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RELATIONSHIP BETWEEN BANK CUSTOMER RETENTION STRATEGIES AND CUSTOMER SATISFACTION IN COMMERCIAL BANKS IN MACHAKOS TOWN

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A hand in a blue suit sleeve points towards the word 'Strategy' which is displayed on a glowing, circular screen. The background features a blue and white abstract design with curved lines and a red and blue border at the top.

Strategy

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Abstract

Purpose: this study was to investigate the relationship between service quality and customer satisfaction in the commercial banks in Machakos Town.

Methodology: The study adopted descriptive survey design. The target population was 82 commercial bank customers in Machakos Town. Primary data was collected through use of structured questionnaires. Descriptive statistics included frequency, mean and standard deviation. Simple regression modeling was used to aid in data analysis.

Results: Research findings revealed that F statistic of model 1 was 33.236($p=.000$). This portrayed that the influence of service quality aspect of customer retention strategies on customer satisfaction was statistically significant at 95% confidence level for ($p<.05$). Hence this model was suitable to estimate customer satisfaction amongst the five commercial banks in Machakos town. Adjusted R^2 was of .648 which implies that customer retention strategies explained 64.8% of the variations in customer satisfaction. Bank retention strategies had statistically significant influence on customer satisfaction with a one unit change leading to .384($p=.000$) change in customer satisfaction.

Unique contribution to theory, practice and policy: The study recommended that management need to improve on efficiency in its operations regarding the customers and develop their products fully so as to satisfy their customers and control their product prices as well to be sure of customer retention. In addition, the bank should mitigate the risk of customer loss by ensuring that policies are put in place maintain product diversification.

Keywords: *Customer Retention Strategies; Customer Satisfaction; Commercial Banks.*

INTRODUCTION

Banking is a customer-oriented service industry. Banks depend upon the customers for their survival in the market. The customer is the focus and customer service is the differentiating factor. A bank can differentiate itself from competitors by providing high quality customer service. Efficacy of customer service is related with progressive operation. In the competitive banking industry, customer satisfaction is considered as the essence of success (Belas & Gabčova, 2016).

The Sri Lankan commercial banks consider quality of the services as key component among the banks in order to achieve customer satisfaction. In a competitive market situation, banks in both public and private sector in Sri Lanka apply different and important strategies to improve the quality of their services (Bolanda, 2016). Customer satisfaction of both public and private banks is affected by factors such as physical premises of the banks, how employees dress, promotional scheme offered by banks and use of technology up-to date equipment by banks (Anjalika & Priyanath, 2018). Hoang (2016) identified factors affecting service quality of retail banks in Pakistan as reliability, responsiveness, empathy, security and tangibles.

In Nigeria, Goyit and Nmadu (2016) indicated that poor service quality is a common feature in the Nigerian banking industry. Many customers are not satisfied with the quality of services that are provided by Nigerian banks. This may be evidenced by the seemingly long queues in the banking halls and at ATM locations, unnecessary delays in resolving complaints, the unusually long period required before interbank cheques are cleared and tendencies of customers switching between products and banks. In Ethiopia both public and private banks are involved in an intensive branch expansion program to penetrate in the market and increase their customer base. Being one actor in the industry, construction and business bank has been in a reformation program to adopt new technology and increase the number of branches to facilitate the service and meet its objectives through delivering quality services to the customers in the highly competitive market (Seyoum, 2015).

In Kenya, the banking sector plays a dominant role in the financial intermediation, particularly with respect to mobilization of savings and provision of credit (Were & Wambua, 2013). Though performing their functions, they are faced by tremendous changes in innovation and financial service environment as well as liberalization that have increased competition and interminable variety of product. Therefore, to reduce the effect of these challenges they are forced to move from a producer-oriented definition of competitiveness to one that recognizes the banks' ability to manage the linkage between activities and customers. To achieve this, they have to provide quality services to customers by monitoring and evaluating processes at each stage to ensure that customers get value for any services provided. Quality services leads to Customer satisfaction. This is very crucial as customers remain loyal to company's product if the products meet their taste and preferences.

Problem Statement

Increased global competition and decreasing profit margins have led most organizations into pursuing different strategies to keep a market share and maximize shareholder's value. The need to respond to market changes on a daily basis and the difficulty of predicting the direction of such changes means that organizations have to focus on service delivery practices. An organization should therefore aim at meeting customers' needs for it to be relevant since customers are the end user of goods and services (Hirbo, 2018).

Customers have become increasingly conscious of their rights and are demanding ever more than before. In Machakos Town, there is a lot of entry of new banks and customers switching from one bank to the other. Today, a customer loss in an organization is a customer gain to a competitor. In a saturated market therefore; financial institutions need to focus their energy on retaining customers just as they work hard to acquire them. This can be done through harnessing products, services and process innovation to anticipate and meet consumer's requirements. One of the most notable challenges facing service provision organizations today is to provide consistently high-quality services that keep the customers satisfied and loyal. The delivery of consistent quality service is arguably the most vital factor that contributes to the establishment of credibility and reputation of the organizations in the eyes of the public. It is well recognized that providing high quality services has a beneficial effect on the bottom-line performance for the organization. In the bid to enhance their services and satisfy customers, financial institutions have innovated ideas like extension of business hours, ATM network, internet banking, enhanced banking hall facilities among others. However, not all customers are satisfied with these initiatives since to some, their inclinations and prospects seem not to live up to the bank's inventiveness. Past researches have proved that service quality and customer satisfaction are related. There exists no study on the relationship between service quality dimension of customer retention strategies and customer satisfaction in commercial banks in Machakos Town. The research seeks to find out if bank retention strategies influence customer satisfaction.

Research Objective

The aim of this study was to investigate the relationship between service quality and customer satisfaction in the commercial banks in Machakos Town guided by the following specific objective

- i). Relationship between bank customer retention strategies and customer satisfaction in commercial banks in Machakos Town.

LITERATURE REVIEW

Theoretical Review

Resource Based View Theory (RBVT)

The Resource-Based View (RBVT) theory was developed by Barney (1991). The theory contends that the possession of strategic resources provides an organization with a golden opportunity to develop competitive advantages over its rivals (Freeman et al., 2010). RBT provides an assessment of the resources that the firm requires to possess and dispose of a bundle of distinctive capabilities and competencies to be competitive. The RBVT suggests that the firm, in competitive business environment, needs to leverage its unique resources, capabilities and competencies and perform tasks efficiently and expeditiously to capture new opportunities, expel threats and to meet customer needs (Al-Ansari, 2014).

A firm's unique capabilities, competencies and management abilities to marshal its resources to produce superior performance, determine its competitive advantage. The firm's resources are classified as tangible (financial reserves and physical resources; plant, equipment, and raw materials), intangible (reputation and technology), and personnel-based (expertise, commitment and loyalty). Whereas sustained competitive advantage is based on the attraction, accumulation and retention of resources which are unique and hard to copy, employees are nowadays acknowledged as valuable assets (Sweeney, 2009). Freeman et al. (2010) argues that, for a firm's resource to be a source of sustained

competitive advantage, it must be unique, valuable, rare, inimitable (hard to copy) and non-substitutable (VRIN). It supports employee, and customer relations, and also firm characteristics as sources of competitive advantage. The major strengths of RBVT are that it is the driving force in strategic management literature and complements the stakeholder theory in that firm competitiveness requires effective management of both organizational resources and stakeholder relations (Freeman et al., 2010). Its major weakness is that many firms have limited bundle of strategic assets and capabilities and are easily copied by competitors (Al-Ansari, 2014).

Ferreira et al., (2010), argued that the Resource-Based View (RBVT) of the firm has become one of the most widely used theoretical frameworks in the management literature. They note that the theory aspires to explain the internal sources of a firm's sustained competitive advantage (SCA) and its central proposition is that if a firm is to achieve a state of SCA it must acquire and control valuable, rare, inimitable, and non-substitutable (VRIN) resources and capabilities, plus have the organization in place that can absorb and apply them. The contribution of this theory to this research is that firms should develop a service that is unique so as to earn more revenue and hence profit. Hence the provision of quality service is a resource that adds value to the service offered by banks in order to obtain customer satisfaction and loyalty. The theory is relevant to the study in that competitive advantage of commercial banks is a function of various resources it poses like; physical facilities, equipment, technology, and human resources. The bank's leveraging on such resources could be highly responsive to customer needs hence high customer satisfaction.

2.1.2 Relationship Marketing Theory (RM)

This theory was developed by Morgan, and Hunt, (1994). This theory proposes that as a company delivers value to customers, the strength of its relationship with the customer will improve and increase customer retention. It emphasizes the perception of relationship quality such as trust and commitment, as precursors for customer retention. According to this theory, perceived trust between a firm and its customer leads to a relationship commitment, which in turn reduces the propensity to leave. When a relationship is closer to a friendship, business outcomes such as profit improve. (Jones et al., 2009). Vasco (2006) proposed a shift away from marketing management approach toward a relationship marketing paradigm. This would establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met.

Vasco & Don Willson (2006) did a study on theoretical foundations of relationship marketing from the perspective of several management-related disciplines. The study found that RM has emerged as one of the dominant paradigms in marketing on organizational or consumer markets, or services marketing. It also found that an integrated account can be offered for the emergence of RM as a coherent area of research. However, only when a firm links marketing productively with customer service and quality is it able to provide total customer satisfaction and build long-term relationships, using this capability both to get new customers and to retain existing ones. Marketing, customer service and quality are the three pillars of their relationship marketing concept, which represents a consistent and appealing view of ideas generally accepted as fundamental to marketing.

Andre & Gerd (2009) say that RM is an important factor in every business. Knowing the customers and establishing long term customer relationships is a key component of long-term business success. The main concern of marketing is exchange of relationship between the organization and its customers. Quality movement emphasizes on total quality management in all organizational functional areas as the

means to provide customer satisfaction (Vasco & Don Willson, 2006). This theory is relevant to this study as CA of banks is subject to a large market share. A large market share can be brought about by having many loyal customers who refuse to defect. It is critical for banks and other firms therefore to find processes through which relationships are established, developed and even maintained. This is important if customers will be loyal and avoid defecting from their banks. It is a customer retention strategy.

2.3 Empirical Literature

Muhamed (2013) conducted a study to determine how banks in Jordan promote long-term strategies in an effort to attract and retain loyal customers. The study used an explanatory qualitative design. The sample size was nine banks in Jordan. Findings revealed that relational strategies are used to achieve customer retention by commercial banks. Findings also showed that internal marketing is important for achieving retention. Drivers such as satisfaction, loyalty, closeness, commitment, transparency, communication and quality service were found to be critical in banks efforts toward fulfilling relational strategies.

Tinashe and Chapoto (2016) sought to determine the effectiveness of customer retention strategies on performance of commercial banks in Zimbabwe. A Descriptive research design was used. Simple random sampling was used to get 75 respondents, customers of 5 commercial banks. Primary data was collected through questionnaires and interviews. Findings showed that most commercial banks in Zimbabwe are failing to meet customer expectations. The results also indicated that customer retention strategies have a positive impact on customer loyalty and satisfaction. Buchichi (2013) carried out research on “Customer service improvement strategies at CFC Stanbic Bank Kenya. The study done in Nairobi used case study design and information was collected from senior management team, who are involved in strategy formulation. The study revealed that the bank had to employ customer improvement strategies in order to boost customer loyalty. She found that increased competition in companies, rewards will accrue to those who read precisely what consumers want, by continuously scanning the environment and delivering greatest value to customers.

Ouma et al., (2013) evaluated customers’ retention strategies on customer satisfaction in the banking sector in Kenya a case of Equity bank Thika branch, Kenya. Multistage sampling technique was used to sample 100 customers of Equity bank, Thika branch. Questionnaires were used to collect data. Findings revealed that customer retention strategies had a strong positive association on customers’ retention. The bank’s unique services to her customers are important factors for customer retention. Thenya (2016) sought to establish the relationship between customer retention strategies and performance of Barclays (now ABSA) Bank of Kenya. This research adopted a case study design. The study population was five senior managers of Barclays bank in Nairobi. Primary data was collected using in-depth interviews. Content analysis was used to analyze the data. The study found out that investment in customer retention strategies activities promotes goodwill to the bank and as well improve on the relationship between the customers and the employee to the bank. This is due to the fact that people want to be associated with organizations that care about the welfare of customers. Customer satisfaction is enhanced through customer retention strategies initiatives.

Goyit and Nmadu, (2016) carried out research to assess the impact of quality of banking services on profitability of banks. The researchers used both primary and secondary data on 5 Nigerian banks. They concluded that for banks to be able to achieve repeat purchase by customers in the increasing

competitive banking business, banks should organize their operations according to the needs expressed by the customers. Zondiwe, (2018), did research on the effect of service quality of multi choice on customer satisfaction in Zambia the target population included 150 customers, 10 managers and 18 agents. Data was collected using questionnaires and structures interviews. The study findings established that there is appositive direct relationship between service quality and customer satisfaction. Sichinsambwe, (2018) argued that growth and survival of a company largely depends on its customers.

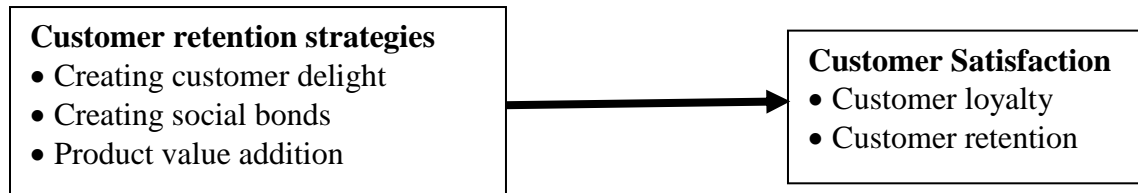
Gwaza, (2016) carried research in South Africa to assess the internal service quality of XCIB corporate bank. This study used quantitative method. Questionnaires were administered to a sample of 130 staff of the organization. The findings of the study were that internal service quality at the bank was unsatisfactory, that staff was not adequately supported. Service quality given to customers is generated by processes and the staff of an organization.

Murugiah & Akgam (2015) carried out a study of customer satisfaction in the banking sector in Libya. The study used primary data collected through a well-structured questionnaire administered on 150 bank customers. The conclusion was that there is a positive and significant relationship between the customer satisfaction and customer loyalty and service quality. Wachira, (2017) did research on perception by the management of influence of service quality on customer satisfaction among commercial banks in Kenya, a case study of Equity Bank. The study used descriptive research design and managerial employees and 82 banks customers were interviewed using questionnaires. The researcher also used secondary data for between 2013 to 2017. The conclusion was that the managers knew that customers expected the bank to offer excellent employee appearance, for them to be satisfied.

Bitta, (2014) carried out research on service quality and customer satisfaction in the banking sector in Nairobi. The research employed descriptive research design. A questionnaire was administered on customers from 44 commercial banks. The study concluded that availability of good service, quality delivery service expectation will improve the customer satisfaction. However, questionnaires were not administered to some executive banking sectors so an important niche of respondents was left out. Also, the study did not separate private and public banks and thus there may be variables that affected the findings.

Customer satisfaction has the key benefits to an organization. These include greater customer loyalty, reduced price sensitivity, enhanced positive word-of-mouth and increased share of customer and ultimately all this adds up to increased long-term profitability (Zondiwe, 2018). Wanjiku (2020) did research on relationships amongst service encounter quality, perceived customer expectations and satisfaction of hotel guests. The study used descriptive research design. A sample of 375 hotel guests was used. One of the study results was that service encounter quality had appositive impact on customer satisfaction.

Conceptual framework



Independent variables

Dependent variable

Figure 2.1: Conceptual framework

Source: Author, 2022

RESEARCH METHODOLOGY

The study used descriptive survey design. The target population was 82 commercial bank customers in Machakos Town. Primary data was collected through use of structured questionnaires. Descriptive statistics, correlation and regression modeling was used to aid in data analysis. Data was presented by use of graphs, pie charts and tables. A pilot study was conducted in order to establish the validity and reliability of data collection instruments. This study tested for both content and constructs validity. On the other hand, Cronbach’s alpha was used to measure reliability of the data collection instrument. Descriptive and inferential analysis was performed using Statistical Package for Social Sciences (SPSS) computer software. Results were presented using mean, standard deviation, frequencies and percentages. In this study, the statistical modeling from the conceptual framework was developed and was as follows: the dependent variable (DV) was the customer satisfaction in commercial banks in Machakos Town, and the independent variable (IV) was bank customer retention strategies. The statistical analysis was carried out using simple linear regression model to test the influence of bank customer retention strategies on customer satisfaction in commercial banks in Machakos Town. The data was presented in Tables.

RESULTS AND DISCUSSIONS

Response Rate

Out of the 74 questionnaires issued to the respondents, the total number of duly filled questionnaires which were returned were 71 which translated to 95.9% response rate which was judiciously high and acceptable. This could be associated to the direct involvement of the bank officials where it was possible. Therefore, the implication of the high rate depicted that the data collected was reliable for analysis. The results of questionnaire return rate are presented in Table 1

Table 1: Response Rate

Details	Response
Questionnaires distributed	74
Questionnaires correctly filled and returned	71
Response Rate	95.9%

Table 1 depicts that 71 out of the 74 questionnaires given were filled out and returned, resulting in a response rate of 95.9%. Researchers face a challenges of low response rates, which rarely exceed 50% (Nachmias and Nachmias (2004). They suggested that a response rate of at least 50% is satisfactory and gives a firm basis for data analysis. Similarly, Mugenda & Mugenda (2008) and Kothari's (2014) were of the view that a response rate of 50% is good enough for analysis and reporting; further, a rate of 60% is also good, and a rate of 70% or higher is highly appreciated. Therefore, a 95.9 percent response rate achieved by this study, according to these authors, this performance is extra ordinary allowing the researcher to continue with data analysis.

4.2 Descriptive Analysis of Customer Satisfaction Sub-Variables

In order to establish the magnitude to which customer satisfaction was influenced by customer satisfaction, the respondents were subjected to series of questions with scale of Strongly Agree (SA) =5, Agree (A) =4, Neutral (N) =3, Disagree (D) =2 and Strongly Disagree (SD) =1.

The line mean and standard deviation of each opinion was compared with the respective composite scores for both interpretation and conclusion purposes. The response was as per Table 2

Table 2: Descriptive Analysis of Customer Satisfaction-Sub-Variables

Customer Satisfaction Statements	n.		SA	A	N	D	SD	Mn	Std. Dev
Services given by bank are fast and efficient	71	Frq. %	26.8	56.3	15.5	1.4	0.00	1.92	.692
My experience with the bank is very good	71	Frq. %	33.8	57.7	8.5	0.00	0.00	1.75	.603
Customers are likely to tell friends and family about the positive experience with this bank	71	Frq. %	15.5	71.8	12.7	0.00	0.00	1.97	.534
Customers are completely satisfied with the services offered by my bank	71	Frq. %	11.3	25.4	63.4	0.00	0.00	2.52	.694
Customers don't leave this bank.	71	Frq. %	9.9	19.7	66.2	2.8	1.4	2.66	.755
Composite Mean & Standard Deviation (SD) Score								2.164	.6556

The study sought to establish the extent to which fast and efficient services given by the five commercial banks in Machakos town influence customer satisfaction. According to Table 2, out of 71 respondents who participated in the study, 83.1% agreed that fast and efficient services given by the five commercial banks in Machakos town boosted satisfaction amongst customers. Another 15.5% participants were not sure what contributed to customer satisfaction level to vary and only 1.4% disagreed with this proposition. The line mean was 1.92 compared to the composite one of 2.164 with a standard deviation (SD) of .692. This implies that services given by bank which are said to be fast and efficient, did not significantly influence customer satisfaction.

Customers' experience with the bank was also examined using descriptive approach. The results as per

Table 2 showed that 91.5% agreed that customers had a very good experience with the bank which made them satisfied. Other 8.5% were neutral for they had no idea whether their personal experience with the respective bank really created their satisfaction. No other respondent 0% disagreed with that proposition that their experience was very good and caused satisfaction. The corresponding line mean was below the composite one ($\bar{x} < 2.164$) with standard deviation of .603. Therefore, customer's personal experience with the bank had no statistically significant influence on customer satisfaction. Again, the study interrogated the link between chances of customers telling their friends and family about the positive experience with their respective banks and their satisfaction. As per Table 2, it was portrayed that 87.3% of the bank customers who participated in this study were of the opinion that chances are high that with positive experience with the bank and would inform their friends and family members. Whereas, no body directly disagreed with this supposition, 12.7% respondents were not sure whether that could be the case. The corresponding line mean or average was 1.97 which was below the composite one of 2.164 with SD of .534. So, the customer's positive experience with the bank was not a significant predictor of customer satisfaction in commercial banks in Machakos town.

The concern of customers being completely satisfied with the services offered by one's bank was cross-examined. 36.7% of the bank customers conducted felt that this was one of the causes of their satisfaction based on the services offered by their respective banks. Majority 63.4% did not support that suggest for they portrayed neutrality position in their opinion. According to Table 2, the corresponding line mean was 2.52 which was greater than the composite one (i.e., 2.164) and SD was .694. Therefore, it was evident that customers were completely satisfied by the bank services offered for although the majority of the respondents were contrary to that opinion the line mean was greater than the composite one. Lastly, the argument that customers did not leave a particular bank to another bank or financial institution was assessed and as per Table 4.6, 29.6% of the respondents implied that customers don't leave a particular bank to another or to another financial institution while other 2.8% disagreed. On the other hand, the majority 66.2% were not sure whether that was the case in each bank. According to Table 2, the line mean/average was greater ($2.66 > 2.164$) with SD of .755. So, in conclusion, the aspect of customers sticking to one bank had statistically significant influence.

Descriptive Analysis of Customer Retention Strategies-Sub-Variables

In order to establish the magnitude to which customer satisfaction was influenced by customer retention strategies, the respondents were subjected to series of questions with scale of Strongly Agree (SA) =5, Agree (A) =4, Neutral (N) =3, Disagree (D) =2 and Strongly Disagree (SD) =1. The line mean and SD of each opinion was compared with the respective composite scores for both interpretation and conclusion purposes. The response was as per Table 3

Table 3: Descriptive Analysis of Customer Retention Strategies-Sub-Variables

Customer Retention Strategy Statement	n.		SA	A	N	D	SD	Mn	Std. Dev
The bank has been efficient in its operations, creating customer satisfaction	71	Frq. %	35.2	62.0	2.8	0.00	0.00	1.68	.528
The bank has developed new products over the past five years	71	Frq. %	26.8	60.6	12.7	0.00	0.00	1.86	.616
The bank has put customer dissatisfaction arising from increased prices under control	71	Frq. %	9.9	31.0	59.2	0.00	0.00	2.49	.673
The bank has diversified its products and services in the recent years enabling it to retain customers	71	Frq. %	15.5	52.1	31.0	1.4	0.00	2.18	.703
Composite Mean & Standard Deviation (SD) Score								2.05	.630

On matters of bank efficiency in its operations leading to creation of customer satisfaction, the study established that 97.2% of the respondents who participated in this study agreed that such efficiency was having an influence to customer satisfaction. Whereas, no body directly disagreed with this concept. But, 2.8% respondents were not sure that this aspect could be the cause of customer satisfaction. The corresponding line mean or average as per Table 3 was 1.68 which was below the composite one of 2.05 with SD of .528. This portrays that bank efficient operations contributed towards customer satisfaction in commercial banks in Machakos although it was not statistically significant.

Another focus of this study was on the aspect of banks' new products they have developed over the past five years. Descriptive analysis results showed that 87.4% out of the 100% respondents conducted in this study agreed that the aforementioned sub-variable contributed to customer satisfaction. Other 12.7% did not support that suggestion for they were undecided. As per Table 3, the corresponding line mean was 1.86 which was lower than the composite one (i.e., 2.05) with SD of .616. It was therefore evident that customers were satisfied by banks' new products they have developed over the past five years although it was not statistically significant. Further descriptive analysis was carried out to assess the association between banks' strategy of putting customer dissatisfaction arising from increased prices under control and their satisfaction. It was revealed that 40.9% of respondents agreed. 59.2% were in a dilemma on whether this aspect contributed towards customer satisfaction. According to Table 3, the line mean was 2.49 which was greater than the composite mean of 2.05 with a corresponding SD of .673. This implies that banks' strategy of putting customer dissatisfaction arising from increased prices under control had statistically significant association with customer satisfaction.

Finally, the study sought to find out whether banks' diversification of its products and services in the recent years enabled them to retain customers. The descriptive analysis results depicted that 67.6% of the respondents agreed that the aforesaid facet caused customer satisfaction while 31% did not take any

side of the opinions. Nevertheless 1.4% of the total respondents disagreed on this aspect as to whether it contributed towards customer satisfaction. According to Table 3, the line mean was 2.18 which was greater than composite score of 2.05 with SD of .703. This displays that the sub-variable in question caused customer satisfaction in a significant extent.

Inferential Statistics

Correlational Statistics

The study variables were subjected to Pearson correlation analysis and the outcome was as depicted in Table 5

Table 5: Results for Correlation Analysis of the Study Variables

		CS	CRS
CS	Pearson Correlation	1.000	.691**
	Sig. (2-tailed)		.000
CRS	Pearson Correlation		1.000
	Sig. (2-tailed)		

Table 5 is the correlation matrix for the two variables using Pearson Product Moment correlation coefficient. According to Sekaran (1992), the Pearson's correlation is appropriate where interval or ratio scales are utilized to measure variables. The coefficient values resulting from this analysis range between -1.00 and +1.00 and represented by r connotation. If the value (r) is +1.00 or near that coefficient, then the relationship between the two variables is assumed to be positively perfect and strongly correlated accordingly. If the value (r) is -1.00 or near that coefficient, then the association between the two variables is assumed to be negatively perfect and strong correlated. If the value (r) is 0.00 it implies that there is no correlation.

However, for the sake of the current study interpretations, Cohen (1988) assumptions were adopted who construed that if the association values ranged between .10 to .29, it was termed as a dismal or weak coefficient. If the coefficient was ranging between .30 to .49, it was classified as a moderate or average relationship and lastly, if correlation between was between .50 up to 1.00 it was assumed to be strong. This study adopted this ranges for interpretation purposes and reported the correlation outcomes based on 0.05 and 0.01 significant levels in that order (Magutu (2013) and Kidombo (2007). This study established correlation matrices to sum up the link that existed between the dependent variable that is customer satisfaction and independent variable customer retention strategies.

The association between customer satisfaction and Customer Retention Strategies (CRS) was statistically significant and positive for a unit change in CSR resulted to .691 unit change in customer satisfaction with ($p < .01$ and $r = .691$).

Regression Analysis

Model Summary

The study sought to establish the extent to which all the four independent variables predicted the dependent variable. The Model summary tool was used to portray the findings as indicated by Table 6

Table 6: Results of the Model Summary

Model	Model Summary			
	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817 ^a	.668	.648	.30564

a. Predictors: (Constant), Customer Retention Strategies

As per Table 6 above the multiple regression models produced adjusted R² of .648. The results implies that Customer Retention Strategies wholly explained 64.8% of the variations in customer satisfaction. Whereas the 35.25% variations in customer satisfaction was explained by other factors not incorporated in this model.

ANOVA

An ANOVA test was performed on the study variables, namely the service quality affiliated variable and customer satisfaction and the results obtained are presented in Table 7

Table 7: Results of ANOVA

Model	ANOVA ^a					
		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.419	4	3.105	33.236	.000 ^b
	Residual	6.166	66	.093		
	Total	18.585	70			

a. Dependent Variable: Customer Satisfaction
 b. Predictors: (Constant), a. Customer Retention Strategies

Table 7 shows that the F statistic of model 1 on the extent to which Customer Retention Strategies influence customer satisfaction for commercial banks in Machakos town. was 33.236(p=.000). This portrayed that the influence of Customer Retention Strategies on customer satisfaction was statistically significant at 95% confidence level for (p<.05). Hence this model was suitable to estimate customer satisfaction amongst the five commercial banks in Machakos town. Also, the model was subjected to other goodness of best fit tests of coefficient of determination and test of the slope (β). The two tests were explained as follows;

Coefficients Model

The study further sought to establish the level of statistical significance to which each of the four independent variables predicted the dependent variable using the slope (β) goodness of best fit test. The research findings were represented as indicated by Table 8

Table 8: Results of Coefficient Analysis

Model	Coefficients ^a					
		Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta		
1	(Constant)	.029	.194		.150	.881
	CRS	.392	.096	.384	4.068	.000

a. Dependent Variable: Customer Satisfaction

From Table 8, bank retention strategies had statistically significant influence on customer satisfaction with a one unit change leading to .384($p=.000$) change in customer satisfaction. Similarly, Thenya (2016) who sought to establish the relationship between customer retention strategies and performance of Barclays (now ABSA) Bank of Kenya. The findings were that investment in customer retention strategies activities promotes goodwill to the bank and as well improve on the relationship between the customers and the employee to the bank. Also, in another study of Tinashe and Chapoto (2016) which sought to determine the effectiveness of customer retention strategies on performance of commercial banks in Zimbabwe it was revealed that customer retention strategies have a positive impact on customer loyalty and satisfaction. Also, Ouma et al., (2013) evaluated customers' retention strategies on customer satisfaction in the banking sector in Kenya a case of Equity bank Thika branch, Kenya. It was depicted that the bank's unique services to her customers are important factors for customer retention. The relationship between the quality service components generally portrayed that the bank management efforts of this nature translate to customer satisfaction which boosted performance. The research question on whether bank customer retention strategies influenced customer satisfaction in commercial banks in Machakos Town was answered as backed by the past studies. Therefore, from these past studies which portrayed similar research findings implies that the current study outcome was as per the expectations of the link between quality services and customer satisfaction amongst banks in any market.

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

Discussion

The simple regression analysis which was performed showed that customer retention strategies had significant influence on customer satisfaction with a one-unit change resulting to .384($p=.000$) change in customer. The research findings portrayed that the customer retention strategies used by the banks such as control of prices on bank products decreased dissatisfaction amongst the customers of the commercial banks. Further, the banks had diversified their products and services in the recent years which made it possible to retain customers. As a result of this strategy, the banks were able to increase the satisfaction levels of their customers.

Conclusions

Based on the findings, customer retention strategies significantly influenced customer satisfaction in commercial banks in Machakos town. This was because the banks had put customer dissatisfaction arising from increased prices under control. This being an act of showing individual concern to the customers pulled the customers to be loyal to a particular bank for they felt appreciated. Also, banks act of diversified their products and services in the recent years went well with the customers hence respective banks were able to retain their customers. Past studies also portrayed the same concept of significance link between customer retention strategies and customer satisfaction.

Recommendations

This study recommended that management need to improve on efficiency in its operations regarding the customers and develop their products fully so as to satisfy their customers and control their product prices as well to be sure of customer retention. In addition, the bank should mitigate the risk of customer loss by ensuring that policies are put in place maintain product diversification.

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