INFLUENCE OF SERVICE DELIVERY STRATEGIES ON CUSTOMER RETENTIONAMONG COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA

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THIS PROJECT IS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION DEGREE IN THE FACULTY OF BUSINESS AND MANAGEMENT SCIENCE UNIVERSITY OF NAIROBI.

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DECLARATION

This is my original work and has not been presented for the award of a degree in any other university**.**

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Reg D61/78670/2015

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This project has been submitted for examination with my approval as a University supervisor.

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Professor Justus Mulwa Munyoki.

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DEDICATION

I dedicate this work to the Almighty God, my unfaltering source of strength and inspiration throughout my research journey and completion of this project. Additionally, this effort is dedicated to my spouse Eunice for being such an unwavering source of encouragement as I gave this endeavor my all. Additionally, thanks go out to Michael and Irene as their patience allowed my research journey to proceed successfully despite it impacting on their schedules; thank you all for being with me through it all!

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ABSTRACT

This study sought to analyze the impact of service delivery techniques on customer retention for commercial banks located in Nairobi City County, Kenya. Two theoretical frameworks were utilized: Hierarchical Service Delivery Strategies Theory and Social Exchange Theory. This research employed a descriptive cross-sectional research approach to examine the influence of service quality delivery on customer retention at five distinct commercial banks, in order to provide useful insight for practice, policy-makers, and academia alike. An investigation was carried out among 42 commercial banks located within Nairobi City County in Kenya with 126 respondents participating. Data was gathered through questionnaire, including conducting an initial test to test its validity and reliability prior to beginning our inquiry. Prior to conducting the main study, pretests were used to validate questionnaires and gauge reliability using Cronbach alpha (a). Data Analysis encompassed both descriptive and inferential statistics, specifically through Pearson Correlation analysis and multiple regression modeling. Research findings included a positive correlation of 0.979 which is statistically significant at 0.01 level. This finding suggests a highly favorable correlation between service delivery tactics in banking and customer retention strategies among commercial banks. More specifically, higher pricing techniques were linked with enhanced client retention rates. Multiple regression study revealed a statistically insignificant relationship (0.067) between marketing techniques and client retention in commercial banks. Conversely, this study identified an encouraging and statistically significant relationship (0.026) between service delivery strategies and customer retention in commercial banks operating within Nairobi County. Overall, this research illuminates the significant effect of service delivery strategies - specifically pricing policies - on customer retention in commercial banking in Nairobi City County Kenya. Our findings offer important implications for practical applications, policy deliberation discussions and future academic investigations within this sector.

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LIST OF ACRONYMS AND ABBREVIATIONS

CBK:	Central Bank of Kenya
CRM:	Customer Relationship Management
NACOSTI:	National Commission for Science, Technology & Innovation
SERVQUAL:	Service delivery strategies
SQD:	Service quality delivery

CHAPTER ONE

INTRODUCTION

1.1 Background

In considering an establishment in the service industry, a service delivery strategy is any interaction a company has with a client in an effort to satisfy them. These services should be rendered efficiently, reliably and consistently with a strong focus on client satisfaction. With speedy enlargement of the usage of facts and communication technology. Digital marketing delivery strategy is an effective method by establishment to reduce costs, both in money and time, for the client.

Customer retention, on the other hand, is an attitude or set of feelings based on a person's overall attachment to a service or product (Wilkins, et al., 2007). It is continuous activity to satisfy current customers to keep them doing business with the organization. However, it is the obligation of the organization to ensure that its consumers are satisfied, but this responsibility ends with the organization's top management in ensuring that the situation is customer-oriented to services to be delivered (Lovelock, 2014).

Brady & Cronin (2001) proposed an organizational structure for providing service quality that included trustworthiness, responsiveness, empathy and assurance as key attributes of good service delivery. This is relevant to the service quality delivery -based independent variables in this study. The Social Exchange Theory of Homans (1961).To better understand how people behave in economic situations, psychology, sociology, and economics came together to create the Social Exchange Theory (Homans, 1961). And thus developing service quality delivery plans undoubtedly requires a lot of thought and time because it calls for radical decisions to be made regarding the cases of each actor, the legal and regulatory environment, and the consumer value proposition in order to keep customers.

1.1.1 Service delivery strategies

Service delivery improvement strategies are actions and initiatives that aim to enhance the quality and efficiency of service delivery in banking. They can include benchmarking, best practices, innovation, automation, standardization, training, incentives, recognition, and rewards, and pricing and marketing.

Price is one of the marketing mix components for a bank. Prices should never be thought of as a simply financial concern, where they are computed by calculating expenses, to which a profit margin will be applied. Instead, prices should always be consistent with the other four Ps. Marketing assesses the market primarily from the perspective of the client. Therefore, the client's perception of the pricing is more important than the amount of the development costs or the anticipated profit. Nowadays, customers take into account the value they assign to services, and producers recoup the costs associated with manufacturing and marketing products. Price has a significant impact on customers' purchasing decisions from both a rational and psychological standpoint (Osuagwu, 2004). Customers need top quality bank products and services at reasonable prices. By using a qualified and updated pricing strategy, the financial sector can attract clients' attention to its goods and services. McDonald (2004) asserts that price rises can positively influence consumers' views of product quality and lead to greater satisfaction among product owners, yet with increasing pricing comes diminished clientele loyalty as they are no longer able to purchase the items or services in question. "Marketing strategy" refers to deliberate decisions taken with intent for promotion or advertisement of items or services.

Understanding strategy allows us to observe how a marketing strategy highlights the managerial abilities of its manager in successfully executing campaigns to meet marketing goals. Strategy can be defined from two distinct angles; its intended goals and actions taken by an organization, or simply being an all-inclusive plan designed to define, attain, and complete objectives and fulfill missions (Terengganu & Cahyani 2018).

Regarding marketing strategy, it is vitally important to realize that its success relies heavily on opportunities and endeavors in marketing.

1.1.2 Customer Retention

Consumer Retention can be defined as the propensity for consumers to stay loyal to a service provider by continuing to utilize them and recommend them (Kandampully & Suhartanto 2000), while Customer Retention refers to active involvement by existing consumers in providing honest feedback and referral of new consumers (Shoemaker & Bowen 2003). Depending on the organization's industry, companies will have different requirements for keeping clients.With technology, some e-Commerce firms even measure their client retention daily to spot any swings. Commercial banks, on the other hand, can only assess their retention once a yearand would miss a number of significant trends and possibilities. Dick and Basu (2009) say that the frequency of a client's ongoing purchase of services or products can be used to determine customer retention; however, this repeat purchase of service or product by a consumer may be influenced by situational circumstances.

Enhancing business relationships with its customers is important for the business survival of every organization (Hohenschwert & Susi, 2015). Mechaet al. (2015), affirms that customer retention is the extent of time which a customer remains in a relationship with a business firm.

Further Mecha et al. (2015) opines that customer retention in a business is all to do with training, communication, and empowerment of service staff in personalization of customers' needs. Customer satisfaction affects buying behavior as customers become loyal customers and have higher level of trust and high level of loyalty (Welta, 2017). Due to intense competition in the market, organizations must focus on building lasting relationships with clients (Farida & Ardyan 2015). As a result, royalty entails maximum customer participation during the search, purchase, consumption, and if the service or product fulfills or exceeds expectations, hence increasing business value, customer royalty, and retention (Sujata, et.al, 2015).

1.1.3 The Commercial Banks in Kenya

The Kenya's commercial banks were liberalized and exchange restrictions were lifted in 1995, marking a turning point in the development of a secure financial system that welcomes foreign investors. Kenya has been able to dramatically expand its provision of financial services during the last decade, demonstrating its performance in the banking market (Ngugi, 2015). Certain variables, such as the expansion of commercial banks', financial providers', microfinance institutions', and credit cooperatives' reach, have contributed to their success (CBK, 2015). As a result, since 2007, the banking sector has undergone significant changes (CBK, 2015). And thus, customers have access to basic financial services through satellite branches, which has been facilitated by agency banking (Musau, 2013).

In the previous five years, Kenyan banks have experienced phenomenal growth and have opened branches in east Africa. The banking sector in Kenya has likewise embraced automation, shifting away from traditional banking to better address the problems posed by globalisation and the more complicated needs of their customers. The local banks' increased competitiveness has spread to foreign banks, some of whom are newcomers to the market. Since the customers and shareholders have profited the most, this has helped the Kenyan economy. Kenyan banks are expanding three times as quickly as the country's economy.

Due in part to the significant influence that mobile payment systems have had in luring more adults into the banking system, this is the largest multiple in the area. The Central Bank of

Kenya Act, governs the financial institutions and any supplementary instructions published by the CBK regulate the financial sector in Kenya. The industry has seen exponential expansion in deposits, assets, profitability, and product offerings in the last several years. Increased player and new entrant competition has been brought about by the rise in the banking industry. Banks are now concentrating on the varied consumer needs rather than traditional banking goods like over-the-counter deposits and withdrawals because of the fierce competition. By December 2012, financial institutions must increase their minimum core capital requirements to one billion Kenyan shillings. Globally, the financial crisis has made impact on Kenya's banking sector, particularly with regard to the mobilisation of deposits and the decline in trade. The Kenyan banking sector has also been impacted by declining interest margins, and finally, cyber risks from the new digital age are starting to seriously damage the sector.

1.2 Research Problem

Service delivery plans encompass the efforts taken by an enterprise to enhance customers' experiences with its offerings. This demand is brought on by changing technology, the need to accomplish organisational objectives, higher profitability and productivity, control over operating costs, and a drive to cut waste. The length of a client's tenure with the business will be explained by customer retention. The issue of client retention in commercial banks is becoming increasingly important due to increased competition and customer expectations. As such, there are issues facing the banking industry that need to be addressed (Omar & Kilika, 2018; Ettorre, 1994; Joseph & Walker, 1988). Consequently, in order to support the intricate process of change in their core services as well as their structure and management culture, commercial banks need to implement service delivery strategies. Previous studies have assessed the influence of service delivery strategies on customer retention at commercial banks - an issue which has garnered much discussion both locally and worldwide.

Goromonzi (2016) conducted an investigation on the performance of commercial banks in Zimbabwe and found a positive association between strategy implementation, organisational culture and bank performance. Studies conducted in Kenya regarding service delivery techniques' effects on customer retention strategies did not produce conclusive proof as to their effect on retention rates. For example, Omar, and Kilika, (2018) study on Service delivery strategies practices and banks performance in Nairobi, reveals that Service delivery strategies and commercial banks performance have a strong correlation with $\beta=0.165$, $p=0.006$ which shows that they are positively and significantly related. And according to Anyim and Munyoki (2010), commercial banks experiences challenges in adoption of strategies in Service delivery which includes; consumer needs, changing of business environment, and wants. To improve customer retention at commercial banks, bridging knowledge gaps around service delivery methodologies and their effect on client retention must first occur. The research question that directed this analysis is, "What is the influence of service delivery strategies on customer retention among commercial banks in Nairobi City County, Kenya?"

1.3 Objective of the Study

This study sought to ascertain the effects of service delivery strategies on customer retention at commercial banks within Nairobi City County, Kenya.

1.4 Value of the Study

To improve customer retention and decision-making, this study will first give a theoretical contribution to the banking industry by focusing on existing literature and Service delivery strategies techniques on customer retention. The purpose of the research was to ascertain the effects of service delivery strategies on customer retention at commercial banks located within Nairobi City County in Kenya.

These findings will be useful in practice because they will allow commercial banks to gain better knowledge of the influence of Service delivery strategies and client retention. This, in turn, would enable decision-making on issues such as improving Service delivery strategies and client retention methods.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers theoretical foundations and literature reviews pertinent to customer retention strategies and service delivery systems, with particular attention paid to their effects and gaps that exist with knowledge regarding these initiatives.

2.2 Theoretical Foundation

The Hierarchical Service quality delivery Theory and Social Exchange Theory is were adapted used to explain the issue that was driving this research.

2.2.1 Hierarchical Service quality delivery Theory

A quality delivery theory called Hierarchical Service was developed by(Brady & Cronin, (2001) and thereafter the SERVQUAL qualities were improved into tangible, dependable, assured, responsive, and empathic using this idea (Brady & Cronin, 2001). The suggested hierarchical paradigm may have a lot of effects on people who hold managerial positions. The original creators of the proposed conceptual paradigm were fitness and leisure sport organisations. Practitioners in the industry have the flexibility of employing two levels of application when employing the hierarchical concept of service quality. More specifically, sport organizations often encapsulate common features within four generic dimensions of quality in the conceptual model for service delivery strategies that use four generic dimensions of quality as the conceptual basis of quality service provision - so industry practitioners may apply fundamental concepts at dimension levels when formulating management strategies.

While many aspects of everyday life remain unchanged by globalisation and technological development, others can become disrupted - both to themselves and to those they come into contact with. This article attempts to discuss this phenomenon of change through its relation with three fundamental themes of understanding - education (especially at postgraduate level), identity (particularly through its interpretation) and communication. Theory provides essential support for various dimensions of service quality delivery, such as expertise for interactive quality, ambient conditions, behavioral attitudes, design of service features and social factors for environmental quality. It also encompasses tangibles waiting time valence dimensions of outcome quality provision as well as tangibles waiting time valence outcomes (Brady & Cronin 2001). As suggested by Brady & Cronin (2001), using hierarchical and multi-tiered structures can assist in understanding perceived service quality at multiple levels simultaneously. Each dimension encompasses several sub-dimensions that complement one another; for instance, program variety, running time and information all help assess program quality; while interactions refers to client-employee and client-client exchanges that define quality interactions.

By merging existing ideas, the hierarchical Service theory has created a new approach of measuring Service performance. As a result, the hierarchy theory has been embraced and developed through the modification of dimensions on specialized service quality delivery (Akter, D'Ambra, & Ray, 2010; Pollack, 2009). This idea can be used to measure the quality of Service delivery strategies.

2.2.2 Social Exchange Theory

To explain social activity in humans, the theory of social exchange was developed (Homans, 1961). Following this, Homans started delving deeper into the most fundamental social interactions, also known as elementary social behaviour, which are exchanges between two or more individuals where rewards or punishments are given for certain actions. This concept demonstrates how Homans adopted insights from behavioural psychology about human behaviour and basic economic concepts. The Exchange Hypothesis states that human behavior can be affected by trading of both tangible and intangible commodities (Homans 1961).

Another approach involves employing intangible factors, including exertion, social approval, affection, self-esteem issues, embarrassment admiration chance and authority as motivators. Additionally, exchange permeates both the market and non-economic spheres (Blau, 1964). The social exchange theory is based on a variety of claims, including; Social transactions based on values occur throughout social encounters, people are compelled to hang onto anything of worth (reward) when forced to give upanything (cost), when the advantages of social connections outweigh the disadvantages, people seekthem out, rewards and costs might be either material or immaterial, when prices are comparable, people anticipate receiving equivalent rewards (equityof exchange), people will break up with a relationship if they believe it will cost them more than itwill give them, when comparing rewards to costs, people take into account their expectations, previous experiences, or alternatives, people are conscious of the fact that the ratio of "adequate" advantages to costs and changes over time and in different kinds of partnerships.

It was also stated that the non-economic benefits of social exchange theory arise from boosting the utility of business partners (Andaleeb & Saad, 1995).

2.3 The Service delivery strategies and Customer Retention.

This study's literature analysis focuses on commercial banks' Service delivery strategies tactics and customer retention on a global, regional, and local level, with each case detailing the primary findings and how the study differs from the proposed study. Because both concepts areunique and the correlations identified between them are significant, Qadeer and Malama (2013) focused on client happiness and Service delivery strategies globally. A case study in the banking sector indicates that service delivery strategies have an effect on customer satisfaction. Therefore, the study proposes conducting similar investigations using similar principles across service industries in order to extrapolate results and draw meaningful comparisons between them. Furthermore, this investigation enabled exploration of alternative approaches to enhance client services by gathering relevant data and refining service delivery tactics.

Haruna and Poku (2015) conducted an in-depth investigation on quality service delivery and customer retention practices within Ghana's banking industry. Their investigation discovered that banks created mutually beneficial relationships and engaged in global communication with their clients. Top management also regulates bank activities; banks have created methods for growing and maintaining client connections, as well as earningtheir trust through solving difficulties that consumers encounter. The study finds that exceptional customer service increases satisfied customers, resulting in customer retention.

Omar and Kilika (2018) observed that service quality delivery was observed locally. According to a Nairobi study, bank performance was positively and significantly impacted by customer loyalty and service. There was an extremely positive relationship ($\beta = 0.330$ and $p=0.000$) between customer satisfaction and organizational success, using an evaluation criterion set at 0.05; when assessed using its associated P-Value it came back at zero which indicated significant levels of customer satisfaction.

Literature review revealed a gap in understanding regarding service delivery techniques impact on customer retention within Nairobi commercial banks. This will be accomplished by studying various service delivery methods employed by commercial banks and analyzing how those strategies affect customer retention.

Kim (2012) defines service delivery strategies as procedures designed to deliver goods and services that fulfill customer beneficiaries' expectations in an optimal manner. The Banks have expanded the business sectors beyond making services work for the customers in financial services, and credit markets business (World Bank, 2003). Service delivery strategies has a life-cycle span which includes designing, planning, operating, maintaining, and monitoring to sustain Service delivery strategies to customers' (Kim, 2012; Lockwood & Smits, 2011). Service delivery demands customer access, with services provided meeting customer expectations (Kim 2012; Fiszbein Ringold Rogers 2011 and Hodge 2007). There is need for accountability between Service delivery strategies and customers who require the services (Caseley 2006; Fiszbein, et al., 2011) Multiple arrangements in Service delivery strategies can provide the services which are decentralized and or centralized contracting in customer satisfaction (Lamothe, & Feck, 2008; Alexander & Herald, 2012). In order to be held accountable, service providers must be responsive to service delivery plans, ensure appropriate enforcement, and implement pertinent business adjustments (Caseley, 2006; Asis & Woolcock 2015; UNDP 2013). In order to provide feedback regarding their services so that banks may make educated decisions, a number of banks have recently started using technology (Asis & Woolcock 2015). Thus, in businesses or organisations, the way systems are set up may affect how services are provided to satisfy the expectations of clients (Camm & Stecher 2010; Wild & Harris 2012; Smets 2015).

2.3.1 Marketing strategies and customer retention

A marketing plan, which offers a comprehensive outline of a company's actions in the market, specifies the target market (McCarthy, 2011). As a result, two interconnected components are required: a target market, which is a somewhat homogeneous set of clients that a business hopes to attract. According to Cravens (2009), a strategy entails the study, creation, and execution of actions aimed at creating a vision for the markets that an organization is interested in. It also entails deciding which market target tactics to use, establishing goals, creating, executing, and overseeing the marketing program, positioning strategies, and designing them to satisfy the value demands of each target market's clientele.

A marketing strategy, according to Kotler and Amstrong (2012), is the marketing reasoning that a business uses to try to build lucrative relationships with customers and provide value for them. A marketing plan, according to Mooradian (2012), specifies the market segments and clientele that the firm will cater to, as well as the "occasion" for which the company would target its audience and the timing of its client responses. In a similar vein, focus is on the demands that the company will meet as well as the geographic areas that it will serve. The reason the company will take these steps is because of its compelling business model, which explains how long-term revenues will exceed costs by a respectable rate of return on capital used, and the strategies (resources and unique competencies) to employ in meeting the clients' needs more effectively than the competition.

Kotler and Keller (2012) underlined that in order for marketing to be effective, companies must: identify and ascertain the characteristics of diverse buyer groups with varying needs and preferences in distinct market segments; select one or more market segments; and influence the target marketing process.

They claim that the emphasis of marketing has shifted from the mass market to market segmentation and one-on-one consumer connections. Customers of days are more demanding, well-informed, and organized. It is because of these shifts that businesses are creating customer-oriented strategies. It might be difficult to distinguish between a customer-driven or market-driven approach to company, based solely on literature. Creating or customizing goods for consumers on domestic or international marketplaces is the aim of these four principles.

2.3.2 Pricing Strategies

The price is the last amount needed to transfer from one promised benefit or decent to another. As a result, we can say that estimating methodologies are where different businesses set prices for the services and products they provide when they first enter the market and when they successfully infiltrate one. In the end, this is defined as the value or significance associated with a good or service. 2017. Chang, Chiu, Chen. Reen, Hellström, Wikström, and Perminova-Harikoski (2017) posit that the advertising configuration of an organisation sets the basic parameters for assessment methods such as non-intergraded focused estimating.

Bir (2016) asserts that one of the marketing mix's most adaptable elements, price may be quickly changed in reaction to changes in particular attributes of a product or service. The ideal combinations of price options with other components of the advertising blend, such as place, progression, and product or service, are made. This suggests that the invention, sale, and manufacture of a good or service, along with the assurance of maximum value, constitute the successful launch of a business. Vogel and Paul (2015). As a retailer, setting prices and developing an effective business plan can be more complicated due to stock keeping units involved (Ong and Koay 2016).

Chen, Chiu, and Chang (2017) assert that one of the marketing mix's most flexible components is price, which may be quickly adjusted in response to changes made to certain aspects of the goods and services. Furthermore, price decisions work best when they are in tandem with the other elements of the marketing mix, which include place, promotion, and the good or service. Because of this, the creation of products and services, their promotion, and the effective opening of enterprises in the market all depend on selecting sensible pricing schemes to ensure any profit at all.

Numerous researches work on estimating methodologies have been carried out, each employing a distinct methodology and yielding a distinct set of results. Rahman and Masoom (2015) linked value methods and value setting hones and demonstrated how the two are related as pricing procedures are carried out using the value setting hones through the use of a review approach and theory testing on 12 interviews. Prices for additional things and a rise in the number of customers who shop from one item to the next show that consumers value a combination of products more than the total of those items offered separately. Consequently, companies using packaging processes ought to make a small increase in value-added estimations (Fay & Lee, 2017). Client esteem evaluation is likely to link with higher levels of price-educated estimates because firms need to select the key issue of the essential component that they aim to supply as a deal and analyze the consequences of this low price for diverse things. Businesses especially work together as rivalry-educated evaluators at a matching pricing strategy to determine the price of the item blended at a competitive level for the essential component. Thus, we expect that companies that follow a comparable value strategy should engage in competition-based evaluation a little more regularly. Frankwick, Ramirez, and Xu (2016).

Additionally, it was discovered by Kienzler & Kowalkowski (2017) that a few resolutions that consider the financial, commercial, and psychological aspects prescribe a number of valuation approaches. Dong, Mu, Xu, Jia, Wu, Yu, & Qi (2018) draw attention to the fact that outsiders who are trained in showcasing conditions and valuing procedures are a difficult and perplexing component that must be demonstrated in order to illustrate the free market activity relations that have never been seen by the development and advancement of evaluating systems and their application, as evidenced by the positive and ongoing successes in business.

2.4 Conceptual Framework

This study investigates the relationship between Service Delivery Strategies (considered an independent variable) and customer retention within commercial banks as shown by customer retention as depicted by customer retention depiction in conceptual framework as dependent variables (figure 1.1 visually displays both variables).

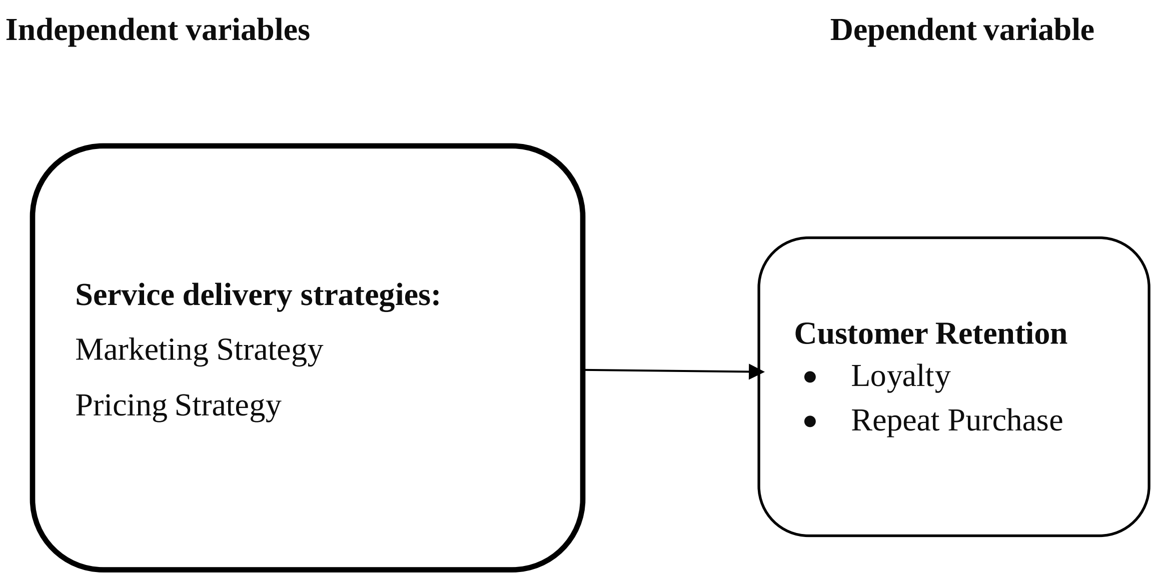

Figure 1: Study Conceptual Framework

The independent factors are split into two groups (Service delivery strategies tactics and Service delivery strategies influence), whereas the dependent variable is split into two groups (customer retention and customer satisfaction).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter details the research methodology employed to analyze the influence of service delivery strategies on customer retention capabilities of commercial banks, consistent with research objectives. This methodology involves discussions regarding study populations, chosen study designs, sample size determination and application techniques as well as research instruments piloted, validated, reliable as well as collection protocols used for data collection analysis techniques as well as any ethical considerations which might apply.

3.2 Research Design

The study focuses on facts that may need to be reported about the magnitudeof the problem. The study utilizes a descriptive research survey methodology (Kothari, 2004). Furthermore, descriptive research was to focus on rigorous observation, comprehensive analysis, and document will of the situation. Bhattacherjee (2012) alludes that cross-sectional studies are less expensive and time-consuming than other types of research because the researcher only needs to gather data at one point in time; hence, a descriptive cross-sectional research design was utilized. Additionally, cross-sectional studies allow researchers to compare differences between groups and collect data from a large number of participants. This study will use a descriptive cross-sectional survey methodology to analyze the influence of service delivery tactics on customer retention within commercial banks, with an eye toward reaching generalizable conclusions.

3.3 Target Population

Target Population for this Study in Nairobi City County Kenya was 42 publicly-listed commercial banks selected from Central Bank of Kenya database as of April 2019. These

42 commercial banks served as the focus for investigation in Nairobi City County Kenya.

3.4 Data Collection

As a means of gathering primary data, a questionnaire was employed, targeting bank employees specializing in finance and credit management through systematic purposive sampling. After administering questionnaires to these personnel in depth for two weeks after administration, researcher collected them all at once - this method provides data free from bias from researchers themselves! Furthermore, secondary sources (books/journals etc) also contributed towards data for this research project.

3.5 Pilot Study, Validity and Reliability Tests

3.5.1 The Pilot study

Mugenda and Mugenda (2008) provided guidance in this research study to test a researcher's proficiency at recognizing logistical obstacles which might emerge during field investigations, through conducting three banks located near Machakos County Kenya (Equity Bank Kenya Commercial Bank and Cooperative Bank) using random sampling and Cronbach's Coefficient Alpha as recommended by Kothari (2014) for validity testing of data collection instruments used during this investigation; adjustments were then made accordingly to complete questionnaire as part of this process.

3.5.2 Instrument Reliability

Cronbach's alpha test was used to determine whether the instrument is dependable, with an alpha score of 0.5 or more being deemed best or satisfactory, as well as meeting the thrush hold (Joppe & Golafshsni, 2003).

Table 3.4: Scale Reliability Coefficients

Constructs	Alpha value (%)	No of items	Comments
Service delivery Strategies	0.868	9	Reliable
Customer Retention	0.806	7	Reliable

Table 3.4 results, shows all of the variables were deemed reliable because their Cronbach's Alpha values were greater than 0.7. The variables with the highest Cronbach's Alpha values were those related to service delivery strategies used by commercial banks (0.868), while those related to customer retention had the lowest (0.806). According to Joppe and Golafshsni (2003), the research instrument is dependable if all the variables are as well, hence no changes are needed.

3.5.3 Instrument Validity

Mugenda and Mugenda (2003) define validity as the extent to which conclusions drawn from research findings are accurate and meaningful. A researcher was responsible for making sure inquiries comprehensively covered all aspects outlined in their conceptual framework, employing content validity testing on questionnaire content to assess its measurement accuracy; research instruments underwent evaluation by experts within their fields who also contributed their expertise towards its development; these experts then offered feedback that informed how final instruments incorporated recommendations derived from feedback provided from these evaluations.

3.6 Data Processing and Analysis

Data was evaluated using statistical measures such as means, percentages, tables, charts and figures to assess its quality and correlation with independent and dependent variables - specifically pricing and marketing initiatives on customer retention in commercial banks. Linear regression analysis was employed to establish this correlation and to analyze its effect upon retention measures used within commercial banks. For purposes of linear regression analysis used here a regression model would utilize:

$Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \varepsilon$

Where:

Y = Customer Retention

β_0 = Constant β_1 to β_2 = Coefficients to be estimated

X_1 = Pricing Strategies

X_2 = marketing strategies

ε -stands for error.

The connection is a phrase that refers to the features of the distinction between the independent and dependent variables. The influence of independent factors on the dependent Variable will be interpreted using the regression's beta and significance coefficients.

3.7 Legal and Ethical Considerations

Legal and ethical considerations refers to researchers' obligations under social laws (Zikmund, 2010). For this study, legal and ethical considerations included seeking permissions from university, NACOSTI, Ministry of Education and bank authorities as necessary to conduct this investigation accurately depict the impact of service delivery methods on client retention for commercial client accounts.

All sources of information from books, journals, magazines and scholarly publications were acknowledged by the researcher and all respondents were assured their responses would remain anonymous and solely be used for academic research unless authorization from appropriate authorities was secured beforehand.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1. Introduction

This study sought to analyze the organizational performance of commercial banks operating within Nairobi City County in Kenya, specifically concentrating on how service delivery strategies impact customer retention.

4.2 Response Rate

Information was gathered from top employees of each chosen commercial bank in Strategies for service delivery aimed at retaining customers in commercial banks.

Table 4.1: Response Rate

Category	Samples	Responses	Responses rate %
Finance Manager	42	40	95.24%

The 42 personnel managers and 42 respondents, respectively, were the goal numbers in the chosen commercial banks. Forty completed and returned questionnaires were received. As a result, 40 people replied, making up 95.24 percent of the total (Table 4.1). A response rate of 60% is deemed good, and one of 70% or greater is deemed very well, according to Mugenda & Mugenda (2003). This response indicates that it is 95.24%, which is higher than 70% and is therefore excellent for analysis.

4.3 Respondents' Background Information

It was essential to understand the backgrounds of the respondents, as described in the parts that follow.

4.3.1 Respondents' Gender

Gender information was requested of the respondents, and table 4.2 presents the results. Results from Table 4.2 show that, in each of the chosen commercial banks, the bulk of senior employees were men (63%), followed by women (37%). Given that both men and women are participating, it is evident that people in charge of commercial banks' customer retention service delivery plans lack gender balance. Nonetheless, the distribution demonstrates a respectable gender balance, indicating the effectiveness of multiple gender mainstreaming initiatives.

4.3.2 Respondents' Age

It was necessary for the participants to provide their age. In order to understand how service delivery tactics affect commercial banks' customer retention, it was crucial to inquire about the ages of the study participants. These outcomes are displayed in table 4.3 below.

Table 4.3: Respondents' Age

Ages	Responses	Responses rate %
25 years and below	8	19%
25-30 years	6	14.29%
31-35years	5	11.90%
36-40years	12	28.57%
41-45years	5	11.90%
50 years and a above	6	14.9%

The results showed the highest age was 36 -40years (28.57%%), followed by, 25years and below years (19%%), while the age groups of 25-30years (14.29%)50years and above was 14.9%% respectively , 31-35 years was 11.90% and 41-45years was 11.90% and. This shows that most respondents were young people with potential of giving service quality and this can be explained by the fact that these are people who mostly are inthe workforce and have the know-how of how Service delivery strategies on customer satisfaction in commercial banks. Experience of the Respondents

The objective of this investigation was to determine how long each respondent had worked in the bank.

Table 4.4: Respondents' Experience

Experience in years	Percentage
Less 2 years	7%
2-5 years	17.5%
6-9 years	39.2%
10-13 years	25.1%
Above 14years	11.2%

According to table 4.4, most respondents (39.2%) had working experience between six and nine years, followed by ten to thirteen years (25.1%), two to five years (17.5%), above fourteen years (11.2%), and below two years or more (7%). As a result, they have the knowledge and information that was needed for this study and have sufficient working experience with the companies.

4.3.3 Respondents' Education

The study explored for their feedback on an organization's marketing tactics, as shown in table 4.5 below.

Table 4.5 Education of the Respondents

Education level	Percentage
Secondary	0%
Tertiary/College	55%
University	45%

When the participants were asked about their level of education, the majority of respondents (55%) said they had at least a tertiary or college qualification, while a significant portion (45%) had a master's or university diploma. Since the responders are at a senior control stage, where talents, experience, and abilities are expected to be excessive, this is fairly predicted. This demonstrates that the respondents were knowledgeable and well-educated, which is why they contributed superior records to this exam, raising its value. Higher education is linked to greater exposure; the more educated a person is, the more exposed they are, and as a result, they might be able to perform more everyday duties and make more decisions for the public.

4.3.4 Number of Employees Employed by the Commercial Bank

The purpose of table 4.6 results was to determine how many people worked for commercial banks.

Table 4.6 Number of Employees Employed by a Commercial Bank

Range of employees in the banking industry	Number	Percentage
1-50	4	9.5%
51-100	4	9.5%
101-150	16	30.10%
151and above	16	30.10%

The ban which had a capacity between 1-50 employees were 9.5%. This makes sense given that the study was conducted in Kenyan commercial banks, some of which had fewer clients than others. However, the percentage of banks with 51–100 employees was 9.5%, suggesting that there are more banks with that amount of staff, depending on the work and clientele services offered. On the commercialbank which has a capacity of 101-150 employees had 30.10% response, which indicates that a few commercial banks had that capacity to employee more staff. Finally, on whether there was banks with a capacity of 151 and above employees, it has support of 30.10%, which also has an implication that a few banks can manage to employee more staff. Thus, an indication that it may affect services offered by commercial banks and may affect customer retention.

4.3.5 The Number of Years a Commercial Bank has been in Operation

As shown by the Results in Table 4.7 below, the study's goal was to determine how long the Commercial Bank has been in business.

Table 4.7 The Number of Years the Commercial Bank has been in Operation

Range of number of years in operation	Number	Percentage
5-10 years	14	33.33%
11-15 years	28	66.67%
Above 21 years	42	50%

Majority of the commercial banks (66.667%) have been in operation above 21 years followed by commercial banks, which have been operating for 11-15years. While those Commercial banks that have been operating for 5-10 years are few with support of 33.33 percent participants. This has an implication that the banks have an experience of operations and service delivery strategies.

4.4 Service Delivery Strategies Descriptive Analysis

4.4.1 The Service delivery strategies adopted in commercial banks

This survey asked respondents to rank the marketing methods employed in service delivery in order to determine which commercial banks had embraced them.

Table 4.8 Marketing Strategies

Types of marketing service delivery strategies (SDS) that commercial banks use to retain customers	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard deviation
SDS 1. Marketing Strategy used meet the customers' needs to enhance customer retention in commercial bank	0%	0%	5.2%	52.2 %	35.7 %	4	1
SDS 2. The commercial banks conduct marketing strategy programs regularly	50.1 %	49%	0.9%	0%	0%	4	1
SDS 3. Commercial banks increasingly utilize cutting-edge technologies to facilitate an expanded, frequent, customized and cost-efficient sharing of client retention information across their industry.	0.9%	4.3 %	27% %	36.5 % %	31.3 % %	4	1
SDS 4. The commercial banks had digitized their marketing strategy program	0.9%	0.9 %	31.3 %	34.8 %	27.8 %	4	1
SDS 5. There exists a lack of appropriate instruments and tools to facilitate access to the information in marketing your services in commercial bank to enhance customer retention	2.6%	0.9 %	13.9 %	47%	32.1 %	4	1
SDS 6. There exist challenges in giving accurate information in service quality delivery to customers to enhance customer retention	33%	22.6 %	32.2 %	11.3 %	0.9 %	4	1
SDS 7: There exists more than 75% loyal customer due to pricing strategy on customer retention in your commercial banks	33%	20.9 %	29.6 %	12.2 %	4.3 %	4	1

The respondents' opinion on whether the marketing Strategy used meet the customers' needs to enhance customer retention in commercial bank, 50.1% of the respondents strongly disagreed, 49% disagreed, while 0.9% were neutral. Further opinion on whether the commercial banks conduct marketing strategy programs regularly, this concurs with Lovelock, (2014), who asserted that it is the obligation of the organization to ensure that its consumers are satisfied, but this responsibility ends with the organization's top management in ensuring that the situation is customer-oriented to services to be delivered. Thus, on whether there the commercial banks conduct marketing strategy programs regularly it is management obligation to find out and work towards it. This was in support of Qadeer and Malama (2013) who asserted that commercial banks' Service delivery strategies tactics and customer retention on a global, regional, and local level are unique and the correlations identified between them are significant which should focus on client happiness and Service delivery strategies globally.

4.4.1.2 Correlation Analysis

Table 4.9 below shows the correlation analysis on marketing service delivery strategies adopted by commercial banks in customer retention.

The results on table 4.9 show that there is a positive correlation of 0. 874 and significance at 0.053 between marketing Service delivery strategies on customer retention adopted by commercial banks.

This therefore implies that an increase in marketing strategies used by commercial banks will lead to an increase in customer retention and a decrease in marketing service delivery strategies will lead to a lower customer retention.

Table 4.9 Correlation Analysis

Correlations

		Customer Retention	Marketing Strategies service delivery
Customer Retention	Pearson Correlation	1	.874
	Significance. (2-tailed)		.053
Marketing Service delivery strategies	Pearson Correlation	.874	1
	Significance. (2-tailed)	.053	

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The results on table 4.9 show that there is a positive correlation of 0. 874 and significance at 0.053 between marketing Service delivery strategies on customer retention adopted by commercial banks.

This therefore implies that an increase in marketing strategies used by commercial banks will lead to an increase in customer retention and a decrease in marketing service delivery strategies will lead to a lower customer retention.

4.4.2 The relationship between Service delivery pricing strategies on customer retention

Table 4.10 Effect of Service delivery Pricing strategies and Customer Retentions

Pricing Service delivery pricing strategy on customer retention by commercial banks	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard deviation
SQD1. commercial banks use premium pricing strategy to increase customer retention	0%	6.1%	33%	45.2%	15.7%	4	1
SQD2.commercial banks uses premium pricing strategy to undercut competitor pricing	2.6 %	11.3%	20.9 %	29.6%	35.6%	4	1
SQD 3. commercial banks prefer quality over price	4.3 %	7.8%	20.9 %	37.4%	29.6%	4	1
SQD4. commercial banks respond swiftly in case of prices	5.2 %	5.20%	19.2 %	40%	30.4%	4	1
SQD5. commercial banks take time to explain on any prices changes to customers	5.2 %	4.3%	33%	37.4%	19.2%	4	1
SQD 6. There exist challenges in pricing strategy by commercial banks	3.50 %	8.7%	33.9 %	36.5%	17.4%	4	1

N=6

Table 4.10 shows that 45.2% of respondents agreed, and 15.7% strongly agreed, that commercial banks use premium pricing techniques to improve client retention. 6.1% disagreed while 33% held neutral positions. Questioned about whether commercial banks use premium pricing strategies to undercut rival prices, 35.6% strongly agreed, 29.6% agreed, 20.9% were neutral or impartial while 11.3% disagreed and 2.6% strongly dissented. Respondents were evenly split regarding whether commercial banks prioritize quality over price in their decisions to prioritize quality over price; 37.4% agreed, 29.6% strongly agreed, 20.9% were neutral, 7.8% disagreed with, 4.3% strongly disagreed; and when it comes to swift response times to price changes by commercial banks the responses indicated 37.4% agreement, 19.2% strong agreement, 33.9% neutrality 4.3% disagreement 5.2% strong disagreement among others.

Concerning whether commercial banks provide enough time for clients to comprehend price increases, 36.5% agreed, 17.4% strongly agreed, 33.9% were neutral, 8.7% disagreed with and 3.5% strongly disapproved (Lockwood & Smits 2011; Kim 2012). These findings align with the assertion that service delivery strategies undergo a life cycle process which includes planning, implementation, maintenance and continuous monitoring to provide optimal client care (Lockwood & Smits 2011; Kim 2012).

4.4.1.2 Inferential analysis of Service delivery strategies on customer retention

In the Inferential analysis of Service delivery strategies on customer retention Pearson Correlation was used and the analysis.

Table 4.11 Correlation Analysis of Effect of Service delivery strategies and Customer Retentions

		Customer Retention	Pricing Service delivery strategies in banks
Customer Retention	Pearson Correlation	1	.979**
	Sig. (2-tailed)		.004
Pricing strategies	Pearson Correlation	.979**	1
	Sig. (2-tailed)	.004	

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

The results on table 4.11 above show that there is a positive correlationof 0.979 and significance of 0.004 between effects of Service delivery strategies in banking and customer retention of commercial banks. This therefore indicates that an increase in Service delivery strategies will lead to customer retention in commercial banks. And thus a decrease in Service delivery strategies will equal lead to low customer retention in commercial banks.

4.5 Multiple Regression analysis

Multiple regression analysis serves to establish an overall relationship among independent variables and dependent variables.

Table 4.12: The Regression Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.986[a]	.972	.887	2.93126

a. Predictors: (Constant), Marketing Strategies, Pricing Strategies and Customer retention.

Table 4.12 presents results that demonstrate a generally consistent alignment between customer retention and the index, with R-square equaling 0.972 signifying that independent variables account for 97.2 percent of variation in dependent variable; 2.88 percent can be attributed to outside sources and an error term.

Table 4.13. The ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	294.533	3	98.178	11.426	.0213[b]
	Residual	8.592	1	8.592		
	Total	303.125	4			

a.Dependent Variable: Retention of customers

b. Predictors include (Constant), service delivery plans, and the connection between customer retention and service delivery strategies.

Table 4.13 contains ANOVA results which support the significance of regression equation at 95% confidence levels with p-value less than 0.05 and demonstrate its impact in uncovering relationships between service delivery techniques and customer retention rates in commercial banks in Nairobi County. These findings lend credence to Lockwood & Smits (2011)' claim that service delivery strategies encompass life cycles comprising planning, implementation, maintenance and continuous monitoring for optimal client service (Lockwood & Smits 2011; Kim 2012).

Table 4.14: The Regression Coefficients[a]

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.819	.274	4.768	1.430	.038
Marketing strategies	.651	.284	1.050	2.297	.026
Pricing strategies	.187	.325	.160	.576	.067

Dependent Variable: Customer Retention

Table 4.14 presents results indicating that, according to regression analysis coefficient, service delivery methodologies exhibit minimal correlation (0.067) with client retention of commercial banks. Asis and Woolcock (2015) recommended that service providers adapt quickly in response to relevant business changes for effective implementation of service delivery strategies. This conclusion follows suit with Asis' and Woolcock's (2015) recommendation, whereby providers need to be flexible when adapting service delivery strategies to relevant changes. Additionally, the significant relationship (0.026) between service delivery strategies and customer retention in commercial banks in Nairobi County corroborates with the idea that service delivery strategies involve life cycle processes to sustain services to customers (Kim 2012; Lockwood & Smits 2011). From the results, the following regression equation was generated where **customer retention =** 6.819 **+ 1.050X_1+ .160X_2 + ε.** This is expressed in Table 4.14 above, which shows the Regression Coefficients.

4.6 Discussion of Findings

This section discusses the outcomes of the several tests that were conducted during the investigation. Additionally, a comparison has been made between the examined literature, the results, and the conclusions at the same level of definition. The following objectives formed the main basis of the conversation: impact of provider first-class transport methods as well as carrier quality transport on industrial banks' customer retention in Nairobi County, Kenya.

4.6.1 Service delivery strategies

Regarding the pricing strategy, 93.9% of respondents agreed that the pricing strategy of bank services had an effect on service delivery techniques in improving customer retention in commercial banks. As to whetherMarketing Strategy used does not meet the customers' needs to enhance customer retention in commercial bank the respondents disagreed by 99.1% to that idea; And whether the commercial banks conduct marketing strategy programs regularly and whether the commercial banks applies new technologies which enable wider, more frequent, more tailored, and less expensive information sharing thus customer retention among commercial banks the respondents supported the idea with over 62% that commercial banks have strategies and use modern technology; while as to whether the there exists a lack of appropriate instruments and tools to facilitate access of the information in marketing their services in commercial bank to enhance customer retention the respondents disagreed with the idea by 55.6%. On opinion on whether there exists challenges in giving accurate information in Service delivery strategies to customers to enhance customer retention.On whether there exists more than 75% Royal customers thus customer retention in commercial banks 79.1% of the respondents agreed that there are; additionally, when asked if there are more than 75% royal clients, 79.1% of the respondents agreed.

The impact of commercial banks' use of service delivery strategies on customer retention has a significant positive connection ($r = 0.874$, $p < 0.053$). Thus, it was determined by the results and conclusions that there was a strong correlation between customer retention and service delivery tactics. Thus, it can be inferred from the research results that a drop in the strategies utilised in service delivery will result in a fall in customer retention and an increase in the strategies employed by commercial banks will lead to an increase in customer retention. This concurs with Lovelock (2014) who asserted that it is the obligation of the organization to ensure that its consumers are satisfied, but this responsibility ends with the organization's top management in ensuring that the situation is customer-oriented to services to be delivered. Thus, on whether there was repeat business it is management obligation to find out and work towards it

4.6.2 Effect of Service delivery strategies on customer retention

Participants were asked to rate the following: 60.9% of respondents said that commercial bank employees provide accurate services to customers; 65.2% said that commercial bank employees are dependable in handling complaints from customers; 67% said that commercial bank employees take the time to explain issues to customers; and 70.4% said that commercial bank employees are polite and friendly. Commercial bank staff are patient when dealing with customers had support of 55.7% of the respondents; Commercial bank staff inspire trust and confidence in customer was supported by most of the respondents on average 53.9% respondents agreed to the statements that commercial banks staffs and services delivery were up to standard. This is consistent with the research by Omar and Kilika (2018), which found that customer loyalty and service delivery techniques have a positive and noteworthy impact on bank performance. It was further stated that there was a positive and substantial relationship ($\beta = 0.330$, $p = 0.000$) between customer satisfaction and organisational performance. Customer satisfaction, at $p=0.000$, was therefore found to be significant when the p-value was investigated at the 0.05 significance threshold.

With an average of 57.4%, the respondents agreed and strongly agreed that there are problems in the commercial bank's service delivery strategies, depending on the type of customer and the circumstances surrounding the work to be provided.

On inferential analysis there was positive correlation of 0.979 and significance of 0.004 between effects of Service delivery strategies in banking and customer retention of commercial banks. This therefore indicates that an increase in Service delivery strategies will lead to customer retention in commercial banks. This concurs with the assertions that Service delivery strategies has a life-cycle span which includes designing, planning, operating, maintaining, and monitoring to sustain Service delivery strategies to customers' (Kim, 2012; Lockwood & Smits, 2011).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents an accessible summary and analysis of the study findings, along with recommendations derived from them. This chapter's organization mirrors that of its objectives by offering insights and suggestions for further study based on objective findings. Ultimately, its main aim was to examine whether service delivery strategies impact commercial banks' retention strategies in Nairobi City County Kenya.

5.2 Summary of Main Findings

As indicated by 93.9% of respondents, pricing strategies of bank services exert significant influence over service delivery strategies. On the contrary, 97.1 of respondents did not feel that commercial banks' marketing strategy effectively meets customers' needs in order to increase retention rates and promote customer retention. Furthermore, research revealed that commercial banks regularly engage in marketing strategy programs. Furthermore, 62% of respondents supported the notion that banks utilize new technologies to facilitate broad, frequent, tailored information sharing resulting in improved customer retention in commercial banks. It was further agreed upon among respondents that adequate tools or instruments are lacking for making information more readily accessible within commercial banks.

On whether there exists challenges in giving accurate information in Service delivery strategies to customers to enhance customer retention had disagreement of over 66%. Whether there exists more than 75% Royal customers who are clients of the commercial banks thus customer retention in commercial banks had 79.1% support that there are more than 75% royal customers; and finally on whether there exists more than 75% repeat business had support of 79.1%.

The results in correlation indicates that the strategies in service delivery strategies indicates that there was a positive correlation of 0. 874 and significance at 0.053 between strategies service delivery strategies on customer retention adopted by commercial banks. And thus concluded that there was significant association between strategies services delivery and customer retention.

On Service delivery strategies the results indicates that the Commercial bank staff provide accurate services to customers; commercial bank staff are dependable in handling customers' complaints; Commercial bank staff take their time to explain issues to the customer; Commercial bank staffare courteous and friend; Commercial bank staff are patient when dealing with customers; Commercial bank staff inspire trust and confidence in customer most of the respondents with an average 70% support.

According to correlation analysis results, there was a significant positive correlation ($p = 0.004$) and positive correlation ($r = 0.979$) between the effects of service delivery strategies in banking and commercial banks' ability to retain customers.

The study's conclusions indicated that there is a significant relationship between service delivery strategies, particularly those employed in commercial banks to retain customers, and customer retention. As a result, commercial bank management should place a high priority on service delivery strategies to increase customer retention.

5.3 Conclusions

The study's conclusions lead to the conclusion that one of the key factors in service delivery strategies is the tactics employed to increase commercial banks' client retention. Thus, the results of this study corroborate those of the other investigations. Furthermore, it may be said that in order to improve commercial banks' client retention, defined plans for service delivery management must be included.

In order to improve customer retention, commercial banks in Nairobi City County are using service delivery techniques to mitigate risk, and this study reveals the critical relationship between these tactics and customer retention. Thus, the scope of finding tactics and mitigations that will improve client retention is expanded by this study. As a result, commercial banks must make investments to build robust strategies for mitigating risks and implementing service delivery tactics that will increase client retention.

Commercial banks can use the theories on service delivery strategies and customer retention to concentrate on important components of strategies and mitigating factors in service delivery strategies that could lead to better customer retention. The aforementioned conclusion indicates that in order to improve commercial banks' customer retention, managers must firmly establish mitigation in service delivery strategies and strategies in service delivery strategies at all levels of the organization.

The management of commercial banks can utilise the model to concentrate on important facets of service delivery methods and the calibre of services provided, which may lead to client retention and the success of commercial banks. The aforementioned result indicates that in order to improve customer retention and an organization's financial performance, managers at all levels of commercial banks must use effective service delivery methods.

5.4 Recommendations

The research findings, outcomes, and conclusions—which are covered in the ensuing subsections—led to the formulation of the following suggestions. The management of commercial banks ought to ascertain, integrate, and allocate resources towards service delivery plans and systems. In order to reduce vulnerability to service delivery strategies through effective rules and processes, stakeholders should also make sure that their commercial banks have robust service delivery plans.

Managers at commercial banks should adopt service delivery strategies designed to increase customer retention benefits. Implementation of such plans not only maintains control integrity but can help mitigate security risks as well. Furthermore, regular audit department assessments of service delivery strategies implemented by commercial banks to increase service delivery is necessary in providing assurance to managers regarding adequacy and effectiveness of mitigation strategies implemented to boost service provision.

5.5 Areas of Further Research

Based on this study's findings regarding the impact of service delivery methods on client retention within commercial banks within Nairobi City County in Kenya, further exploration is recommended in three key areas. These areas include:

Regional and Bank Type Variations: Evaluate whether the study's findings on the impact of service delivery techniques on customer retention apply across specific regions or types of commercial banks, like Nairobi City County in Kenya. Although our current investigation solely examined how commercial banks retained customers within that county, it's essential that you determine if these findings can apply across other regions or types.

Diversifying Investigative Scope: Broaden the investigation beyond commercial bank tactics alone. While this study focused exclusively on how service delivery strategies affect customer retention in commercial banks, additional research should explore variables not taken into consideration by this analysis - for example examining additional influences influencing retention or different aspects of service delivery strategies.

International Comparative Analysis: Examine Commercial Banks Outside Kenya The current study is limited to Nairobi City County in Kenya; to broaden and understand potential cross-cultural variations more fully and improve generalizability of findings it would be prudent to conduct similar investigations outside Kenya involving commercial banks - this may shed valuable insight into global applicability of identified relationships between service delivery methods and customer retention in banking sector.

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APPENDICES

APPENDIX I: Introduction letter

Erastus P. Wesonga

BOX 30197 – 00100,

NAIROBI.

erastuswesonga@gmail.com

The administrator,

BOX.......................

NAIROBI.

Dear Sir/Madam,

REF: APPROVAL TO CONDUCT RESEARCH ON THE INFLUENCE OF SERVICE DILIVERY STRATEGIES ONCUSTOMER RETENTION AMONG COMMERCIAL BANKS.

I am a master's student in business administration at the University of Nairobi's business school. As part of my Master of Business Administration degree at the University of Nairobi's Business School, I'm conducting research that investigates how service delivery strategies impact customer retention in commercial banks. Please distribute the enclosed questionnaire amongst all members of your bank's management team; as it will solely serve academic research objectives.

Thank you in advance.

Yours Faithfully,

Erastus P. Wesonga

APPENDIX II: Questionnaires to administrative staff

Section A. Demographics

1. What is your gender?

   I. Male [ ] II. Female [ ]

2. How old are you? I. 25 and below [ ] II. 25-30 [ ] iii. 31-35 [ ] IV. 36-40 [ ] V. 41-45 [ ]

   VI. Over 45 [ ]

3. How long have you served in commercial banks in Nairobi? I. Below 2 years [ ] II.2-5years [ ]

   III. 6-9 years [ ] IV. 10-13 years [] V. above 14years

4. Educational level

   Secondary Tertiary/College University

5. How many employee do you have in your bank? I. 1-50 ii. 51-100 iii. 101-150 IV. 151 and above

6. How long has you bank been operating? I. 5-10 year's ii. 11-15 years iii. 16- 20years IV. Above 21 years

Section B. Strategies service delivery strategies adopted by commercial banks in Nairobi City County Kenya.

7. Please rank by ticking the following statements in each area on the forms of marketing service delivery strategies (SDS) on customer retention by commercial banks in the following scale: Strongly disagree (1) Disagree (2); Neutral (3); Agree (4) strongly agree (5).

Forms of marketing service delivery strategies (SDS) on customer retention by commercialbanks	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
SDS 1. Marketing Strategy used does not meet the customers' needs to enhance customer retention in commercial bank					
SDS 2. The commercial banks conduct marketing strategy programs regularly					
SDS 3. The commercial banks apply new technologies which enable wider, more frequent, more tailored, and less expensive information sharing thus Customer retention among commercial banks.					
SDS 4. The commercial banks has digitized its marketing strategy program					
SDS 5. There exists a lack of appropriate instruments and tools to facilitate access of the information in marketing your services in commercial bank to enhance customer retention					
SDS 6. There exists challenges in giving accurate information in service quality delivery to customers to enhance customer retention					
SDS 7: There exists more than 75% Royal customers due to pricing strategy thus customer retention in your commercial banks					

N=7

Section C. Service delivery strategies on Customer Retention among Commercial Banks.

8. Please rank by ticking the following statements in each area on Pricing Service delivery pricing strategy on customer retention by commercial banks in the following scale: Strongly disagree (1) Disagree (2); Neutral (3); Agree (4) strongly agree (5).

Pricing Service delivery pricing strategy on customer retention by commercial banks	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
SQD1. commercial banks uses premium pricing strategy to increase customer retention					
SQD2.commercial banks uses premium pricing strategy to undercut competitor pricing					
SQD 3. commercial banks prefer quality over price					
SQD4. commercial banks responds swiftly in case of prices					
SQD5. commercial banks take time to explain on any prices changes to customers					
SQD 6.There exists challenges in pricing strategy by commercial banks					

APPENDIX III: Work Schedule

DETAILS	Period
1. Problem identification and proposal.	**January-May 2021**
2. Chapter 1 writing of the background and introduction Information	**September 2021**
3. Statement problem, objectives, significance	**September 2021**
4. Chapter 2 Literature review	**September 2021**
5. Theoretical and review per objective	**September 2021**
6. Chapter 3 research methodology	**October 2021**
7. Research methodology design sampling and data collection techniques and analysis Typing of the proposal and spiral binding	**November 2021**
8. Proposal defense	**December 2021**
9. Data Collection Project Chapter 4 And 5	**October to December 2022**

APPENDIX IV: List of Commercial Banks in Nairobi Kenya

I.	Spire Bank Ltd	II.	Stanbic Bank Kenya Limited
III.	HFC Limited	IV.	Guaranty Trust Bank (K) Ltd
V.	First Community Bank Limited	VI.	Victoria Commercial Bank Limited
VII.	Fidelity Commercial Bank Limited	VIII.	UBA Kenya Bank Limited
IX.	Family Bank Limited	X.	Trans-National Bank Limited
XI.	Equity Bank Kenya Limited	XII.	Standard Chartered Bank Kenya Limited
XIII.	Eco bank Kenya Limited	XIV.	Sidian Bank Limited
XV.	DIB Bank (Kenya) Limited	XVI.	Prime Bank Limited
VII.	Diamond Trust Bank Kenya Limited	VIII.	Paramount Bank Limited
XIX.	Development Bank of Kenya Limited	XX.	M-Oriental Bank Limited
XXI.	Credit Bank Limited	XII.	NIC Bank Limited
XIII.	Co-operative Bank of Kenya Limited	XIV.	National Bank of Kenya Limited
XV.	Consolidated Bank of Kenya Limited	XVI.	Middle East Bank (K) Limited
VII.	Commercial Bank of Africa Limited	VIII.	KCB Bank Kenya Limited
XIX.	Citibank N.A Kenya	XX.	Jamii Bora Bank Limited
XXI.	Chase Bank (K) Limited	XII.	I & M Bank Limited
XIII.	Charterhouse Bank Limited	XIV.	Imperial Bank Limited

XV.	Barclays Bank of Kenya Limited	XVI.	Habib Bank Limited

VII.	Bank of India	VIII.	Habib Bank A.G Zurich
XIX.	Bank of Baroda (K) Limited	XL.	Gulf African Bank Limited
XLI.	Bank of Africa Kenya Limited	II.	Guardian Bank Limited
LIII.	African Banking Corporation Limited	LIV.	

APPENDIX V: Authorization Letter from the University

UNIVERSITY OF NAIROBI
FACULTY OF BUSINESS AND MANAGEMENT SCIENCES
OFFICE OF THE DEAN

Telegrams: "Varsity", Telephone: 020 491 0000VOIP: 9007/9008 Mobile: 254-724- 200311	P.O. Box 30197-00100, G.P.O. Nairobi, Kenya Email: *fob-graduatestudents@uonbi.ac.ke* Website: ***business.uonbi.ac.ke***

Our Ref: **D61/78670/2015** November 09, 2022

National Commission for Science, Technology and
InnovationNACOSTI Headquarters
Upper Kabete, Off Waiyaki
WayP. O. Box 30623- 00100
NAIROBI

RE: INTRODUCTION LETTER: ERASTUS P. WASONGA

The above named is a registered Masters in Business Administration candidate at the Universityof Nairobi, Faculty of Business and Management Sciences. He is conducting research on ***"Influence of Service delivery strategies on Customer Retention among Commercial Banks in Nairobi County, Kenya".***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data, which forms an integral part of the Project.

The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

PROF. JAMES NJIHIA
DEAN, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

JN/pgr

APPENDIX VI: National Commission for Science, Technology & Innovation

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **951466**

Date of Issue: **06/December/2022**

RESEARCH LICENSE

This is to Certify that Mr.. Erastus Patis Wesonga of University of Nairobi, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: INFLUENCE OF SERVICE DELIVERY STRATEGIES ON CUSTOMER RETENTION AMONG COMMERCIAL BANKS IN NAIROBI COUNTY, KENYA for the period ending : 06/December/2023.

License No: **NACOSTI/P/22/22455**

951466

Applicant Identification Number

Director General

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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See overleaf for conditions