeria. The researcher noted that SMM has a transformative effect on customer utility in the banking industry in Nigeria. The study was not done in Kenya hence a contextual gap.

Ahmad (2017) did a study about social media marketing and how it influenced customer satisfaction through the brand image in Jordan. The findings revealed that social media marketing indeed had a significant effect on customer satisfaction and that more customers preferred to use such a platform in their businesses. Rootman and Cupp (2016) investigated how social media promotes customer satisfaction and retention in the South African Banking Sector. The study output established that social media marketing was statistically significant to customer retention in the South African Banking Industry. The researcher failed to cover the current CMP in Kenyan banks thus a knowledge gap.

Management investment for database marketing is highly encouraged since it helps to an internal controllable marketing asset that guarantees customer satisfaction over time (Rust & Zenithaml, 2014). Akroush et al (2011), investigated the effect of functional and technical aspects of quality service on customer satisfaction in Jordan. The researcher revealed that quality of service had a major effect on customer loyalty, customer satisfaction, and corporate image. They are related and mutually significant to one another in the industry.

Li and Nicholas (2017) narrated how industrial marketers relate database marketing to price and service in developed markets. The analysis was very significant to managers since it created a

source of knowledge that was employed by managers to formulate forward-looking marketing policies that are geared to satisfy customers and enhance growth in businesses. Odhiambo (2015) carried out a study on how sellers communicate prices over social networks in Nairobi. The findings revealed that the seller did a comparative analysis of prices and price adjustment to properties being sold to meet market needs. Price comparison by investors was a concept employed to create harmony in market prices to satisfy customer needs. The study concluded that technology-based social networks were instrumental in price regulation and price setting at the same time, thus customer satisfaction.

According to Salaun 2011, interactive marketing and customer satisfaction are mutually exclusive events that are explored by the seller and the buyer through trust, familiarity, and personalization of service as well as information quality. In Interaction Marketing, there is an interactive relationship between a buyer and seller (Sultan and Rohn, 2014).

Ndung'u & Abayo (2020) carried out a study about the influence of marketing through social network on the performance of sales at the real estate in Nairobi. The findings indicated that the use of blogs, Twitter, and online forums affected the performance of the company in real estate to a great extent. The findings also revealed that social medial marketing had a great significant influence on real estate firms in Nairobi.

Network marketing involves a modern way of selling products through social communication tools and networks via verbal marketing and word of mouth. It is done by good customers who talk positively about a certain product or service offered to them without involving traditional intermediaries. It is done through social communication forums or even through a word of mouth (Pedrood, 2018). Most companies spend more money on advertisement which is then passed on

to the customer via high prices of products offered hence reducing sales volumes that then affects profitability. Therefore, network marketing is an alternative way of promoting products and services in the most cost-effective way (Zhiaqiang, 2010).

Florentino and Casaca (2013) studied how social media network marketing influences performance in the real estate industry in Portugal. The study revealed that most companies in Portugal in different industries employed social network techniques to promote their products and services to clients thus creating significant efficiencies needed for their growth.

Assaad and Gomez (2011) did a study on social media opportunities and how it is influenced by network marketing to promote customer satisfaction in Jordan. The researcher concluded that social media communication channels were most preferred in marketing products and sharing information to satisfy customer needs in the industry.

2.4 Customer Satisfaction

Customer satisfaction involves the utility obtained from products and services offered to clients by the seller. On the other hand, it refers to a valence state of mind about bank services obtained through customer experience. Customer satisfaction incorporates the optimum level of utility for customers' needs being addressed as required. The changes in customer need and wants triggers changes in customer satisfaction parameters. Most organizations in business are geared towards satisfying their customers. When products and services are served/offered at the right quality, quantity, time, and place to meet customers' expectations, then that is customer satisfaction. This applies to profit-making firms while non-profit firms work for value for money the products and services being offered. There are three segments about customer satisfaction on bank products and services that include the following: -

First, the preference of banks products and services that enhance customer utility. The second segment refers to customer satisfaction as a feeling obtained by a customer on what is being offered to them through cognition. The third segment depicts that satisfaction is mutually exclusive to dissatisfaction and it ranges from dissatisfaction to satisfaction on what is offered to customers. There exists a positive significant relationship between customer satisfaction and financial performance (Kanning and Bergman, 2009).

According to Amudha, et al. (2021), customer satisfaction is used as a benchmark for determining the quality service/products offered to customers that eventually enhance effectiveness. Arbok and Busacca (2009) posit that customer satisfaction is measured through a willingness to pay the premium price by the customer's positive word of mouth and cross-buying of financial services. On the other hand, Chakra Baty (2006) noted that prompt opening hours of business, reliability to products offered, strategic ATMs, availability of efficient service delivery and enhanced customer privacy is good determinants used to measure customer satisfaction in the banking industry.

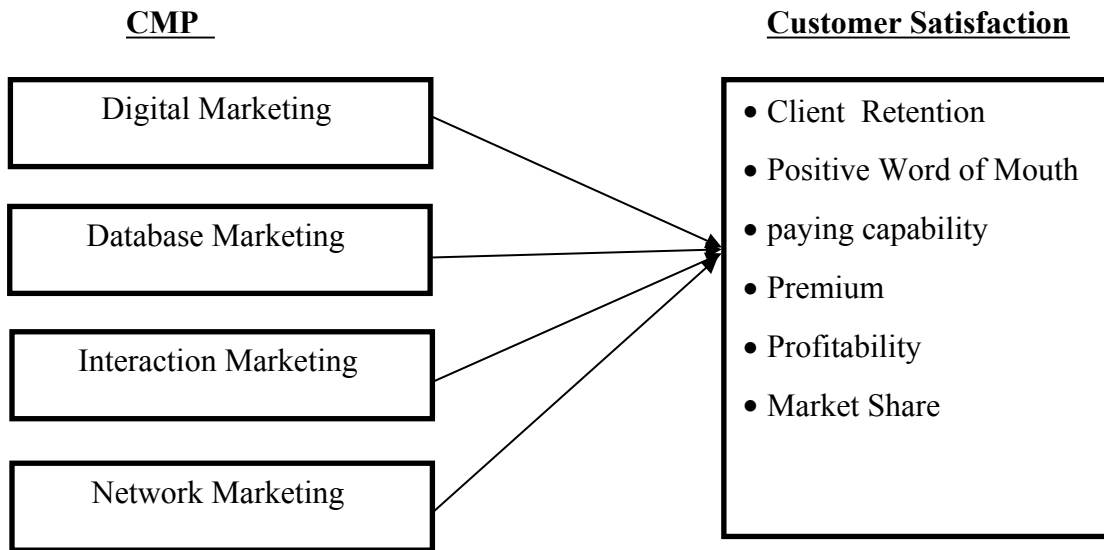
2.5 Conceptual Framework

The framework displays how CMP relates to customer satisfaction in the current study as illustrated in the empirical literature.

Figure 2.1: Conceptual Framework

Independent Variables

Dependent Variable



CHAPTER THREE: METHODOLOGY

3.1 Introduction

This section highlighted key components on how data was collected, analyzed, and decision making through a given research design and the population covered.

3.2 Research Design

A design in research enumerates data accumulation as well as analysis of the same that are based on objectives of the study and empirical evidence discussed (Cooper and Chindler, 2006). The researcher used a descriptive research design in the current study.

According to Kothari (2004), descriptive research incorporates groups of study variables and how they relate to one another for purposes of establishing feedback. Orodho and Kombo (2009) further revealed that descriptive survey design is dependent on how data is accumulated through questionnaires and interview guides to the sampled population. The information sought includes the participant's personal characteristics habits and opinions regarding the topic of study. The current study used a descriptive research design.

3.3 Target Population

The population of this research involved 42 banks in the country. Mugenda and Mugenda (2003) lamented how 10% of a given demographic is good enough to represent a true reflection of an entire demographic. Kenya has 44 Banks regulated by CBK. One bank is under receivership issues of non-compliance to regulations. The banks are categorized as follows: 21 small-medium peer groups, 15 medium peer groups, and 6 large peer group banks. The study, therefore, engaged 42 banks that are compliant with regulations and have their head offices in Nairobi (CBK, 2021).

3.4 Data Collection

Raw data was obtained in this process using Questionnaires. These were issued to the participants through e-mail or drop and pick technique depending on the convenience of the participants. The questionnaire was categorized based on the research objectives. Data was collected from all the 42 banks in Kenya with their head offices in Nairobi thus a census. In this

regard, the marketing managers participated in the study given the fact that they have enough knowledge and experience on current study variables.

3.5 Data Analysis

Data assembled from the field was verified and analysis was done to reveal the real output from the field through descriptive statistics and regression analysis that showed how the study variables related to one another. The feedback of the study was displayed in as pie charts and tables for ease of interpretation and decision making. The following model was adopted.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the data output and the interpretation of the same based on the study objective.

4.2 Response Rate

There were 42 questionnaires offered to the participants out of which 34 were filled and utilized in analysis. This, therefore, represented 81% of the response rate in the study being adequate.

4.3 General Information

4.3.1 Gender

In terms of gender, 19 (60%) of the participants reported being female while 15 (40%) reported being male. Therefore, most of the participants were female. This revealed that more women work at work as marketing managers in their respective banks.

Most of the participants, 34 (100%), reported being marketing managers in their respective banks. This indicates that most participants were well vast with the marketing functions thus being resourceful for this study.

4.3.2 Work Experience

The researcher investigated how long the participants have been working at their various banks.

Table 4.1: Work Experience

	F	Valid %	Cumulative %
less than five years	5	14.7	14.7
Valid Five to ten years	12	35.3	50.0
Above 10 years	17	50.0	100.0
Total	34	100.0	

Feedback in table 4.2 indicated that most 17 (50.0%) of the participants had work experience of above 10 years, 12 (35.3%) of the participants had work experience of 5 – 10 years. 5(14.7%) of

the respondents reported having work experience of less than 5years in their respective banks. This shows that most participants had enough experience working within their banks thus offered reliable information needed for this study.

4.3.3 Size of the Bank

The study sought to figure out the size of respective banks in the country.

Table 4.2: Size

	F	Valid %	Cumulative %
Valid tier one	6	17.6	17.6
Tier two	12	35.3	52.9
Tier three	16	47.1	100.0
Total	34	100.0	

The study output on table 4.3 indicated that most 16 (47.1%) of respondents noted that their bank was tier three, 12(35.3%) of the participants revealed that their banks were tier two while 6 (17.6%) of the participants noted that their banks were tier one.

4.3.4 Bank Ownership

The researcher sought to find out who owned the banks in the country.

Table 4.3: Bank Ownership

	F	Valid %	Cumulative %
Valid Private shareholders	17	50.0	50.0
Public shareholders	11	32.4	82.4

Government Owned	6	17.6	100.0
Total	34	100.0	

Output in Table 4.4 indicated that most 17 (50.0%) of the participants noted that their banks were owned by private shareholders, 11 (32.4%) of participants reported that their banks were owned by public shareholders, while 6 (17.6%) of the participants reported that their banks were government-owned. This indicated that most of the banks were owned by private shareholders.

4.3.5 Bank existence

The researcher investigated the duration of time the banks had been in existence.

Table 4.4: Bank Existence

	F	Valid %	Cumulative %
Valid less than five years	7	20.6	20.6
Valid Five to ten years	10	29.4	50.0
Valid above ten years	17	50.0	100.0
Total	34	100.0	

Output in table 4.5 established that most 17(50%) of the banks have existed for more than ten years, 10 (29.4%) of the participants noted that the banks had been in existence between 5-10 years,7 (20.6) of the participants posited that their banks have been operational for less than 5 years.

4.4 Extent of adoption of CMP among Banks in Kenya.

The study sought to investigate the extent of the adoption of CMP among banks in Kenya.

Table 4.5: Extent of adoption of CMP among Banks in Kenya.

CONTEMPORARY MARKETING PRACTICES	Mean	Std. Dev.
Digital Marketing -There exists promotion of brands to connect with potential customers using the internet.	3.824	.8694
-Use of social media marketing is a useful tool in enhancing relationships	3.706	.7600
Aggregate mean	3.765	0.8147
Database Marketing -The marketer relies on IT to create relationship through data bases.	2.941	0.7762
-Communication patterns are generally driven and managed by the seller	3.794	.8083
Aggregate mean	3.3675	0.79225
Interaction Marketing -The approach involves some individuals across functions and levels in the firm.	3.912	.9651
-Interactive marketing significant influence customer satisfaction		

	4.000	.8165
Aggregate	3.956	0.8908
Network Marketing -Information is shared on a product to consumers via social communication channels	2.107	.6721
-Relationships exists among customers, distributors, suppliers, competitors	2.265	.7096
Aggregate	2.186	.6908

Feedback in table 4.5 above established that interaction marketing was adapted to a large extent through the involvement of some individuals across functions and levels in the firm. Interactive marketing significant influence customer satisfaction at a great extent with an aggregate mean (M = 3.956: SD = 0.8908). Also, the output established that digital marketing was adopted to a great extent through the promotion of brands to connect with potential customers using the internet was adopted at a large extent with aggregate mean (M=3.765:SD=0.8147)

Other respondents also reported that Database Marketing Through marketers relying on information technology to create relationships and the consumers have a role in relaying information sharing was at a moderate extent with an aggregate mean (M = 3.3675: SD = 0.7925). However, some respondents reported that Network Marketing through Information sharing on a product to consumers via social communication channels and the existence of relationships among customers, distributors, suppliers, competitors were adopted at a small extent with an aggregate mean of (M = 2.186: SD = 0.608).

The findings were in collaboration with the existing literature. Interactive marketing activities are based on face-to-face modalities that enhance social processes and relationships between the seller and the potential buyer. The relationships are considered formal and also informal depending on the needs of the customer. The relationships are mutually beneficial to one another and guarantee functional benefits to all (Coviello et al, 2017). According to Salaun 2011, interactive marketing and customer satisfaction are mutually exclusive events that are explored by both the seller and the buyer through trust, familiarity, personalization of service as well as information quality.

There exist multiple enablers that enhance digital marketing to succeed in the market. They include Images and Videos, Electronic Boxes, Customer Testimonials, Social Media Profiles Icons, Worldwide Web among others. The enablers have the power to showcase any marketing message to the targeted customers in an instant way (Gartnar, 2016). Chaffey (2010) noted that digital marketing incorporates databases, digital television, e-mails, and webs that are powered through advanced innovations. More importantly, advanced marketing through online platforms has helped organizations reach out to customers that have been satisfied with the services offered over time. The findings are also consistent with Expectancy Disconfirmation Theory. The theory emphasizes the fact that a comparison between expectation and perceived performance is significant enough to change an organization's modalities of firm performance. In this regard, expectation and outcome performance are key components in determining customer satisfaction. The expectation disconfirmation theory postulates that for an organization to increase satisfaction among its customers, it is expected that such firms will increase product performance while at the same time, decrease expectations among clients. Every customer has their expectation when it comes to the consumption of products and services being offered (Anderson

& Sullivan,1993). Moreover, every firm has a responsibility to enhance the quality services offered for them to benefit from the customers’ expectations which is the baseline for their satisfaction, thus a guarantee in organization optimal performance. (Anderson & Sullivan, 1993).

4.5 How the adoption of CMP influences Satisfaction of customers among Banks in Kenya.

The researcher investigated how the adoptions of contemporary marketing practices influence customer satisfaction among banks in Kenya.

4.5.1 Regression Analysis

The analysis was done to establish the relationship between the variables used by the researcher.

Table 4.6: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.828 ^a	.686	.560	.336

a. Predictors: (Constant), Digital marketing, Database marketing, Interaction marketing, Network Marketing

b. Dependent Variable: The bank utilizes positive word of mouth about its activities

Feedback in table 4.6 established coefficient of determination R² is 0.686 indicating that the model explained 68% of customer satisfaction among banks in Kenya. It also shows digital marketing, database marketing, interactive marketing, and network marketing explained 68% of satisfaction of clients among banks in Kenya. The unexplained variance of 32% is due to predictor variables not captured in the model hence a variation.

Table 4.7: ANOVA

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.169	4	1.292	3.274	.024 ^b
	Residual	11.448	29	.395		
	Total	16.618	33			

a. Dependent Variable: The bank utilizes positive word of mouth about its activities

b. Predictors: (Constant), Digital marketing, Database marketing, Interaction marketing, Network Marketing

Output in table 4.7 revealed that the model utilized by the researcher was statistically sound with a P-Value of 0.024, which is less than 0.05. This indicated that a statistical model was fit and it implies that the regression analysis was justified for this study hence revealing a significant relationship of the study variables.

Table 4.8: Coefficient of Determination

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.905	1.208		4.061	.000
	Digital marketing	.242	.155	.297	1.562	.029
	Database marketing	.235	.153	.257	1.536	.035
	interactive marketing	-.360	.153	-.414	-2.343	.026
	Network marketing	.012	.116	.019	.105	.017

a. Dependent Variable: The bank utilizes positive word of mouth about its operations

The following regression model was adopted.

Y = Satisfaction of customers among Banks in Kenya

a = The Y intercept

b_1, b_2, b_3 & b_4 are Coefficient of Variable X_1, X_2, X_3 & X_4

X_1 = Digital Marketing, X_2 Database Marketing, X_3 Interaction Marketing and X_4 Network Marketing

e = Error Term

The findings of the study in table 4.8 established that.

Y = Customer Satisfaction among Banks in Kenya.

$Y = 4.905 + 0.242$ Digital marketing $+0.235$ Database marketing $- 0.360$ Interaction marketing $+ 0.012$ Network Marketing $+ e$

The beta values indicate the degree of change between the study variables as well as being significant. In this case the output revealed that all the variables were below 5% thus indicating that they were statistically significant for decision making. Furthermore, all the variables indicated that they were statistically significantly less than 5% significant level as follows, Digital marketing 0.029, Database marketing 0.035, Interaction marketing 0.026 and Network Marketing 0.017 which is more significant. The regression output noted that when a unit changes in Digital Marketing leads to a 0.242 unit increase in Customer Satisfaction among Banks in Kenya. A unit change in Database marketing leads to a 0.235 unit increase in Customer Satisfaction among Banks in Kenya. A unit change in interaction marketing leads to -0.360 unit decrease in Customer Satisfaction among Banks in Kenya. A unit change in network marketing leads to 0.012 units increase in Customer Satisfaction among Banks in Kenya. The output noted that there existed both positive and negative relationships among the study variables.

The findings were in collaboration with the existing literature. Customer satisfaction and financial performance are interdependent (Kanning and Bergman, 2009). Anderson et al, (1994)

offer a different dimension of satisfaction based on two establishments. One of them elaborates satisfaction through specific purchase occasion while the other one focuses on the overall evaluation of good or bad service offer the purchase has been made. On the other hand, Kanning and Bergman (2019) noted that the customer satisfaction paradigm model and dissatisfaction model occur when customers' expectations and perceptions of a given product or service have been served rightfully if not, they are dissatisfied. Moreover, satisfied customers are good pioneers that spread the good news about the banking service offered to them and thus bringing new customers to the business.

When customers are satisfied, they play a significant role in positively talking about their experience through a word of mouth thus winning over new clients for the business (Kaura, 2013). On the other hand, dissatisfied customers can negatively influence over 1000 clients which affects the business negatively (Gupta & Dev, 2012). Quality services involve reliability, commitment, flexibility, trust, and competence in the delivery of the same. This creates a significant relationship with customers that boosts their satisfaction and improves organizational performance in the long run (Gritti & Foss, 2010).

CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter highlights on feedback summary, conclusions what the researcher recommended. It also highlights the considerations for further studies as well as study limitations. The chapter highlights specific areas of research by future researchers as a knowledge gap in the country that was not captured in the current process.

5.2 Summary of the Study Findings

The researcher envisaged to evaluate the influence of contemporary marketing practices on customer satisfaction among banks in the country. The study considered Digital marketing, Database marketing, Interaction marketing, and Network marketing as key study variables.

The feedback indicated that most of the participants reported being female while others reported being male. Therefore, most of the participants were female. This revealed that more women work at Bank as marketing managers in their respective banks.

Feedback from the study indicated that most of the participants had work experience of above 10 years, while other participants had work experience of 5 – 10 years. This shows that most participants had enough experience working within their banks thus offered reliable information needed for this study.

Concerning the Extent of adoption of CMP among Commercial Banks in Kenya, the study feedback established that interaction marketing was adopted to a large extent through the involvement of some individuals across functions and levels in the firm. Interactive marketing significantly influences customer satisfaction to a great extent. Also, the output established that digital marketing was adopted to a great extent through the promotion of brands to connect with potential customers using the internet was adopted to a great extent.

Other respondents also reported that Database Marketing Through marketers relying on information technology to create relationships and consumers have a role in information sharing was to a moderate extent. However, some respondents reported that Network Marketing through Information sharing on a product to consumers via social communication channels and the existence of relationships among customers, distributors, suppliers, competitors were embraced to a small extent.

The output were in collaboration with existing literature. Interactive marketing activities are based on face-to-face modalities that enhance social processes and relationships between the seller and the potential buyer. The relationships are considered formal and informal depending

on the needs of the customer. The relationships are mutually beneficial to one another and guarantee functional benefits to all (Coviello et al, 2017). According to Salaun 2011, interactive marketing and customer satisfaction are mutually exclusive events that are explored by the seller and the buyer through trust, familiarity, personalization of service as well as information quality.

5.3 Conclusion

In conclusion, there existed a positive and negative relationship between the study variables. The study concludes digital marketing, database marketing, and interaction marketing were significantly implemented. In contrast network marketing has been implemented to a small extent hence the need for its improvement at the banks in Kenya. In this regard, commercial banks should embrace network marketing modalities through social media platforms to promote customer satisfaction. The study indicated that the regression model employed was very significant, thus fitting to test the study variables.

In conclusion, the findings indicated that other variables determine customer satisfaction in banks other than the current study variables; therefore, it is prudent enough to consider such variables by future researchers for them to do comparative analysis. This will help in enriching the body of knowledge with new information.

5.4 Recommendations from the Study

The output noted that Network Marketing through Information sharing on a product to consumers via social communication channels and the existence of relationships among customers, distributors, suppliers, competitors were adopted to a small extent. Therefore, the researcher recommended that the marketing and sales managers should undergo training on the various existing contemporary marketing practices and how the same can be implemented to

enhance customer satisfaction. More importantly, routine assessment of their performance should be established on periodic levels within their respective bank's Maintenance and system upgrades should be encouraged periodically to enhance their relevance and accountability in a marketing function. The study recommends that staff appraisal on best practices that enhances customer satisfaction. The banks should also be consistent in conducting customer surveys for them to package and offer them services that satisfy their needs promptly.

The findings revealed that Database Marketing Through marketers relying on information technology to create relationships and consumers have a role in information sharing was at a moderate extent. The study, therefore, recommends that more investment should be availed to the bank's research and development department so that they can help develop customer-oriented banking products that will sustain the bank's growth moving forward. A conglomerate of customers, competitors, suppliers, and distributors should be established in the banking such that information sharing could be enhanced while at the same time quality of services provided based on customer needs.

5.5 Limitations of the Study

Participants in the study were very reluctant to participate, citing busy schedules at their workstations. This proved challenging to the researcher and, as such, caused delays in filling the questionnaires. The researcher repeatedly reminded the respondents to fill the questionnaires, thus causing further delays in the analysis process. Significantly few participants were not willing to be interviewed, citing fear of the unknown. Furthermore, due to COVID 19 Protocols issued by the government, there were restricted movements of people in the banks thus limiting the chances of many respondents participating in the study.

Moreover, some participants cited that the information was investigative and could implicate them in the future, thus delaying filling the questionnaires and refusing to be interviewed. Under the circumstance, the researcher consulted widely and convinced them that the study was only for academic use, hence taking more time to collect data, thus delaying analyzing the data.

5.6 Suggestions for Further Study

Future researchers should carry out studies in all other banks such as Islamic banks since their mode of operation is based on sharia compliance therefore not necessarily profit-oriented as the conventional banks. A comparative analysis of the study topic and conclusions could be made for future banking industry decisions on marketing best practices. The same topic can also be replicated in other service-oriented industries such as the telecommunication industry as well as the hotel industry.

Given the fact that Covid 19 has changed our way of life by creating a new normal in the banking industry where digital transactions are preferred by customers. Therefore, more studies should be carried out with more emphasis on digital marketing practices among banks and microfinance institutions in the country.

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APPENDICES

APPENDIX I: LICENSED BANKS IN KENYA – 2021

1. UBA Bank
2. The Co-op Bank
3. Suntra I. Bank Ltd
4. Sterling I. Bank
5. Standard I. Bank
6. Standard Chartered
7. Prime Bank
8. Paramount Bank
9. Oriental Bank Ltd.
10. NIC Bank
11. ABC Bank
12. National Bank

13. K-Rep Bank
14. Post Bank
15. KCB Bank
16. I & M Bank Limited
17. Imperial Bank Limited
18. Housing Finance
19. Guardian Bank Ltd.
20. Giro Bank Ltd
21. Fina Bank
22. Fidelity Bank
23. FIB
24. Equity Bank
25. Bank of Africa Kenya Ltd
26. Afrika I.Bank
27. ADB Group
28. ABC
29. Equatorial I. Bank
30. EB
31. D & B Bank
32. Dubai Bank
33. Dry Associates
34. DBK
35. CO-OP Bank
36. Consolidated
37. CBA

- 38. Citibank
- 39. Chase Bank
- 40. CFC
- 41. CBK
- 42. BoB

(CBK, 2021)

APPENDIX II: RESEARCH QUESTIONNAIRE

PART 1: General Information

Kindly tick (√) where appropriate

1. Gender

Male () Female ()

2. Position in your bank?

Marketing Managers ()

3. Work experience at your bank?

4. What is the size of your bank.....

5. Ownership of the bank

Public shareholders ()

Private shareholders ()

Government-owned ()

6. For how long has banks existed in Kenya?

Part II: The extent of adoption of CMP among banks in Kenya.

Utilize a Likert scale of 1-5 where necessary

Contemporary marketing practices	1	2	3	4	5
Digital Marketing -There exists promotion of brands to connect with potential customers using the internet. -Use of social media marketing is a useful tool to manage existing firm-client relationships					
Database Marketing -The marketer relies on IT to create relationships -Communication patterns are generally driven and managed by the seller					
Interaction Marketing -The approach involves some individuals across functions and levels in the firm. -Interactive marketing significant influence customer satisfaction					
Network Marketing -Information is shared on a product to consumers via social communication channels -Relationships exists among customers, distributors, suppliers, competitors					

Part III: To what extent has the adoption of CPM influence customer satisfaction in your Bank?

Indicators	1	2	3	4	5
Client retention is well safeguarded					
The bank employs Positive word-of-mouth in its activities.					
Clients pay premium prices					
The current Market share is impressive to clients					