MARKETING MIX AND CUSTOMER LOYALTY IN COMMERCIAL BANKS IN KERICHO COUNTY, KENYA

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JUNE, 2019
DECLARATION

This research project is my authentic work and not has been presented for consideration of any award in any other institution.

Signature………………………………. Date………………………………

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D53/KER/PT/30872/2015

I confirm that the work reported in this research project was carried out by the candidate with my approval as the university supervisor.

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DEDICATION

I dedicate this work to my father Henry Tum and Mother Hellen Tum for encouraging comments during formulation of this proposal. Their support and encouragement inspired me to move forward.
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I wish to appreciate my father Henry Tum and mother Hellen Tum who contributed in one way or another to the compilation of this project. I knowledge my supervisor, Dr. Kipkorir Sitienei Chris Simon who despite his stringent timelines has been willing to give direction regarding development of the project.
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ABBREVIATIONS AND ACRONYMS

KCB  Kenya Commercial Bank

TRA  Theory of Reasoned Action

SACCOs  Savings and Credit Co-operative Society

SPSS  Statistical Package for Social Sciences

CBK  Central Bank of Kenya.
OPERATIONAL DEFINITION OF TERMS

Commercial bank
This is a money related establishment whose exercises are directed by central bank of Kenya (CBK) and incorporate offering current, deposits and saving accounts and also giving out credits to organizations, people and associations.

Customer Loyalty
Is the level at which customer’s needs are met in-terms of product and services. This is evident by customer satisfaction, customer retention and customer survey.

Marketing Mix
Is the way an organization informs its customers on product, price, promotion and place.

Place Strategy
It’s part of market mix strategies that enable the customer to source the product at convenient location.

Price Strategy
It’s a strategy of market mix that is informed by different pricing of production so as to target specific customers.

Product Strategy
In market mix product strategy is about availing to client the right kind of service or goods needed.
Promotion Strategy

It is a market mix strategy that enable the information of the product to reach all consumers through advertisement and publicity.
ABSTRACT

Banking sector have had high competition in Kenya due to large number of commercial banks and rising increase of Micro Finance Institution as well as Saving and Credit Cooperative Societies. Customer loyalty is inevitable and each bank straggles to outdo each other in getting the greatest customer numbers leading to them investing in different marketing strategies. The study sought to investigate the effect of marketing mix on customer loyalty in commercial banks in Kericho County, Kenya. The specific objectives of the study included the following: to investigate the effect of Products on customer loyalty in commercial banks in Kericho County; to establish the effect of pricing on customer loyalty in commercial banks in Kericho County; to examine the role of promotion on customer loyalty in commercial banks in Kericho County; to analyze the influence of place on customer loyalty in commercial banks in Kericho County. This study would be useful to commercial banks in policy making, improving of service to customer and developing strategies for improvement of performance. Government would utilize it for fiscal policies. It would be also important to academicians for future research in the area of marketing. The study was guided by three theories: Social Exchange Theory, the theory of Reasoned Action and Consumer power theory. The study adopted a descriptive survey design. The target population of the study includes all the customers of the 6 commercial banks in Kericho County, namely: Kenya Commercial Bank, Equity, Standard Chartered, Barclays, Co-operative, and Family Bank Kenya (County Government of Kericho, 2016). The researcher used the multi-stage sampling technique to select 148 respondents. Validity was determined by peers, supervisor and through pilot study. Reliability were obtained from pilot data where the Cronbach alpha was found to be 0.791 which was above threshold of 0.7. The collected data was analyzed using descriptive statistics with the help of the Statistical Package for Social Sciences. Regression was also used in data analysis. The scope of the study was commercial banks in Kericho County, Kenya. The study covered all commercial banks in Kericho where numerous research has been conducted marketing strategies and not market mix on customer loyalty. Research on product mix concentrated on hotel and tourism creating a knowledge gap. The finding indicated that product mix positively influence to customer loyalty through branding, labeling of logo and picture of products and product packaging through pay bill and flexible accounts. It was also found out that pricing on products was important in customer loyalty and retention. Promotion was not significant since radio advertisement did not affect customer loyalty. Place had significantly affected customer loyalty and based on mobile banking and access to branches. The study concluded that marketing strategies was important in customer loyalty, retention, survey and loyalty in commercial banks. It recommended product, price and place strategies should be used often to improve on customer loyalty.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Banks are struggling very hard to aggressively offer quality situated administrations as per clients’ desires. They have tried various in important ways of saving on costs in operations, benefit quality, employee fulfillment, consumer loyalty, financing products, proficiency, budgetary execution are being considered by numerous analysts to better comprehend and serve the group at large (Arokiassamy, 2013). Marketing is the immediate manner by which an association tries to reach its customers. This is performed through the four components of the marketing blend. With the developing significance of the budgetary part, weights are heightening for more successful marketing administration of the money related administrations. Powerful marketing ways are the way to bleeding edge deals execution. Budgetary organizations regularly utilize an assortment of offers instruments and procedures to accomplish their business objectives. Among the accepted procedures of those with exceedingly fruitful deals programs is having the marketing systems gave to administration and bleeding edge staff at all branches that depicts tools and forms in detail, guaranteeing that everybody associated with sales, regardless of how remotely, works on an organized basis (Alvaddary, 2007).

1.1.1 Customer Loyalty

Consumer loyalty has turned into an essential measure of firm execution and subsequently a vital area of interest for the bookkeeping and fund look into writing. Institutional hypothesis and partner hypothesis have alluded to the differing dimensions of the customers as a financial being as well as persons from a family, group and nation. Current research on basic accounting calls for utilizations of loyalty of consumer and dependability as supporting non-financial measures of the execution of the firm, so great corporate administration will be the result (Smith & Wright, 2004). To satisfy customers in itself is common for various reasons. For example, it has been exhibited that baffled customers tend to whimper to the establishment or search for audit from them when they have experienced poor organization and need certain issues tended to (Oliver, 2009). A disappointed client can in this way turn into a saboteur, deterring other potential clients from a specific specialist co-op. The
estimation of consumer loyalty in benefit ventures, contrasted with assembling enterprises, requires extraordinary thought because of challenges of finding exact estimation parameters. Of all the administration businesses, the keeping money and monetary area has a prevailing position and an exchange of consumer loyalty based execution estimations in the budgetary part requires exceptional consideration.

Oliver (2010) clarified that consumer loyalty involves the full gathering of client desires of specific items and administrations. On the off chance that the apparent execution coordinates or even surpasses clients' desires of administration, at that point they will be fulfilled. In the event that it doesn't, at that point they are disappointed. Beforehand, various researchers have utilized administration quality as a measure of consumer loyalty especially with regards to benefit writing. Current managing an account has been impacted by globalization. Components such as Basic, mechanical and administrative are very important in managing domain of an account in an extreme world full of aggressive weights. Consumer loyalty has come to be viewed as a key business technique of each association and a benchmark against which many banks have set their principles. According to Adongo (2005), keeping up existing clients for associations is perpetually vital than the capacity to catch new ones. Clients are basic for any association's prosperity. Without clients, associations would have no assets, no benefits and in this way no market specialties that can empower them contend in the worldwide field. The worldwide business condition is continually evolving. Beforehand, organizations’ concentrate was on benefits and survival. This has since changed. Keeping in mind the end goal to get by in a dynamic situation, associations including banks require methodologies to concentrate on their clients and to manage the rising patterns and difficulties (Pearson & Robinson, 2016).

Under unpredictable business and economic situations client administration can be the basic contrast between an association's prosperity and disappointment. Clients are progressively cautious about buys, the cash they spend and what they need (Griffins, 2002). Clients expect quality administration and will pay for it. High fulfillment makes a passionate connection to a brand, not only a sane inclination and results in high client devotion (Kotler, Armstrong, and Cunningham., 2002). The Kenyan keeping money industry has experienced tremendous changes instigated by administrative and focused powers. This has definitely caused the Kenyan retail banks to create procedures went for expanding consumer loyalty and devotion through
enhanced administration quality. In this evolving condition, associations working in Kenya need to always adjust to these progressions by initiating inner changes to mirror the new rising substances. Aosa (2000) indicated that inability to adjust to the business flow may put the future accomplishment of numerous associations in peril.

OECD (2003) alluded that banks rely upon consumer loyalty and reliability for long term success. The capacity of commercial banks to offer clients access to a few markets for various classes of money related instruments has turned into a significant aggressive methodology. Meeting in the saving money industry to provide food for the changing statistic desires of the client has turned out to be more clear. Clients are fulfilled when their desires are met and pleased when their desires are surpassed. Banks need to comprehend the requirements of clients with a specific end goal to fulfill them; accomplish and keep up high consumer loyalty levels.

As the negative impacts of the 2008 worldwide monetary emergency keep on waning, in Kenya managing an account is set to encounter development in the industry. With the expanded rivalry, commercial banks have been hit by the bear truth for the importance of giving quality products and services to benefit its clients and keep its market share. A portion of the measures seen have been the presentation of client benefit work areas, posting of client benefit officers in each saving money corridor and an establishment of recommendation boxes. At present, no investigation has been attempted to quantify if these techniques have converted into more fulfilled clients than some time recently.

Consumer loyalty is an idea that requirements appropriate thought if a business is to get by in a focused domain. In the saving money segment, many banks have created different procedures, for example, the improvement of products or administrations which seem to go for enhancing consumer loyalty. In any case, the customers’ contributions to impact enhanced consumer loyalty are not generally considered. It is basic to distinguish and get adequate data and information about clients with a specific end goal to fulfill them (Bruce & Langdon, 2002; Islam & Ahmed, 2005). Consumer loyalty is a basic factor in client maintenance.

Customer retention is the ability to maintain customer. These can be achieved using different strategies including product positioning, branding, customer service and customer experience. There variant strategies that can maintain customers and thus
market mix is been examined in this research as one the strategies. This creates customer loyalty within an organization.

Customer survey is one of the indicators that can be used to measure customer loyalty. This provides opinions and views of the customer on the products in the organization. It has been extensively in testing new products, development of new products and improvement of existing products.

1.1.2 Marketing mix

Marketing mix is an arrangement of controllable strategic marketing apparatuses which the organization use to make the response it needs in the objective market. This arrangement of devices is usually alluded to as the 4P's: item, value, advancement and place (Kotler & Armstrong, 2008) According to McCarthy (2007), "Marketing mix is a pack of four arrangements of factors, to be specific item factor, value factor, promotion factor, and place factor". The marketing mix encourages organizations in impacting the interest for its item. Most banks offer comparable items; thusly it is of much significance for them to separate themselves from contender's exercises with a specific end goal to have the capacity to keep up their offer in the market. Saving money part for the most part utilizes marketing for their advantage. By carefully composing the components out of the marketing mix, a bank can speak with customers and fabricate solid ties with them (Rullis & Sloka, 2010).

Changes in marketing mix is of incredible importance amid money related emergency (Köksal & Ö zgül, 2007). Marketing is mostly entering action in administration, this is on the grounds that marketing is an apparatus that is swung to clients and their needs (on the same page). Thus, it's insufficient to pull in the clients once; the association should develop an association with the clients this is proficient in influencing them to return to the organization even in circumstances where the market and their needs change. Associations for the most part utilize marketing as a key to adore a descending pattern during emergency (Jobber & Fahy, 2009).

Choices about the 4 P's rely upon changes in the association's condition. The association should accept favorable circumstances of open doors and limit the potential dangers. With a specific end goal to limit dangers, it is imperative that the association is perceptive to changes that can show up in the hierarchical condition (in
the same place). The association ought to pull back from those business sectors in which they are not sufficiently solid to perform with benefit and concentrate their assets on those business sectors they are solid (Jobber & Fahy, 2009)

1.1.3 Commercial banks in Kenya
The Kenyan banks are experiencing severe challenges as competition intensifies both from traditional competitors and new forms of competition from outside the sector. These institutions include building societies now converted to offer banking services, micro lending institutions who offer instant loans, Sacco’s with front office services. All these institutions have all joined into offer services that were originally offered by banks. Communication companies too have joined the queue with money transfer services like the M-pesa for Safaricom, Airtel Money for Airtel and Orange money for Telkom. Much of it has to do with liberalization of the economy that allows even non-financial institutions to conduct business previously a preserve for banks only (CBK, 2013).

Recently we have seen banks selling loans in the open market or better known as "hawking" to the previously “untouchable groups" of the 1990s when the banks abandoned them for bigger, better, corporate clientele. The reality has bitten hard on the banks that their clients are now more enlightened and they will simply not swallow their marketing gimmicks considering that some of them lost their properties in the 1990s when the interest rates shot to the skies (Daily Nation, 15th July 2007). Extraordinary competition has brought about the next to zero separation among their items inferable from item impersonation. In this manner no bank can guarantee a substantive edge over the other. To stay focused, saving money specialist co-ops are utilizing data innovation to diminish costs and make esteem based administrations for their clients. A few cases of IT-based administrations improvement incorporate electronic saving money frameworks, utilization of ATM machines for stores and withdrawals, Internet managing an account administration among others. These administrations are relied upon to help specialist co-ops enhance the nature of administration, money related execution, consumer loyalty and efficiency. These innovative progressions have prompted expanded interest for nontraditional administrations including the computerization of a substantial number of administrations and move towards an accentuation on the client as opposed to the item. It has likewise prompted client mindfulness and Hence the interest for
individualized merchandise. This has made a need to create and support commendable associations with clients in order to stay informed concerning their changing needs and behavior (Oduor & Oinas-Kukkonen, 2018).

Kenya has a relatively sophisticated banking sector. CBK has licensed 43 commercial banks with more than 1,056 fully operating branch offices. The banking sector has registered steady growth in total assets and liabilities over the years. The bank assets have continued to increase over the years closing at Kshs 2.3 trillion in 2012. The average growth rate in the sector has also been enormous (Meidan, 2008).

Commercial banks have now grasped the idea of advertising in Kenya. It has entered the new thousand years in an inexorably focused and divided commercial center, comprising of fiscally educated buyers and direct minimal effort rivalry from perceived high road mark names. It has enhanced their aggressiveness as it has expanded client connection with banks through remote mechanical channels through technological advancement the suggestions for bank-client connections are critical. However, the dawn of marketing has brought with it a myriad of challenges. Today's customer is more informed and their expectations are ever changing. Commercial banks are therefore spending a lot of funds in researching order to keep themselves abreast with the changing needs. Banks are also incurring huge costs in marketing hoping to keep the loyal customers to themselves in the face of stiff competition and uniformity of products. Banks are also increasingly facing a lot of competition from within the sector and outside the industry from institutions offering similar services. Customers are therefore increasing having many options to choose from and therefore meeting their expectations becomes an uphill task.

1.2 Statement of the Problem

Commercial banks in Kenya have gone through high competition and hence need to come with strategies that would enable them remain relevant in the market. High competition with economic forces and other bottle neck customer loyalty is required to ensure customers are satisfied and retained in the banks. Banking institutions that have an objective to stay competitive in the commercial center, need to fabricate and improve consumer loyalty in view of advantages that are gathered including productivity, business referral and attention, client share and competitive situating. Given that it is progressively getting to be plainly hard to accomplish consumer
loyalty and dependability in a competitive situation; scientists have endeavored to create models to explore consumer loyalty in an assortment of settings. In investigating these models, it has been built up that showcasing blend, consumer loyalty, saw esteem, trust and responsibility are the most basic factors in making and keeping up client loyalty (Liang & Wang, 2005). There exist theoretical gaps since social exchange theory does not explain about product, pricing, promotion and place but explain the concept of customer loyalty. Theory of reasoned action explain the concept of adopting strategies as solution to problem but does not link each marketing product, pricing, promotion and place strategies to customer loyalty. While customer power explains customer ability to make choices and is delinked from the marketing mix. Cronin & Brady (2009) points out that when advertising and fulfillment are researched independently as the causers of outcomes which are dependable on behaviors, all of which they continuously have an important statistical influence on loyalty of customers. Chakravarty & McEvily (2003) in his study on relationship and individual bank switching behavior in South Africa, found that there is a meaningful negative relation among marketing mix dimensions, responsiveness, empathy and reliability, with customer tendency to be satisfied.

On customers’ loyalty behavior in banks in Kenya, Waithaka, Gakure, & Wanjau (2012) documented that service quality and customer satisfaction in the Public health sector in Kenya is determined by; low technology adoption, ineffective communication channels, insufficient funds and low employees’ capacity (Musyoka, 2013) in his study of service quality and satisfaction among Kenyan Library users found that libraries that offered better customer services were more preferred by library users compared to libraries that offered poor customer service. This research did not focus on the commercial banks in Kenya and was based on service delivery. Mburu (2013) did a study about the determinants of customer satisfaction in the Kenyan banking industry and documented that customer satisfaction is determined by factors such as pricing, quality of service, value and relationship with the service provider’s staff. The empirical gaps in dictate most research concentrate on satisfaction rather loyalty. Most of the research has been done in different market segment and some does not focus on market mix strategies.

Despite the recognition that marketing mix is important determinant of customer loyalty, critical research gaps remain regarding its effect on customer loyalty in
commercial banking. As indicated, customer loyalty impacts on profitability which is hardly affordable in a very competitive financial services industry. However, little research has been done in Kenya to set up how marketing mix influence customer loyalty in Kenyan commercial banks. The study seeks to find out the influence of marketing mix on customer loyalty in the Kenyan commercial banks specifically in Kericho County.

1.3 Research Objective

The research objective will cover the general as well as specific objectives.

1.3.1 General Objective

The general objective of the study is to investigate the effect of marketing mix on customer loyalty in commercial banks in Kericho County, Kenya.

1.3.2 Specific Objectives

The study was guided by the following objectives:

i. To investigate the effect of Products on customer loyalty in commercial banks in Kericho County

ii. To establish the effect of pricing on customer loyalty in commercial banks in Kericho County

iii. To examine the role of promotion on customer loyalty in commercial banks in Kericho County

iv. To analyze the influence of place on customer loyalty in commercial banks in Kericho County

1.4 Research Questions

The study was guided by the following questions:

H₀₁: There is no significant effect of product on customer loyalty.

H₀₂: There is no significant effect of pricing on customer loyalty.

H₀₃: There is no significant effect of promotion on customer loyalty.

H₀₄: There is no significant influence of place on customer loyalty.

1.5 Significance of the Study

Commercial banks will benefit by measuring the loyalty level of customers, commercial banks can develop customer-centric service approaches to deal with
customers in order to avoid the tendency of existing customers switching to a competing bank. Policy makers in the field of operations management may use the findings of this study to come up with universally applicable strategies that can make internal service quality management aligned with the operations strategy of organizations and hence deliver the expectations of stakeholders and facilitate the attainment of strategic ambitions of both private and public organizations.

The study findings would be used by the government in formulating a positive impacting fiscal policies which are important to the Kenyan economy in general and the banking sector performance and growth in Kenya. The study benefits the government and especially the Ministry of Finance for making policy decisions whose overall objectives are to reduce bottlenecks in distribution of banking services and at the same time accelerate the rate of growth in the banking industry sector and take advantage of the improved economy thus more lending to individuals and institutions.

The study findings would be of use to the scholars and future researchers in that it would contribute to their body of knowledge in doing their marketing researches and help researcher in areas that few researches have been concentrated. It assists the management of commercial banks to evaluate how effective they have been in adopting appropriate distribution channel strategies of their services and products. This may empower them distinguish gaps in their systems which may upgrade their vital reaction subsequently move to adequately deal with the current methodologies which would enhance their financial performance.

1.5 Scope of the Study

The study covered all commercial banks in Kericho County and not microfinance and savings and credit cooperative societies (SACCOS). There are eight commercial banks under spread all over Kericho and formed the target of the study. The findings obtained was used to represent the level of customer loyalty in all the commercial banks in Kenya. The target respondents from the population of interest was the bank customers. The study was undertaken in 2018. The study focused on the impact of marketing mix elements on customer loyalty only and not customer value, proposition and demographic characteristics. The study used descriptive research design and only covered six selected banks with in Kericho County. It also concerned information of marketing mix and customer loyalty.
1.6 Limitations of the Study

In the course of the research study, the following were anticipated challenges. The availability of customer information in the research was quite limited. This was overcome through engaging research assistants in data field activities. The key target population was top management of the banks who are very busy people and therefore hard to get. This was overcome through booking appointments and being patient to get the best from the population. Respondents had fear in responding due to confidentiality. To counter this limitation, the researcher assured the respondents that the study was for academic purposes only and data obtained would be confidential.

1.7 Organization of the Study

Chapter one presents the background to the study, state the problem that warrants study. The chapter also covers the objectives, research questions, significance of the study as well as limitation of the study. Finally, the chapter presents literature review which attempts to provide a comprehensive overview of what has been done by previous researchers regarding cybercrime. Chapter two reviews the exiting literature on concept of product mix strategy and market performance; review the theoretical orientation of the subject under the study, empirical literature, summary of the chapter and the conceptual framework. Chapter three further explores the research methodology to be adopted specifically the research design, target population, data collection instruments, validity and reliability as well as the data analysis methods to be employed. Chapter four contains findings and chapter five provides summaries, conclusions and recommendations.
CHAPTER TWO
LITERATURE REVIEW

2.1 Theoretical Literature review

A theory is an arrangement of interrelated develops, definitions and recommendations introducing a precise perspective of wonders by indicating relations among factors, with the motivation behind clarifying and foreseeing the marvels (Kerlinger, 2002). The study examines various applicable theories and attempts to clarify why clients react distinctively to different jolts (with the end goal of the examination, promoting factors consumer loyalty in Kenyan business banks) in this manner influencing their levels of fulfillment and affecting on the consumer loyalty thus dedication to that specific bank.

2.1.1 Social Exchange Theory

The Social Exchange Framework was formally advanced in the late 1950s and mid 1960s by the sociologists George Homans in 1961 and Peter Blau in 1964 and crafted by social therapists John Thibaut and Harold Kelley in 1959. The hypothetical model received for this examination was gotten from the Social Exchange Theory (Homans, 1958), which places that every human relationship are framed by the utilization of money saving advantage investigation and correlations of choices. The Social trade hypothesis endeavors to clarify the idea of the connections between different components of showcasing blend and consumer loyalty. The hypothesis demonstrates that people kept up connections in view of the desire that to do as such compensated.

People fully forfeited their self-benefits and contribute these advantages to different people with the desire for more future additions. Thibaut and Kelly suggest that whether an individual holds an association with another relies upon the examination between the present relationship, past experience and potential choices. The steady examination of social and monetary results between a progression of collaborations with current accomplices and accessible choices decides the level of a person’s responsibility regarding the present relationship.

The hypothesis is suitable for this examination since benefit gotten will be experienced socially in trades in relations to specialist organization and client being a vital part of fulfillment and presenting a strong encourager to continuing with a relationship (Barnes, 2007). Social trade hypothesis endeavors to represent the
advancement, development and even disintegration of social and in addition business connections. Commercial banks tend to use marketing mix to enhance customer loyalty and create long term business relationship. According to the theory customer loyalty is more of social exchange which enable the customer to be related with specific products. It has weak linked to product mix but the social characteristics of product, place, promotion and prices can well establish the loyalty concept.

2.1.2 Theory of Reasoned Action

The theory of Reasoned Action was created by Martin Fishbein and Icek Ajzen in 1975 as a changeover Information Integration theory. There are two essential changes. To begin with, Reasoned Actions includes another component during the time spent influence, behavioral expectation. The Theory of Reasoned Action (TRA) began as a theory of states of mind, which prompted the investigation of mentality and conduct. The theory was, "produced to a great extent out of disloyalty with conventional disposition conduct investigate, a lot of which discovered frail relationships between mentality measures and execution of volitional practices". The parts of TRA are three general builds: Behavioral Intention (BI), Attitude (An) and Subjective Norm (SN). The theory proposes that a man's Behavioral Intention relies upon the individual's Attitude about the Behavior and Subjective Norms (BI = A + SN). On the off chance that a man expects to carry on in a specific way, it is likely that the individual will act in that way.

Moreover, a man's expectations are themselves guided by two factors: the individual's state of mind towards the conduct and the subjective standard. Behavioral Intention measures a man's relative quality of goal to perform conduct. State of mind comprises of convictions about the results of playing out the conduct increased by the individual's assessment of the outcomes. Subjective Norm is viewed as a mix of apparent desires from important people or gatherings alongside goals to conform to these desires. At the end of the day, "the individual's observation that a great many people who are vital to him/her think he/she ought to or ought not play out the conduct being referred to" (Feciková, 2004). A man's volitional (deliberate) conduct is anticipated by the state of mind towards that conduct and how the individual contemplates how other individuals would see them on the off chance that they played
out the conduct. A man's disposition joined with subjective standards frame their real behavioral goals.

The idea of consumer loyalty can be clarified by the Theory of Reasoned Action (TRA) which is worried about the determinants of deliberately planned conduct. Since 1967 TRA has been produced, tried and utilized broadly. It has been an achievement in foreseeing and clarifying conduct over a wide assortment of areas. The TRA depends on the suspicion that customers carry on normally and that they gather and assess methodically the greater part of the accessible data. Moreover, TRA expect that individuals additionally consider the impacts of their conceivable actions and in view of this thinking settle on a choice regardless of whether to make a move.

Clients would utilize saving money items in the event that they have an inclination that some positive advantages (results) would gather from such utilize. The Theory of Reasoned Action or Behavioral Intentions is another broadly acknowledged and all around created hope esteem theory. Conduct is a consequence of goals. Aims, thusly, are elements of one's states of mind to the conduct being referred to and one's subjective standards. Mentalities result from one's convictions (desires) that conduct will prompt a specific result (its subjective likelihood) and one's assessment of that result (its subjective utility). The subjective standards are a blend of a man's convictions of how noteworthy others feel about the regularizing fittingness of the expected conduct and the person's choice with regards to the estimation of those anticipated standards. The theory reason action explains the influence the choice of the commercial based on place, prices, promotion or even product. The theory explains the need for banks so provide the right market mix that would enable customer make choices in that way they become loyal to the commercial bank.

2.1.3 Consumer Power Theory

The theory was developed by Davies in 2002 who asserted that consumers make a particular interest for an item and drive its prosperity by embracing and utilizing it. The potential risk of client stir could apply some weight on the bank to plan an answer that satisfies consumers’ needs and fulfills them. In any case, customers don't really affect the suppliers at a beginning time of improvement. This is obvious from bank items that were acquainted with the market without a communicated request by the customers.
For example, check cards were conveyed to the market to confine the quantity of clients going to bank employees to pull back money. This was for the most part done to enhance business forms and lessen the cost of banks. Some examination has been done on the selection elements of purchasers. This examination will be generally in light of the Technology Acceptance Model (TAM) with extra builds adjusted to contemplate e-installment components, for example, security, cost, confidence in, portability, expressiveness and comfort, speed of transactions, encouraging condition, and appeal of protection framework, quality and innovation tension.

Buyer assurance is a customary worry of arrangement producers and most budgetary controllers. In developing nations, the authorization of buyer security measures is frequently ineffectual or lacking. Be that as it may, in social orders with low budgetary education or substantial quantities of first time clients, the powerlessness to manhandle is higher. In new markets, client appropriation relies upon developing trust. The experience of shoppers on account of a couple of foolhardy suppliers may make them doubt every comparable offering in the market. Suppliers of administration may hence appreciate positive externalities from making suitable levels of purchaser security which help make put stock in, prompting more fast selection. Be that as it may, there may likewise be negative externalities from improper assurance. When clients know they are secured and are sheltered, they receive more items in their journey to improve their level of loyalty.

2.2 Empirical Review

The 4 P's in an association's promoting blend speaks distinctive parts in the alliance that must be constantly watched out for to sort out the client needs and the general market circumstance (Išoraitė, 2016). Choices about the 4 P's rely on changes in the association's condition. The association should accept focal points of open doors and limit the potential dangers (Išoraitė, ibid). So as to limit dangers, it is critical that the association is perceptive to changes that can show up in the hierarchical condition (on the same page). The association ought to pull back from those business sectors in which they are not sufficiently solid to perform with benefit and concentrate their assets on those business sectors they are solid.

Hassan (2008) did a study on Islamic marketing strategies and its impact on customer loyalty in the Islamic banking industry. He found out pricing influences customer
loyalty in banking industry. Ballantyne, Christopher, & Payne (2001) did a study on the relationship Marketing - bringing quality, customer service and marketing together. The findings revealed that quality enhances customer loyalty. He proposed that marketers should aim on quality products. Hollensen (2003) investigated the impact of competitive product management on customer retention in manufacturing industries in India. These attributes include physical/tangible attributes of the product in question. Yavas, Benkenstein, & Stuhldreier, (2004) did a research of private retail banks in the former East Germany explained tangibles (the physical appearance of facilities and personnel), responsiveness (timeliness of service) and empathy. Most investigations demonstrate a strong connection between the gathering of measurements and consumer loyalty, nonetheless, a typical gathering of the ten administration quality measurements that focuses to a general observation as most critical to customers’ fulfillment isn't noticeable.

Anderson, Fornell, & Lehmann (1994) examined Customer fulfillment, market offer, and benefit in Swedish keeping money industry. The discoveries demonstrated that there was connection between pricing and customer loyalty in banks and customers tends to opt for products and services that fetch low prices. Consuegra, Molina, & Esteban, (2007) studied an integrated model of price, loyalty and loyalty: An empirical analysis in the service sector. He found out that Product & Brand Management influences customer loyalty. The findings also revealed that quality of products dictates how often the customer will make a purchase. Sarker, Aimin, & Begum, (2012) investigated the Impact of Marketing Mix Elements on Tourists sector: An Empirical Study on East Lake. The findings confirmed that there was a relationship between promotional strategies and customer loyalty in tourism industry. Addmour & Ayish, (2006) investigated the influence of marketing service mixed for five star hotels in Jordan on the image that is perceived by tourist. The findings revealed there was close relationship between marketing mix and perceived image.

Zimmerman (2000) in did a study on influence of Marketing on Profitability of insurance companies. They find out that their positive relationship between Marketing and Profitability. The findings indicated that placement of insurance policy affect profitability. Saibaba, Prakash, & Kalyani, (2002) study the perception and attitude of women towards marketing of bank services. The study revealed that placing women
strategically influences perceived customer loyalty in banks. Reddy, (2005) in this article contemplates the client recognition towards the utilization of ATMs in Banking industry. This examination is restricted to Bangalore city as it were. The outcomes are that; greater part of respondents feel that utilization of ATM are up to their desires. Palich, Cardinal, & Miller, (2000) did Studies of firm broadening propose that solid marketing joins, for example, conveyance of normal brands, among the diverse fragments in which a firm works, may convey economies of degree benefits in the company's consumptions to make and keep up its image portfolio.

2.2.1 Product and customer loyalty

Product can be seen as the whole of all physical and mental achievements that a customer gets because of the transacting and the process of using. It is the aggregate of stock and ventures that an association gives the customers in the market. In association with sparing cash, item is any organization offered by the bank, paying little regard to whether it is offered for a cost or complimentary (Lee, 2001). This is a sparing record, store, credit, different types of non-money exchanges and so on. Lee (2001) contend that there is a refinement amongst substantial and impalpable products. With regards to managing an account, most products are immaterial. This incorporates for example advances, speculations, and installments. Nonetheless, there are additionally couple of special cases, for example, installment cards or safes. The product is the center of promoting blend. In the event that the product can't meet the purchasers require, alternate components of showcasing blend can't construct an aggressive position available. Showcasing choices with respect to product incorporate the issues of assortment, quality, outline, highlights, mark, bundling, administrations and guarantees. Assortment alludes to the choices about the collection which an organization offers its clients.

Bundling incorporates choice about the plan and delivering of holder or wrapper for a product. As the keeping money product is inalienably immaterial it is hard to speak specifically about saving money product bundling. By and by banks utilize bundling. With a specific end goal to "appear" their offer, the agreement reports regularly are bundled in envelopes bearing the brand and name of the bank (Lipowski, 2008). Services are exercises that widen the real product. It may be through conveyance, establishment, counsel, specialized data, preparing in product utilize and so forth. In
connection to saving money, the point here is the discussion and warning administrations from which customers can exploit when purchasing a bank product. The guarantee is a method for imparting product quality and decreasing client's vulnerability (Nowak, Terradas, Langemeyer, Chaparro, Baro & Gómez-Baggethun, 2014). It is a strategy by which an organization is retaining some portion of customer's hazard.

A product is made out of three levels: center product, genuine product and increased product. Center product is the center advantage or administration that a shopper gets. Keeping money, it can be giving assets to customers; fulfilling the need of spare and levelheaded administration of clients' free subsidizes; and accelerating and enhancing the present financing choices taken by the clients. Real product is made with bundling, quality, mark name, includes and styling. When looking at saving money, it incorporates solid conditions for particular managing an account product (i.e. the sort of advance, its sum, financing cost, the security and methods for accommodation of utilization (Switala, 2003). The enlarged product can comprise of establishment, after deal benefit, guarantee, conveyance and credits. In connection to the keeping money it is, for instance, proficiency and nature of the administration; accessibility of client benefit; the nature of data acquired in the bank and banks picture.

Kotler & Keller, (2008) trust that product is anything that can be offered to a business opportunity for consideration, procurement, or utilize, or something that can fulfill a need or need. Along these lines, a product can be a physical decent, benefit, a retail location, a man, an association, or even a thought. Products are the necessary chore wherein the end is the fulfillment of client needs or needs.

Today, business banks have started to offer extra products, for example, reserve funds, utilization or crisis credits, protection, and business instruction. Despite the fact that the scale and technique for conveyance vary in various miniaturized scale back foundations, the central administrations of investment funds, advances, and protection are the same. Inside the loaning capacity of business banks, most business banks have partition advances into big business advances and utilization/crisis credits. This is on the grounds that huge unfulfilled market request still exists for utilization and crisis (Akter & Wamba, 2010).
The interest for utilization/crisis advances is apparent in developing nations by the flourishing business of the neighborhood moneylenders. Alongside the loaning capacity, a business opportunity for funds exists in numerous regions in Kenya. Investment funds administrations offered by business banks can be isolated into constrained and willful reserve funds, with constrained reserve funds far surpassing intentional investment funds. In a constrained funds program, miniaturized scale back members are required to spare a base sum every week. Constrained reserve funds apparently instruct budgetary knowledge and gives the business banks extra data about customers. Constrained investment funds serve principally as a type of money guarantee. Principles directing when and how customers may pull back constrained reserve funds are ordinarily very prohibitive.

2.2.2 Price and Customer Loyalty

Cost is the entirety of qualities that purchasers trade for or utilizing a product or administration. In saving money, the cost is characterized as a component of the customer's assets, communicated in financial terms, from which the customer is willing leave in return for the potential advantage offered by this product. Cost is the main component of marketing blend that creates income for the organization. That is the reason estimating is a critical errand of marketing blend (Grzeczyk, 2007). Realizing that valuing choice can impact the benefits, an organization in the season of an emergency, may consider expanding deals volume in the here and now by diminishing the costs. Along these lines of acting can hurt the association in the long haul, in the way that the client will in any case expect a similar value level after the emergency. This can cause frustration on the client side, and thus may prompt an abatement in the request. In this manner it is vital to fit the estimating choice with other marketing blend activities in the time of an emergency.

When setting costs, banks should consider both, inside and outside components. Among inner elements expenses and marketing technique destinations can be called attention to (Kotler, 2008). Urgent outer components are: focused position (WACS, 2009), clients’ impression of the products esteem, nature of the market and request, business cycle organize and the level of expansion. Critical effect on cost has likewise lawful directions of the national bank's fiscal arrangement (i.e. the level of mandatory saves), the level of client reliability, market loan cost and the whole of bank's wage from contributing the assets on the global market).
The cost of the managing an account products comprise of various segments. Cost in saving money incorporates financing cost, commissions and charges (on the same page). Choice about cost should cover the estimations of the costs as well as issues such like rebates, stipends, installment period or credit terms (Kotler, 2010). As indicated by keeping money products, a marketer needs to check in the product’s conditions, for example, advance term, the technique for ascertaining premium, expenses of security, the conditions for early reimbursement of advances or the outcomes of the abdication from the product. From client viewpoint, the cost in saving money is of extraordinary significance.

Regardless of the part of producing incomes, cost likewise is critical in making clients esteem and building client relationship (Kotler, 2010). Most clients regard costs as a standout amongst the most vital criteria while picking a bank. It is essential to call attention to that costs are just acknowledged by clients in the predefined level. Costs set at a much lower or considerably more elevated amount may demoralize clients. As indicated by Kotler (2010) amid a financial emergency there is no critical contrast in the execution of organizations that apply distinctive estimating procedures. did neither discover distinction in deals volume between organizations that increased the cost and those which diminished the cost amid the emergency.

Market cost of a product likewise needs periodical survey and alterations. The value charged ought to be sufficiently high to give satisfactory benefit to the organization however sufficiently low to propel buyers to buy product. It ought to likewise be appropriate to confront market rivalry successfully. Cost is one of the much of the time examined marketing methodologies in smaller scale back establishments. In purchaser viewpoint, for the most part a positive connection between saw cost and quality is normal likely on the grounds that customers see cost as a hint to product quality (Yoo, 2000).

Interest for a product or benefit, and without a doubt the value the client will pay, is identified with the qualities of focused products being advertised. Interest for a product is consequently firmly identified with how the client sees the different traits of aggressive products. These characteristics incorporate physical/unnmistakable traits of the product or administration being referred to: for instance, quality highlights,
bundling, et cetera, and 'elusive' properties, for example, mark/corporate picture and status.

2.2.3 Promotion and Customer Loyalty
Promotion implies the exercises attempted to convey the qualities and advantages of a product to the purchasers. Promotion in marketing blend comprises of: publicizing, deals promotions, individual offering, coordinate marketing and open connection (Kotler, 2010). Publicizing concerns any paid transmission of organization messages through unoriginal media. This incorporates media, for example, TV, radio, magazines, daily papers, post office based mail, outside presentations, the Internet and cell phones. As a result of such a significant number of apparatuses utilized by publicizing, this technique for correspondence is exceptionally adaptable. It can achieve an extensive variety of beneficiaries or it can be transmitted to a particular characterized target gathering (for instance through publicizing in magazines or sites) (on the same page).

The expenses of publicizing are high in contrast with different types of promotion. Thus the execution of publicizing in the correspondence program of an organization is sensible if the point of the organization is to transmit a similar data to an expansive number of recipients. Along these lines the normal beneficial outcome of the battle is probably going to take care of the expense (in the same place). It is contended, that if an organization will increment or keep up the level of promoting, this will build deals and market share. In this way solicitations in promoting are prescribed in the turbulent circumstances of an emergency (Kotler, 2010).

Deals promotion are here and now motivating forces to support the buy or offer of a product or administration. As indicated (Ferrell & Hartline, 2002), deals promotion includes exercises that include an incentive for the purchaser or the exchange. Boddenwyn & Leardi, (1989) list purposes behind executing deals promotion in the marketing blend. These can be high expenses of TV plugs, the unpredictability of viably separating various practically identical products or administrations, the less difficult focusing of clients by deals promotions. Deals promotion is once in a while utilized as an autonomous type of promotion. It rather bolsters publicizing, advertising and individual offering and the intention is essentially to empower the buy and increment deals. However, deals promotion has a critical part. As Ferrell and
Hartline (2002) stress, in spite of ad, it gives not just the data why a buyer should purchase the product. Deals promotion stress that the purchaser should purchase the product.

Individual offering has the type of individual introduction done by the organization's business drive to make deals and building clients connections. The contact between the merchant and the customer is looking for a prompt offer of a product or benefit or expanding the enthusiasm for this product enough to buy it sooner rather than later. Counting deal powers into the promotion makes it a two route correspondence amongst sales representatives and individual clients (Kotler & Armstrong, 2010). Therefore, individual offering is the most exact type of correspondence. By having an emphasis on correspondence with the clients the association can through promotion exercises reacquire the intrigue, that the client free in the season of an emergency. Individual offering can be utilized as a part of complex circumstance where a need of comprehension of customers’ needs, issues and desires happens, guarantee that by building a proactive individual offering, the association can fabricate a superior association with the clients. Along these lines it is prescribed to utilize this instrument in the season of an emergency.

Coordinate marketing is an immediate association with painstakingly focused on singular clients both to acquire a quick reaction and to develop enduring clients (Kotler, 2010). It depends on relationship building, working inside an intelligent situation and directing discourse with the client. It has been underlined that immediate marketing is a type of discourse. On account of common trade of data between the organization and the client, the organization gets input which is useful by making and keeping up the connection with clients (in the same place). Close to looking for prompt and quantifiable shopper reaction, coordinate marketing is additionally assembling the brand and the organization's picture. The part is additionally to market products or potentially administrations to little target gatherings or individual clients. Coordinate marketing is thought to be a minimal effort, proficient and fast technique to achieve the market (on the same page).

Bank's promotion exercises can be partitioned into two gatherings, contingent upon their objectives. To begin with, it is to elevate managing an account benefits and to make clients mindful of the bank's quality in the market and through this convince
purchasers to purchase its products. The predominantly approach to accomplish this, is through promoting and individual offering (Ibid). Perceivability of an organization is a critical assignment of promotion. Nonetheless, it isn't sufficient for an organization to be conspicuous. The perceivability can run together with negative assessments and impressions, on account of unpalatable encounters or negative informal. This infers the second target of promotion in saving money, which is making the positive picture of the bank, for this reason advertising are regularly utilized.

In the season of an emergency, an adjustment in promotion can be of substantial significance for conquering the hurtful impact of the downturn. It is contended that promotion blend can add to the battle with the emergency. Be that as it may, to be effective in the season of a monetary emergency, the leaders and organizers should concentrate on making the promotion procedure with other marketing blend components.

2.2.4 Place and Customer Loyalty
The place system comprises of two primary parts: dispersion channels and the methods for physical dissemination. The dispersion channels are individuals, associations and organizations by which products and enterprises are offered to the shoppers. When looking at keeping money, three kinds of circulation channels can be recognized: conventional dispersion, which happens at the home office of banks and in its branches; non-stationary (versatile) conveyance, which incorporates visits of the bank workers to client’s portable purposes of offers; and electronic appropriation, which incorporates money machines, telephone saving money, home managing an account and Internet saving money (Wacz, 2006).

Choice about channels should concern the nearness of a bank office as well as the capacity to speak with the bank. Access to managing an account product is expanding using multi-entrusting money machines, Internet, home keeping money and telephone saving money (in the same place). The methods for physical appropriation are the devices and capacities used to lessen the physical separation between the organization and its clients. This incorporates primarily organization's branches and their area. When talking about keeping money, dissemination is owing to the high cost of keeping up bank offices (Wacz, 2006). Costs increment basically because of the high
number of staff, enlistments towards a sheltered security framework and complex PC framework (on the same page). For this reasons PC channels for bank products are getting increasingly prominent (on the same page).

In the season of an emergency, it is prescribed for an organization to wipe out the unrewarding mediators in the conveyance channel and rather concentrate on picking the most productive channel. This can influence the associations execution emphatically, by bringing down working expenses and enhance collaborating inside the channel. In addition, it is contended that if an organization will build the quantity of circulation directs in the midst of emergency, a beneficial outcome on general execution can be normal. The association can survive the emergency by adjusting the system in like manner and fittingly because of profoundly evolving conditions. Studies of firm expansion propose that solid marketing joins, for example, circulation of normal brands, among the diverse sections in which a firm works, may convey economies of extension benefits in the company's uses to make and keep up its image portfolio.

2.3 Summary of Literature Review and Research Gaps

Theoretical framework was provided by social exchange theory which treated customer loyalty as social aspect of individual. This focused so much on loyalty and not on customer retention. Theory of reasoned action points on preference based on behaviour, attitude and norms which can be expressed by product strategy than other strategies on loyalty of the customer. While consumer power provides the power of choice to the consumer but does not explain about the mix marketing strategies.

Most empirical literature explained market strategies on customer loyalty without focusing not on marketing mix (Yavas, Benkenstein & Stunhlderier, 2003). Other researcher like Reddy (2005) and Saibaba, Prakash, & Kalyani, (2002) focused on perception and attitude towards banking product without looking to product mix. Most of product mix research has been done hotels and tourism sector (Addmour, 2005 and Sarker, 2012).

Very little research has been done on this area of study. Few studies have been done on the effects of marketing strategies on customer loyalty especially in commercial banks in Kericho County. Factors set in the literature may not clearly relate to the
specific organization thus not clearly relate with one another. Some of the literature is based on information from the developed world thus may not reflect the state of affairs at the ground. The research study seeks to build on the existing knowledge so as to determine the effects of marketing strategies on customer loyalty in commercial banks and thus make recommendations, which can help improve the situation. Highlighted in the literature review are product mix strategies, pricing strategies, promotion strategies and placement strategy.

**Table 2.1: Summary of Research Gaps**

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Theme/topic/objects</th>
<th>Research Findings</th>
<th>Research gaps</th>
<th>Focus of the Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hassan, Chachi, &amp; Abdul, (2008)</td>
<td>Islamic marketing strategies and its impact on customer loyalty in the Islamic banking industry.</td>
<td>He found out pricing influences customer loyalty in banking industry.</td>
<td>The study was done on Islamic industry</td>
<td>Present study focuses on commercial banks</td>
</tr>
<tr>
<td>Yavas, Benkenstein &amp; Stuhldreiers (2003)</td>
<td>Did a research of private retail banks in the former East Germany explained tangibles (the physical appearance of facilities and personnel), responsiveness (timeliness of service) and empathy.</td>
<td>Most research shows a solid correlation between the group of dimensions and customer loyalty.</td>
<td>The study was done in Germany</td>
<td>The study was done in Kenya as opposed to Germany</td>
</tr>
<tr>
<td>Anderson (1994)</td>
<td>Customer loyalty, market share, and profitability in Swedish banking industry.</td>
<td>The findings indicated that there was relationship between pricing and customer loyalty in banks</td>
<td>The study focused on one aspect of marketing mix</td>
<td>The study investigated effect of product, promotion strategy and place as opposed to pricing only.</td>
</tr>
<tr>
<td>Consuegra</td>
<td>Integrated model</td>
<td>He found out</td>
<td>The study</td>
<td>The present</td>
</tr>
<tr>
<td>Year</td>
<td>Author(s)</td>
<td>Title or Description</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>-----------</td>
<td>----------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Addmour</td>
<td>Investigated the influence of marketing service mixed for five star hotels in Jordan on the image that is perceived by tourist.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>Peterson et al</td>
<td>Study the effect of marketing innovations in life insurance sector.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>Meidan</td>
<td>Presents different marketing strategies for insurers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>Reddy</td>
<td>Studied the customer perception</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

  - The findings confirmed that there was a relationship between promotional strategies and customer loyalty in the tourism industry.
  - The study focused on tourism sector.
  - The study was done in Kericho county as opposed to other towns.

- Addmour (2005): Investigated the influence of marketing service mixed for five star hotels in Jordan on the image that is perceived by tourist.
  - The findings revealed there was a close relationship between marketing mix and perceived image.
  - The study used perceived image as a dependent variable.
  - The study focused on customer loyalty which is the basis of the current study.

- Peterson et al (1972): Study the effect of marketing innovations in life insurance sector.
  - The results show that flow of innovation is a two-step flow i.e. it flows from innovator firms to large firms in the industry and then to others.
  - The study was done forty years ago and concentrated on innovations of that time.
  - The study focused on recent marketing tools, since 1972, marketing have revolutionized.

  - Suggested that the selection of an appropriate strategy should be based on the internal conditions and external forces facing the firm.
  - Concentrated on marketing strategies.
  - The study focused on market mix strategies on customer loyalty of commercial banks in Kenya.

  - The results are that, majority of respondents feel
  - The study will be done in Kericho.
  - The study focused on the customers.
towards the use of ATMs in Banking industry. that use of ATM are up to their expectations County, Kenya. level of loyalty as opposed to the perception on the use of ATMs

Saibaba, Prakash, & Kalyani, (2002) Study the perception and attitude of women towards marketing of bank services. Using correlational design The study revealed that placing women strategically influences perceived customer loyalty in banks. Target women and used correlation design. The study used target population of 498 respondent in Commercial banks in Kericho.

Palich, Cardinal, & Miller (2000) Did Studies of firm diversification. suggest that strong marketing links, such as distribution of common brands, among the different segments in which a firm operates, may deliver economies of scope benefits in the firm’s expenditures to create and maintain its brand portfolio The study was confined on diversification and marketing mix especially distribution. The study investigated effect of marketing mix and customer loyalty.


2.4 Conceptual Framework

The pictorial presentation in figure 2.1 presents the relationships among variables in the study. A variable is that element of value that changes for something different (Leedy & Ormrod, 2005). The conceptualization of the study is based on four key independent variables comprising of: product mix strategy, pricing strategy, promotion strategy and placement strategy while the dependent variable is customer loyalty.
Independent variables

Marketing Mix

Product
- Packaging products
- Branding products
- Labeling products

Pricing
- Pricing on quality
- Differentiated pricing
- Different interest

Promotion
- Advertising
- Publicity
- Personal selling

Place
- Established branches
- Mobile banking
- Use of ATMs

Dependent variable

Customer Loyalty
- Customer satisfaction
- Customer retention
- Customer survey

Figure 2.1: Conceptual framework of the study

Source: Researcher (2018)
Product

The product mix includes: Product line and range, Style, shape, design, color, quality and other physical features of a product, Packaging and labeling of a product, Branding and trade mark given to the product, Product innovation, and Product servicing. The product manufactured for market should be as per the needs and expectations of consumers. Depending on the taste and preference, the mentioned product factors influence customer loyalty.

Pricing

Pricing has an important bearing on the competitive position of a product. The marketing manager may use pricing as a tool for achieving the targeted market share or sales volume. Pricing can also be used for capturing market and also for facing market competition effectively. Pricing decisions and policies have direct influence on customer loyalty.

Promotion

Promotional activities are necessary for large scale marketing and also for facing market competition effectively. Such activities are varied in nature and are useful for establishing reasonably good rapport with the consumers. Promotional activities play a role in customer loyalty.

Place

Placement structures ensure that products and services are supplied to customers when and wherever they want. This situation boosts the customer loyalty in terms of ease of access to financial services.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

The study adopted a descriptive survey design. The design was picked in light of the fact that the objective populace was scattered over a wide geological zone. The plan was valuable in helping the analyst to acquire both quantitative and subjective information from the objective populace. Quantitative information is valuable when making examinations and testing speculations and connections, while subjective information has a solid favorable position as it empowered the scientist to draw bits of knowledge that couldn't be increased through quantitative or "hard" information (Mugenda and Mugenda, 2003). Besides, the subjective approach was important on the grounds that the joint effort of respondents was basic because of the affectability of the examination as it identifies with respondents unveiling data identifying with their banks. Silverman (2005) shows that subjective research is compelling in empowering affectability in the decision of research instruments and is a flexible approach in information gathering particularly in the specialty of making inquiries.

3.2 Target population

As indicated by Mugenda and Mugenda (2003) the objective populace is the populace to which the scientist needs to sum up the consequences of the examination. The objective populace of the investigation incorporates every one of the clients of major commercial banks in Kericho County, namely: KCB, Equity, Standard Chartered, Barclays, Co-operative, and Family Bank Kenya (County Government of Kericho records of 2016). In such manner, any person who hold an account with any bank was considered as a potential respondent for the investigation.
Table 3.1 Distribution of target population

<table>
<thead>
<tr>
<th>Commercial Bank</th>
<th>Branches</th>
<th>Target population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya Commercial Bank (KCB)</td>
<td>4</td>
<td>122</td>
</tr>
<tr>
<td>Co-operative Bank</td>
<td>2</td>
<td>98</td>
</tr>
<tr>
<td>Equity Bank</td>
<td>2</td>
<td>128</td>
</tr>
<tr>
<td>Standard Chartered Bank</td>
<td>1</td>
<td>42</td>
</tr>
<tr>
<td>Family Bank Kenya</td>
<td>2</td>
<td>76</td>
</tr>
<tr>
<td>Barclays Bank</td>
<td>1</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>498</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Source: County Government of Kericho records, (2016).*

3.3 Sampling design

The sampling process used the multi-stage sampling technique. In the first stage, Purposive sampling was used to specifically select the commercial banks in Kericho County. Purposive sampling is the use of cases that have the required information with respect to the objectives of the study (Kerlinger, 1986). The study adopted Cochran (1963) formula as shown below:

\[ n = \frac{NC^2}{C^2 + (N - 1)e^2} \]

Where:

n=sample size;

N=population size;

C=Coefficient of variation which is \( \leq 30\% \);

\( e \)=margin of error.

The study sample calculated at 25% coefficient of variation and 5% margin of error (Nassiuma, 2000).
\[
n = \frac{498 \times 0.3^2}{0.3^2 + (498-1)0.02^2} = 155.1939
\]

Hence the sample size is given by 155-7 = 148. Respondents excluded from the study were 7. They were involved in piloting.

Nachmias and Nachmias (2009) advises that for the purpose of getting accurate sample size, when population has more than 100 respondents, 10% or more of each group should be selected. In this case of the 6 commercial banks that were randomly selected for study and sample size was 148 respondents and 7 for piloting. Once the sample size is known to compute proportionally sample size from each commercial bank Neyman’s formula \( n_h = \left( \frac{n}{N} \right) N_h \) was used.

The sample size for each commercial bank is as shown in the table below:

**Table 3.2: Distribution of Target Population**

<table>
<thead>
<tr>
<th>Commercial Bank</th>
<th>Branches</th>
<th>Target population</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya Commercial Bank (KCB)</td>
<td>4</td>
<td>122</td>
<td>37</td>
</tr>
<tr>
<td>Co-operative Bank</td>
<td>2</td>
<td>98</td>
<td>31</td>
</tr>
<tr>
<td>Equity Bank</td>
<td>2</td>
<td>128</td>
<td>40</td>
</tr>
<tr>
<td>Standard Chartered Bank</td>
<td>1</td>
<td>42</td>
<td>13</td>
</tr>
<tr>
<td>Family Bank Kenya</td>
<td>2</td>
<td>76</td>
<td>24</td>
</tr>
<tr>
<td>Barclays Bank</td>
<td>1</td>
<td>32</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>498</strong></td>
<td></td>
<td><strong>155 less 7 for piloting =148</strong></td>
</tr>
</tbody>
</table>

*Source: County Government of Kericho records, (2016).*

**3.4 Data collection**

The primary data collection instrument for the investigation acted naturally regulated questionnaires. The benefits of utilizing a self-directed questionnaire are that more
data could be acquired from numerous respondents in a generally brief time (Mugenda and Mugenda, 2003). Questionnaires are indistinguishable; the boost gave is indistinguishable in all cases. Secrecy of respondents is ensured guaranteeing they don't impact the legitimacy of the reactions especially when research of a touchy sort is embraced. It keeps away from non-reaction from postal questionnaires. It is close to home as a few respondents may wish to talk about additional with the analyst and one can watch non-verbal communication. Likewise, as indicated by Kothari (2004), the analyst can test respondents to expand on an answer and expound on questions that are not clear to respondents. For ignorant or semi unskilled respondents, the questionnaire was deciphered in the Kiswahili dialect by the specialist. The scientist likewise guaranteed that the respondents addressed the inquiries themselves since he showed amid the questionnaires' organization. At long last, the scientist had control over the accuracy of the data.

The questionnaire in the examination was intended to catch the different factors of the investigation and contained both open - and closed - ended inquiries. The main inquiries were general inquiries on the respondents' biographic information took after by more particular inquiries on marketing components and consumer loyalty. The inquiries were anything but difficult to take after, hence limiting the hazard that the respondent neglected to take after inquiries or unintentionally overlook an inquiry. As indicated by Cooper & Schindler (2003) open-ended inquiries allowed free reactions, without giving or proposing any structure to the answers, while closed-ended inquiries empowered reactions to be constrained to expressed choices. These options were planned so as to be straightforward for the respondents to comprehend and it was personally administered.

3.4.1 Validity of the instrument

Questionnaires were piloted at Kenya Commercial Bank (KCB). The pilot study consisted of 7 respondents that were excluded from the actual study. Kelly (2007) clarifies that legitimacy decides if the examination genuinely measures what it is intended to quantify or how honest the exploration comes about are. It gauges how precisely the information acquired in the investigation speaks to a given variable or develop in the examination (Mugenda, 2008). The questionnaire was given to director and different specialists in research to decide the ampliteness and representativeness of
the instrument to guarantee it covers every one of the factors being estimated as a method for enhancing content legitimacy as contended by Gay (1992). Pilot study peers and the supervisor improved the content validity of the study.

3.4.2 Reliability of the instrument

Reliability allude to a measure to which an exploration yields predictable outcomes after several trials (Mugenda and Mugenda, 2003). As indicated by Sekaran (2003) unwavering quality of a measure means that the strength and consistency with which the instrument measures the idea and evaluates the decency of the measure. In this manner the degree to which any estimation method produces steady outcomes after some time and a precise portrayal of the aggregate populace under examination is alluded to as dependability. The examination utilized Cronbach's Alpha as a measure of inner consistency. Cronbach's Alpha is a dependability coefficient that shows how well things in a set are decidedly connected to each other (Sekaran, 2003). The extricated guideline parts tried for dependability utilizing Cronbach alpha insights. Kerlinger (1973) states that reliable file of 0.7 or more is palatable for any research instrument. The results from reliability was given to be 0.791 as average Cronbach constant hence enable the study to move to analysis as indicated from table below.

Table 3.3: Reliability Test Using SPSS Version 21.0

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Number of Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>0.832</td>
<td>6</td>
</tr>
<tr>
<td>Price</td>
<td>0.844</td>
<td>5</td>
</tr>
<tr>
<td>Promotion</td>
<td>0.751</td>
<td>5</td>
</tr>
<tr>
<td>Place</td>
<td>0.738</td>
<td>5</td>
</tr>
<tr>
<td>Average</td>
<td>0.791</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Research data (2018)*

3.5 Data Collection Procedures and Presentation

Data was collected from the respondents using structured-questions. Closed-ended questions was used where there cleared possible answers in to ensure ease of analysis. Open ended questions were used to give respondents greater depth of response especially in regard to their background, opinions, attitudes, and motivation. The questionnaire was accompanied by a cover letter explaining the purpose of the study giving assurance of that the study is for academic purposes only. The respondent in
the study expected to be honest when giving information Cooper and Schindler, (2003). This study made use of a combination of participatory techniques – questionnaires, interviews and observations as follows:

3.6 Data analysis

The collected data was analyzed using descriptive statistics with the help of the Statistical Package for Social Sciences (SPSS) computer software. The data was analyzed using both quantitative and subjective systems. Quantitative information was described by spellbinding measurements and in addition inferential insights. The reason for illustrative insights is to empower the scientist to definitively depict a dissemination of scores or estimations utilizing a couple of files or measurements. The correlation, inferential and ANOVA tests was used because the variables was measured at interval or ratio scales. Pearson correlation was used where the data is continuous while Pearson correlation was used where the data was ranked. Qualitative data was analyzed through the use of content analysis and categories and data presented in frequency distribution tables.

The following Multiple Linear Regression Model was used:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

Where:  
- \( Y \) - customer loyalty  
- \( X_1 \) - Product  
- \( X_2 \) - Pricing  
- \( X_3 \) - Promotion  
- \( X_4 \) - Place  
- \( \alpha_0 \) - Alpha coefficient/constant  
- \( \beta_i \) - Coefficients \((i = 1,2,3,4)\)  
- \( \epsilon \) - Error term
### Table 3.4: Operationalization and measurement of variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type of variable</th>
<th>Indicators</th>
<th>Quantification of variables</th>
<th>Measurement of the variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>Independent</td>
<td><strong>Product</strong></td>
<td>No. of Paybill services</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Packaging</td>
<td>No. of accounts opened</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of customers served</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Branding</strong></td>
<td>Value of collaterals</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Types of branding</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>labeling</strong></td>
<td>No. of pictures</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of logos</td>
<td></td>
</tr>
<tr>
<td><strong>Pricing</strong></td>
<td></td>
<td><strong>Quality</strong></td>
<td>No. of loyal customers</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of services offered</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>interest rates on loan products</strong></td>
<td>No. of loans applied</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td></td>
<td><strong>Advertising</strong></td>
<td>Variety of Newspapers</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of radio stations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of Tv stations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of networks</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Publicity</strong></td>
<td>No. of agency banking</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of ATMs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Sales promotion</strong></td>
<td>No. of discounts, No. of incentives</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td><strong>Place</strong></td>
<td></td>
<td><strong>Established branches</strong></td>
<td>No. of branches</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of promotions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Mobile banking</strong></td>
<td>No. of Mpesa transactions</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td>Consumer loyalty</td>
<td>Dependent</td>
<td><strong>Customer loyalty</strong></td>
<td>No. of customers opting out of the bank</td>
<td>Rating scale of 5-1 (Ordinal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No. of new customers coming in</td>
<td></td>
</tr>
</tbody>
</table>
3.7 Ethical Considerations

Issues of client privacy was taken care off. Authorization from the particular banks in Kenya and also educated assent from the clients was effected. Clients' cooperation in the examination intentional and respondents had freedom to either acknowledge or decline to take part in the investigation. Participation was through a covering letter. The covering letter guaranteed potential respondents of the accompanying: their reaction was dealt with as entirely classified, they stayed anonymous, their cooperation was deliberate, withdrawal from noting the inquiries and finishing the questionnaires whenever would not influence them at all, and members would be informed of the discoveries of the examination upon request when the research is completed.
CHAPTER FOUR

DATA ANALYSIS, RESULTS, DISCUSSION AND INTERPRETATION

4.1 Response rate

The study response rate was 95.5% which was above the recommended rate of 80% of the entire sample respondent (Mugenda & Mugenda, 2003). This enabled the researcher to proceed with analysis.

Table 4.1: Response rate

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>148</td>
<td>95.5</td>
</tr>
<tr>
<td>Excluded</td>
<td>7</td>
<td>4.5</td>
</tr>
<tr>
<td>Total</td>
<td>155</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research data (2018)

4.2 Respondent’s Information

The demographic information included gender, age and period of year working in the bank. The information was presented in the tables and charts represented below;

Table 4.2: Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>70</td>
<td>47.3</td>
<td>47.3</td>
<td>47.3</td>
</tr>
<tr>
<td>Male</td>
<td>78</td>
<td>52.7</td>
<td>52.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>148</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research data (2018)

The research found out that there was gender diversity on the number of respondents, 78 (52.7%) male and 70 (47.3%) female. There exists a small margin between the female and male.

Banking sector has been experiencing an increase in number of female employees, though the majority are still male. The female has been support by government policies, human rights and organization framework as argued by Wambari (2009).
Figure 4.1: Age Bracket

Source: Research data (2018)

From the data findings there is larger number of young employees comprising of 92 (62.2%) who are between the age of 19-30 years. About 54 (36.5%) between 31-40 years and 2(1.4%) between 41 to 50 years.

Banking sector is registering a high number of younger generation between that age of 19-30 years. With time the younger generation are then faced out and replaced with new fresh workforce.
Those who have worked for 1-5 year were 110 (74.3%), 6-10 year were 36 (24.3%), 11-15 year and over 15 years were 1 (0.7%) each. This indicated that larger proportion of respondents have worked for 1-5 years.

Figure 4.3 showed that there was low job retention as the number of employees reduces drastically with time and age.

4.4 Market Mix Strategies

Likert scale rating ranging from strongly agree at scale of 5 to strongly disagree with scale of 1 was used to measure the market mix strategies against customer loyalty. Means and standard deviations were used to describe the results.
<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(U)</th>
<th>2 (D)</th>
<th>1 (SD)</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product packaging in form of pay bills determine customer loyalty</td>
<td>39(26.4%)</td>
<td>46(31.1%)</td>
<td>34(23.0%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.642</td>
<td>1.075</td>
</tr>
<tr>
<td>Product packaging in terms of flexible accounts opening affect customer loyalty</td>
<td>22(14.9%)</td>
<td>83(55.1%)</td>
<td>43(29.1%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.858</td>
<td>0.650</td>
</tr>
<tr>
<td>Branding of credit in form of pay slip based collateral affect customer retention</td>
<td>8(5.4%)</td>
<td>66(44.6%)</td>
<td>74(50.0%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.554</td>
<td>0.598</td>
</tr>
<tr>
<td>Brading done in relation to log book based collateral influence customer retention</td>
<td>31(20.9%)</td>
<td>74(50.0%)</td>
<td>31(20.9%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.081</td>
<td>0.705</td>
</tr>
<tr>
<td>Branding as per the different types of accounts plays a role in feedback from customer survey</td>
<td>0(0.0%)</td>
<td>36(24.3%)</td>
<td>67(45.3%)</td>
<td>45(30.4%)</td>
<td>0(0.0%)</td>
<td>2.939</td>
<td>0.740</td>
</tr>
<tr>
<td>Land title deeds as a form of branding linked to credit is crucial to customer loyalty</td>
<td>45(30.4%)</td>
<td>58(39.2%)</td>
<td>45(30.4%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.000</td>
<td>0.782</td>
</tr>
<tr>
<td>Labeling using variety of pictures influence customer retention</td>
<td>0(0.0%)</td>
<td>52(35.1%)</td>
<td>81(54.7%)</td>
<td>15(10.1%)</td>
<td>0(0.0%)</td>
<td>3.250</td>
<td>0.627</td>
</tr>
<tr>
<td>Labeling using logo designs affect customer loyalty</td>
<td>0(0.0%)</td>
<td>58(39.2%)</td>
<td>90(60.8%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.392</td>
<td>0.490</td>
</tr>
<tr>
<td>Product strategies influence customer loyalty</td>
<td>58(39.2%)</td>
<td>60(40.5%)</td>
<td>30(20.3%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.189</td>
<td>0.750</td>
</tr>
</tbody>
</table>

*Source: Research data (2018)*
Product packing was examined in the form of pay bills and some good number of respondents agreed that they affect customer loyalty (mean of 3.642). Variation in product packing due to pay bills was slightly significant (standard deviation of 1.075). The result indicated that product packaging in terms of flexible accounts opening significantly affected customer loyalty (mean of 3.858). Product packing had low variation despite flexible opening of accounts (standard deviation of 0.650). Majority of the respondents agreed as well as being neutral that branding of credit in form of pay slip based collateral affected customer retention to some extent (mean of 3.554). There is low variation of branding of credit given that pay slips are used as collaterals (standard deviation of 0.598). Most of the respondents agreed that branding done in relation to log book as a collateral influenced customer retention (mean of 4.081). Branding done through log book as a collateral had low variation (standard deviation of 0.705).

Branding as per different types of accounts play just some sufficient role in feedback from customer survey (mean of 2.939). Some respondents agreed, more were neutral and significant number disagreed. There was low variation in branding based on different types of accounts was low (standard deviation of 0.740). Respondents mostly agreed that land title deeds as a form of branding linked to credit was significant on customer loyalty (mean of 4.000) and its variation was low (standard deviation of 0.782). It was found out that labelling using variety of pictures somewhat affect customer retention (mean of 3.250). Variation in customer retention (standard deviation of 0.627) was low. The findings revealed that labelling using logo designs had neutral or just some effect on customer loyalty (mean of 3.392). There was low variation in customer loyalty when logo designs are used (standard deviation of 0.490). It was agreed by respondents that product strategies had significant effect on customer loyalty (mean of 4.189). Customer loyalty didn’t vary significantly (standard deviation of 0.750).

Consuegra (2007) findings agrees with the study finding where explorative design was used to do empirical analysis of integrated model price, loyalty and loyalty. Consuegra (ibid) found out that there exists relationship between product and brand management with customer loyalty. Another study by Palich, Cardinal & Miller (2000), showed that there is need to have common brands, differentiated segment
which deliver economies of scale to develop a strong market making branding to be a very important element in organization.

**Table 4.4: Price Strategy**

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(U)</th>
<th>2 (D)</th>
<th>1 (SD)</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pricing of bank transactions indicated in quality influence customer loyalty</td>
<td>16(10.8%)</td>
<td>80(54.1%)</td>
<td>54(35.1%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.487</td>
<td>0.600</td>
</tr>
<tr>
<td>Different pricing of types of services offered affect customer survey</td>
<td>16(10.8%)</td>
<td>80(54.1%)</td>
<td>52(35.1%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.757</td>
<td>0.635</td>
</tr>
<tr>
<td>Affordable interest rates on loan influence customer credit application repeat</td>
<td>81(54.7%)</td>
<td>59(39.9%)</td>
<td>8(5.4%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.493</td>
<td>0.600</td>
</tr>
<tr>
<td>Pricing strategies affect customer loyalty</td>
<td>66(44.6%)</td>
<td>76(50.5%)</td>
<td>60(40.5%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.405</td>
<td>0.569</td>
</tr>
</tbody>
</table>

**Source: Research data (2018)**

Pricing of bank transactions used as indicator of quality influence to a great extent customer loyalty (mean of 4.487). There was small variance on pricing of bank transaction on customer loyalty (standard deviation of 0.600). Results revealed that different pricing of types of services moderately influenced customer survey (mean of 3.757). The variation in customer survey due to different pricing was low (standard deviation of 0.635). Highest number of respondents agreed that affordable interest rates on loan had great effect on customer credit application repeat (mean of 4.493). Variation in credit application due to affordable pricing of types of services was low (standard deviation of 0.6989).

Pricing strategies had great significance in determining customer loyalty (mean of 4.493). There was little variation on customer loyalty because of pricing (standard deviation of 0.569). This research concurs with the findings of Anderson (1994) where there existed relationship between pricing and customer loyalty in banks.
Anderson did the study in Swedish banking sector and concentrated on customer loyalty, market share and profitability. These means the concept of pricing cuts across banks despite the regional boundaries. Consuegra, Molina, & Esteban (2007) found also prices affected the quality of products and purchasing power of customer. Customer loyalty is then related with customer loyalty which concur with the current study.

Table 4.5: Promotion Strategy

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2 (D)</th>
<th>1 (SD)</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement of bank services through a variety of newspapers such as Daily Nation, Standard and Business Daily influence customer loyalty.</td>
<td>14(9.5%)</td>
<td>74(50.0%)</td>
<td>60(40.5%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.689</td>
<td>0.637</td>
</tr>
<tr>
<td>Placement of advertisements on local radio stations influence customer retention</td>
<td>6(4.1%)</td>
<td>30(20.3%)</td>
<td>45(30.4%)</td>
<td>67(45.3%)</td>
<td>0(0.0%)</td>
<td>2.831</td>
<td>0.891</td>
</tr>
<tr>
<td>Advertising through variety of TV channels affect feedback from customer survey</td>
<td>36(24.3%)</td>
<td>67(45.3%)</td>
<td>45(30.4%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.939</td>
<td>0.740</td>
</tr>
<tr>
<td>Advert through creation of many networks influence customer loyalty</td>
<td>15(10.1%)</td>
<td>60(40.5%)</td>
<td>73(49.3%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.608</td>
<td>0.666</td>
</tr>
</tbody>
</table>
Publicity done using banking agencies affect customer retention

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>23(15.5%)</td>
<td>80(54.1%)</td>
<td>45(30.4%)</td>
</tr>
</tbody>
</table>

Publicity by use of ATMs plays an important role in customer loyalty

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>7(4.7%)</td>
<td>67(45.3%)</td>
<td>74(50.0%)</td>
</tr>
</tbody>
</table>

Sales campaigns in form of discounts influence customer retention

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>51(34.5%)</td>
<td>82(55.4%)</td>
<td>15(10.1%)</td>
</tr>
</tbody>
</table>

Incentives given during sales campaign influence customer survey

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>37(25.0%)</td>
<td>89(60.1%)</td>
<td>22(14.9%)</td>
</tr>
</tbody>
</table>

Promotion determines the level of customer loyalty

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>50(33.8%)</td>
<td>98(66.2%)</td>
<td>0(0.0%)</td>
</tr>
</tbody>
</table>

Source: Research data (2018)

Results in table 4.7 indicated that advertisement of bank services through a variety of newspapers like Daily Nation, Standard and Business Daily somehow affected customer loyalty (mean of 3.690). Its variation was low (standard deviation of 0.637). Placement of advertisements on local radio station average affect the customer retention in bank (mean of 2.831) more respondents were neutral and most disagreed. The variation in placement of advertisement on local station was low on influencing customer retention (standard deviation of 0.8097). Most respondents were equally in agreement as well as being neutral that advert through creation of many networks affect customer loyalty to some extent (mean of 3.608). Variation in customer loyalty as per many network was low (standard deviation of 0.666).
Quite a number of respondents agreed that publicity done using banking agencies to some great extent influenced customer retention (mean of 3.851). The variation in customer retention was low (standard deviation of 0.664). The agreement and neutrality of respondents revealed that publicity by use of ATMs plays just some important role in customer loyalty (mean of 3.547). Variation in customer loyalty was low (standard deviation of 0.587). It was unanimously agreed by the respondents that sales campaigns in form of discounts had significant influence on customer retention (mean of 4.243). It didn’t vary customer retention significantly (standard deviation of 0.624). Incentives given during sales campaign has crucial effect on customer survey (mean of 4.101). Its effect on the variation in customer survey was low (standard deviation of 0.625).

Promotion to a large scale influence customer loyalty (mean of 4.338). Its variation was low (standard deviation of 0.475). Sarker (2012) investigated the impact of marketing mix elements in tourist sector found out that there exists a relation between promotional strategies and customer loyalty. The findings concur with the finding of the current study.

Table 4.6: Place Strategy

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2 (D)</th>
<th>1 (SD)</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of access to established branches influence customer loyalty</td>
<td>16(10.8%)</td>
<td>52(35.1%)</td>
<td>65(43.9%)</td>
<td>15(10.1%)</td>
<td>0(0.0%)</td>
<td>3.466</td>
<td>0.820</td>
</tr>
<tr>
<td>Mobile banking Mpesa transactions are critical to customer retention</td>
<td>13(8.8%)</td>
<td>83(56.1%)</td>
<td>52(35.1%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.737</td>
<td>0.610</td>
</tr>
<tr>
<td>Place strategy direct the level of customer loyalty</td>
<td>8(5.4%)</td>
<td>66(44.6%)</td>
<td>74(50.0%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.554</td>
<td>0.598</td>
</tr>
</tbody>
</table>

Source: Research data (2018)

Table 4.9 indicates that ease of access to established branches influenced customer loyalty, mobile banking Mpesa transactions were crucial in customer retention and place strategy affected directly the level of customer loyalty (mean of 3.466, 3.737 and 3.554 respectively). All variations were found to be low on customer loyalty, customer retention and customer survey (standard deviation of 0.820, 0.610 and 0.598 respective). Place or location of business is important for the growth of business.
Saibaba, Prakash, & Kalyani (2002) concentrated on perception and attitude of women towards marketing of bank service. It revealed that placing women strategically would influence perceived customer loyalty in banks.

Table 4.7: Customer Loyalty

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2 (D)</th>
<th>1 (SD)</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of customers opting out of the bank affects customer retention</td>
<td>30(20.3%)</td>
<td>74(50.0%)</td>
<td>44(29.7%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.905</td>
<td>0.703</td>
</tr>
<tr>
<td>Entrance of new customers in the bank influence customer loyalty</td>
<td>28(18.9%)</td>
<td>68(45.9%)</td>
<td>52(35.1%)</td>
<td>0(0.0%)</td>
<td>3(10.0%)</td>
<td>3.838</td>
<td>0.719</td>
</tr>
<tr>
<td>Feedback is influenced customer survey</td>
<td>30(20.3%)</td>
<td>68(45.9%)</td>
<td>50(33.8%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.865</td>
<td>0.725</td>
</tr>
<tr>
<td>Customer loyalty, retention and survey play an important role in influencing customer loyalty.</td>
<td>44(29.7%)</td>
<td>65(43.9%)</td>
<td>39(26.4%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.034</td>
<td>0.751</td>
</tr>
</tbody>
</table>

Source: Research data (2018)

Number of customers who opted out of the bank was found to affect customer retention (mean of 3.905). Its effect on variation in customer retention was low (standard deviation of 0.703). A higher number of respondent agreed and almost half of this were neutral that entrance of new customers into the bank influenced customer loyalty (mean of 3.838). Variation in customer loyalty was low (standard deviation of 0.720). The agreement and neutrality of respondents indicated that feedback is significantly affected by customer survey (mean of 3.865). Variation in feedback due to customer survey was low (standard deviation of 0.725). Customer loyalty, retention and survey significantly played important role in influencing customer loyalty to a great extent (mean of 4.034). Their effect on variation in customer loyalty was low (standard deviation of 0.751).
4.5 Inferential statistics

Adopted multiple regression was to identify the correlation, fitness of the model and effect of each of the variable on the relationship between market mix on the customer loyalty. These findings were done using SPSS software version (21.0).

Table 4.8: Coefficient of Determination using SPSS version 21

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.496*</td>
<td>.246</td>
<td>.225</td>
<td>.66100</td>
<td>.246</td>
<td>11.645</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Place strategy, Product mix strategies, Pricing strategies, Promotion

b. Dependent Variable: Customer loyalty, retention and survey play an important role in influencing customer loyalty.

Source: Research data (2018)

Coefficient of determination table 4.11 indicated that statistics were significant at $P = 0.000 < 0.05$. The model did not contain autocorrelation ($d = 2.638$, which is between 1-4). About 24.6% of the variation in customer loyalty is due to marketing mix strategies while 75.4% were due to other factors.

Table 4.9: Product Strategy ANOVA analysis using SPSS version 21

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer loyalty *</td>
<td>Between Groups (Combined)</td>
<td>16.602</td>
<td>2</td>
<td>8.301</td>
<td>18.174</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>66.229</td>
<td>145</td>
<td>.457</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>82.831</td>
<td>147</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Research data (2018)

Product strategy was significant factor that affected the customer loyalty ($F = 18.174$, $P (0.000) < 0.05$). It implies that with the right product strategy there will be an increase in customer loyalty.
Table 4.10: Pricing strategy ANOVA analysis using SPSS version 21

<table>
<thead>
<tr>
<th>Source: Research data (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The results indicated that pricing used by commercial banks was significant on customer loyalty ($F= 10.084, P (0.002) &lt; 0.05$). Pricing strategies extensively determine customer loyalty.</td>
</tr>
</tbody>
</table>

Table 4.11: Promotion strategy ANOVA analysis using SPSS version 21

<table>
<thead>
<tr>
<th>Source: Research data (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>There existed no significant relationship between promotion strategies used by commercial banks and customer loyalty ($F= 0.184, P (0.832) &gt; 0.05$). Input in promotion technique used showed no effect on the customer loyalty.</td>
</tr>
</tbody>
</table>

Table 4.12: Place strategy ANOVA analysis using SPSS version 21

<table>
<thead>
<tr>
<th>Source: Research data (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place strategy was significant factor in customer loyalty in commercial banks ($F= 29.633, P (0.000) &lt; 0.05$). It is crucial to locate the commercial banks strategically near the business area or Central Business Districts (CBDs).</td>
</tr>
</tbody>
</table>
Table 4.13: General regression model ANOVA using SPSS version 21

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>20.352</td>
<td>4</td>
<td>5.088</td>
<td>11.645</td>
<td>.000</td>
</tr>
<tr>
<td>1 Residual</td>
<td>62.479</td>
<td>143</td>
<td>.437</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>82.831</td>
<td>147</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer loyalty, retention and survey play an important role in influencing customer loyalty.

b. Predictors: (Constant), Place strategy, Product strategies, Pricing strategies, Promotion Strategy

Source: Research data (2018)

The model was the best fit for testing relationship between market mix strategies and customer loyalty (F= 11.645, P (0.000) <0.05).

Table 4.14: Regression analysis using SPSS version 21

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.313</td>
<td>.589</td>
<td>3.926</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Product strategies</td>
<td>.506</td>
<td>.088</td>
<td>.506</td>
<td>5.776</td>
<td>.000</td>
</tr>
<tr>
<td>1 Pricing strategies</td>
<td>-.287</td>
<td>.118</td>
<td>-.218</td>
<td>-2.436</td>
<td>.016</td>
</tr>
<tr>
<td>Promotion</td>
<td>-.044</td>
<td>.145</td>
<td>-.028</td>
<td>-.302</td>
<td>.763</td>
</tr>
<tr>
<td>Place strategy</td>
<td>.297</td>
<td>.118</td>
<td>.236</td>
<td>2.517</td>
<td>.013</td>
</tr>
</tbody>
</table>

Source: Research data (2018)

\[ Y = 2.313 + 0.506X_1 - 0.287X_2 - 0.044X_3 + 0.297X_4 + \text{Error}, \]

Constant in the equation was given by 2.313. Unit increase in product strategy will increase customer loyalty by 0.506 units other factors held constant. A unit change in place strategy leads to 0.297 units increase in customer loyalty other factors remaining the same. While pricing and promotion units increase will change customer loyalty by -0.287 and -0.044 units respectively other factors held constant.

H₀: Null hypothesis “There is no significant effect of product on customer loyalty” was rejected (P = 0.00 < 0.05).
H₀₂: Null hypothesis “There is no significant influence of pricing on customer loyalty” was rejected (P = 0.016 < 0.05).

H₀₃: Null hypothesis “There is no significant effect of promotion on customer loyalty” was accepted (P = 0.763 > 0.05).

H₀₄: The null hypothesis “There is no significant influence of place on customer loyalty” was rejected (P = 0.013 < 0.05).

According to Addmour (2005) marketing mix have relationship with perceived image.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary
Demographic data informed the researcher that there is equity in gender though male are still many in commercial banks. Job turnover is high and banks prefer younger generation that older generation based on their agility and ability to tap new innovation. There many young age banker as there many who have worked for short duration in banking sector. On investigating on product mix strategies and customer loyalty the following summary was obtain;

5.1.1 Product Mix Strategy
Product packaging in form of pay bill, flexible accounts had influence on customer loyalty. It was also found that barding in relation to pay slip and log book based collateral affected customer retention, though log book had more influence than pay slips. Branding based on the type of account did not play a major role in feedback from customer survey. Though land title deeds as form of branding in credit affected the loyalty of the customer. Labeling was found to be important in customer retention and customer loyalty either using picture or company logo designs. In general product strategy was considered to be crucial in commercial banks for customer loyalty. Product strategy was significant factor on customer loyalty. The results resulted to rejection of null hypothesis and hence with the use of product as strategy will improve customer positively customer loyalty.

5.1.2 Price Strategies
Pricing strategy in bank sector is used to differentiate products. According to the findings pricing of bank transaction indicated in quality affected customer loyalty. It was found that by differentiating product by price of the types of services it affected customer survey in the banks. Also through introduction of affordable interest rate on loans more customer could access credit facility repeatedly. Pricing strategy did affect customer loyalty. According to the study’s results there is significant effect of price on customer loyalty. The null hypothesis was rejected which implies that pricing strategies affected customer loyalty.
5.1.3 Promotion Strategy
Promotion is commonly used in activation of products. From the result advertisement using newspaper where in Kenya Daily Nation, Standard and Business Daily are used affect the customer loyalty. Though radio advertisement had no influence customer retention. It would be preferable to use TV channels campaign and advertisement since it indicated considerable influence to customer survey. Advert through creation of many networks affected customer loyalty. Publicity done through bank agent and ATMs played a role in both customer loyalty and customer retention respectively. There is need for sales campaigns, incentives in sales campaign since it affects customer retention and customer survey respectively however it promotion plays a role in customer loyalty. Promotion was not significant on customer loyalty. Hence the null hypothesis was accepted.

5.1.4 Place Strategy
Place or location of banks service is important in service industry. Ease of access to establish branches has effect on customer loyalty. New development in mobile technology through mobile banking Mpesa transaction as influence on customer retention. Findings indicates that place strategy affect level of customer loyalty. Place strategy was significant on customer loyalty. It is crucial in to increasing loyalty and retention of the customer in the organization.

5.2 Conclusion
Banking sector has grown in time creating a vast competitive environment. Product mix strategy is commonly used to produce differentiated products. The study finding outlines the importance of product packaging in term of use of pay bill and flexible account to be a great contributor to developing customer loyalty. Branding also plays an important role on customer retention based on collateral either through log book or pay slip. The use of labeling for both logo and picture are important for customer retention and loyalty. Pricing strategy has been used for long time in organization. Banks use of different transaction fee, service pricing and interest rate has affect the customer loyalty and survey. Advertisement has been used for long time. From the research radio advertisement did not had any significant effect on customer loyalty, though newspaper and TV has some influence. Publicity is also important in developing customer loyalty just as sales promotion. Location of the banks is
important to ensure customer loyalty. This has been enable through branches, mobile banking and hence creating loyalty and retention of customers.

5.3 Recommendations

The study recommends commercial banks to engage in producing more friendly products through differentiated account from loans, interest rates, charges, saving patterns, accounts and loan facilities. It is important to consider also differentiating product through branding and new innovation like mobile banking. It also recommends that pricing strategy be incorporate in differencing technique to increase products. Each product should target a customer need or market niche. Promotion that are not profitable should be avoided like local radio and campaign that provide few impact on customer retention should be avoided. Mobile banking and agency banking should be increased to encourage more customer to access to bank services.

5.3.1 Recommendation for further studies

The following studies were recommended for further studies; Promotion strategy and customer loyalty in commercial banks Kenya; Relationship between product branding and customer loyalty in commercial banks in Kenya.
REFERENCES

Adam, S. (1759). *economic theory*.


CBK. (2013). *Commercial Banks*.


Yoo. (2000). *An Examination of Selected Marketing Mix Elements and Brand Equity, Academy of Marketing Science*.

Appendix I: Questionnaire

Please note that any information that you give will be used only for this research and will be treated with utmost confidentiality.

Please respond to the questions below to the best of your knowledge.

SECTION ONE: BIOGRAPHICAL INFORMATION

1. Please indicate your Gender.
   Male [ ]   Female [ ]

2. What is your age bracket?
   19-30 years [ ] 31-40 years [ ] 41-50 years [ ] over 50 years [ ]

3. How many years have you worked with the bank?
   1-5 years [ ] 6-10 years [ ] 11-15 years [ ] 15 years [ ]

SECTION TWO: Marketing strategies

The statements below relate to marketing strategies in commercial banks in Kericho County, Kenya. The responses are rated on likert scales as follows: 5- Strongly Agree, 4- Agree, 3 – Undecided, 2 - Disagree, 1 – Strongly Disagree. Please tick the option that best suits your opinion on the statement.

Part 1: Product

<table>
<thead>
<tr>
<th>Product mix strategy</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product packaging in form of pay bills determine customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product packaging in terms of flexible accounts opening affect customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branding of credit in form of pay slip based collateral affect customer retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branding done in relation to log book based collateral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
influence customer retention

Branding as per the different types of accounts plays a role in feedback from customer survey

Land title deeds as a form of branding linked to credit I crucial to customer loyalty

Labeling using variety of pictures influence customer retention

Labeling using logo designs affect customer loyalty

Product mix strategies influence customer loyalty

### Part 2: Pricing

<table>
<thead>
<tr>
<th>Pricing strategy</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pricing of bank transactions indicated in quality influence customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Different pricing of types of services offered affect customer survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable interest rates on loan influence customer credit application repeat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing strategies affect customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part 3: Promotion

<table>
<thead>
<tr>
<th>Promotion strategy</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement of bank services through a variety of newspapers such as Daily Nation, Standard and Business Daily influence customer loyalty.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Placement of advertisements on local radio stations influence customer retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising through variety of TV channels affect feedback from customer survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advert through creation of many networks influence customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicity done using banking agencies affect customer retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicity by use of ATMs plays an important role in customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sales campaigns in form of discounts influence customer retention

Incentives given during sales campaign influence customer survey

Promotion determines the level of customer loyalty

Part 4: Place

<table>
<thead>
<tr>
<th>Place strategy</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of access to established branches influence customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile banking Mpesa transactions are critical to customer retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Place strategy direct the level of customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION THREE: CUSTOMER LOYALTY

Choose the appropriate likert scale from 5-1 with 5- Strongly Agree, 4- Agree, 3 – Undecided, 2 - Disagree, 1 – Strongly Disagree. Please tick the option that best suits your opinion on the statement.

<table>
<thead>
<tr>
<th>Customer loyalty</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of customers opting out of the bank affects customer retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrance of new customers in the bank influence customer loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feedback is influenced by customer survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer loyalty, retention and survey play an important role in influencing customer loyalty.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you
Appendix II: Letter from Post Graduate

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean_graduate@ku.ac.ke
Website: www.ku.ac.ke

Internal Memo

FROM: Dean, Graduate School
DATE: 24th May, 2018

TO: Yegon Kiptoo
C/o Business Administration Dept.

REF: D53/KER/PT/30872/2015

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 9th May, 2018 approved your Research Project Proposal for the M.B.A Degree Entitled, “Marketing mix and customer satisfaction in Commercial Banks in Kericho County, Kenya”.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

ELIJAH MUTUA
FOR: DEAN, GRADUATE SCHOOL

Chairman, Business Administration Department.

Supervisor: Dr. Chris Simon Kipkorir
C/o Department of Human Resource Management
Kenyaatta University

EM/jm
Appendix III: NACOSTI Letter

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Ref No: NACOSTI/P/18/29767/26101

Date: 30th October, 2018

Kiptoo Yegon
Kenyatta University
P.O. Box 43844-00100
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Marketing mix and customer satisfaction in commercial banks in Kericho County Kenya” I am pleased to inform you that you have been authorized to undertake research in Kericho County for the period ending 29th October, 2019.

You are advised to report to the County Commissioner and the County Director of Education, Kericho County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

Boniface Wanyama
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Kericho County.

The County Director of Education
Kericho County.
MINISTRY OF EDUCATION
STATE DEPARTMENT OF EARLY LEARNING AND BASIC EDUCATION

Email: cdekerichocounty@gmail.com  County Education Office
When Replying Please Quote: P.O BOX 149
                                           KERicho

REF: KER/C/ED/GC/2/VOL.II/  5th NOVEMBER, 2018.

TO WHOM IT MAY CONCERN.

RE: RESEARCH AUTHORIZATION,
KIPTOOG YEGON.

The above Researcher has been authorized by National Commission for Science, Technology and innovation to undertake research on “Marketing mix and customer satisfaction in commercial banks in Kericho County, Kenya, for a period ending 29th October, 2019.

Kindly accord him the necessary assistance.

OSEWE F.M
COUNTY DIRECTOR OF EDUCATION
KERicho COUNTY
Appendix V: Ministry of Interior and Co-ordination of National Government

THE PRESIDENCY
MINISTRY OF INTERIOR AND CO-ORDINATION OF NATIONAL GOVERNMENT

Telegrams: ..................................................
Phone: Kericho 20132
When replying please quote
MerichoCC@yahoo.com

COUNTY COMMISSIONER
KERICHO COUNTY
P.O. BOX 19
KERICHO

REF: MISC.19 VOL.III (142) 7th November, 2018

Deputy County Commissioners
KERICHO COUNTY

RE: RESEARCH AUTHORIZATION – KIPTOO YEGON

Authorization has been granted to Kiptoo Yegon of Kenyatta University, Nairobi by the National Commission for Science, Technology and Innovation as per the letter Ref. No. NACOSTIC/P/18/29767/26101 dated 30th October, 2018 to carry out research on “Marketing mix and customer satisfaction in commercial banks in Kericho County” for a period ending 29th October, 2019.

Please accord him the necessary assistance

[Signature]
Makar Addi, MBS
COUNTY COMMISSIONER
KERICHO COUNTY

CC: County Directors of Education
KERICHO COUNTY

County Director of Health Services
KERICHO COUNTY GOVERNMENT