

## Moderating Effect of Marketing Mix Strategy on the Relationship Between Service Quality and Customer Satisfaction of Commercial Bank Customers, Nairobi Kenya

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**Abstract:** Marketing strategy remains a critical driver of customer satisfaction and competitiveness in the banking industry globally. Despite this, Commercial banks in Kenya are yet to attain required customer satisfaction levels. This is evident in the low average customer satisfaction index (CSI) which dropped from 67% in 2011 with a downward trend to 60% in 2015 way below the Kenyan Banking industry benchmark of 77%. Studies on the relationship between service quality and customer satisfaction revealed both positive and negative results. These suggest that the relationship may be affected by other factors such as marketing mix strategy. Previous studies have not addressed the role of marketing mix strategy comprising of product, price, promotion, place, people, process and physical evidence in the relationship between service quality and customer satisfaction. The role of a moderating variable like marketing mix strategy can have a strong influence on the strength of the relationship thus it's needed for the study. The main purpose of this study was to analyze the effect of marketing mix strategy on the relationship between service quality and customer satisfaction of commercial bank customers in Nairobi, Kenya.

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A sample of 384 was drawn using proportionate stratified random sampling technique to constitute 242 Retail, 81 Business and 61 corporate customers. The results revealed that Marketing mix strategy significantly moderated the relationship between service quality and customer satisfaction at [R square change=.043, F (1,376) =31.144, p<.05]. Study concludes that marketing mix strategy moderates the relationship between service quality and customer satisfaction. Study recommends: bank management to maintain high service quality levels with a blend of marketing mix strategies translating to high customer satisfaction. Study provides a marketing strategy model that will aid in strengthening the relationship between service quality and customer satisfaction.

**Keywords:** Marketing Mix Strategy, Service Quality, Customer Satisfaction, Customers Commercial Banks, Nairobi, Kenya.

## I. INTRODUCTION

Marketing strategy remains a global critical driver of banks customer satisfaction and competitiveness. Globally, Customer confidence in banking continues to fall, with 40% of customers losing trust in the industry over the past year and only 22 % gaining confidence (Global Consumer survey, 2012).

The art of marketing entails carrying the correct amount and quality of product or service to meet the need of customers at the right place and time, and ensuring that customers benefit from its activities (Arto & Sample, 2005). The marketing concept, a corner stone of modern marketing thought, stipulates that to achieve sustainable success, firms should identify and satisfy customer needs more effectively than their competitors (Day, 1994; Kotler, 2002).

Gronroos (2007) also defined service quality as the outcome of the comparison that consumers make between their expectations and perceptions. Customers' expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectations and quality is low when performance does not meet their expectation (Athanasopoulos *et al.*, 2001)

Marketing mix is the set of tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product or service (Kotler & Armstrong, 2013). Cutler says that a set of marketing mix variables can be controlled by the marketing companies and institutions in their target market and its composition are required for the reaction (Cutler, 2000). Elements of the marketing mix are a set of marketing tools for achieving the goals of the institute of marketing (Hakansson & Waluszewski, 2005).

Gronroos (2000) suggests that the traditional marketing mix or the 4ps approach used in the marketing of goods is insufficient to market and manage services effectively because of services distinctive features. Marketing strategies for services should then be extended by the addition of three more Ps namely people, processes and physical ambience. Service marketing mix include seven elements namely product (service), price, promotion, people (employees), physical features and processes (operations management) (Shamloo, 2006).

Service marketing mix plays an important role in bank marketing. It consists of the various elements of a marketing programme which need to be considered in order to successfully implement the marketing strategy and positioning in the market. It helps in differentiating services of a particular bank from its competitors (Kaura, 2013).

Customer satisfaction is a post consumption evaluation or a pleasurable level of consumption related fulfilment (Henning *et al.*, 2003). In the case of banks, satisfaction refers to the extent to which banking products and services meet customers' needs. Once customers are satisfied and have a positive image or intentions about a particular firm, it will take some time for competitors to snatch or convince them to switch to them. Benefits derived by companies from customer satisfaction include loyalty, repurchasing to increase sales or profit, speak well about the products or services to others to purchase (He & Song, 2009; Sit *et al.*, 2009).

Banking is a customer oriented services industry and depends upon the customers for their survival in the market. The customer is the focus and customer service is the differentiating factor (Guo *et al.*, 2008). A bank can differentiate itself from competitors by providing high quality customer service (Naeem & Saif, 2009). Efficacy of customer service is related with progressive operation in the competitive banking industry, customer satisfaction is considered as the essence of successful organisations operating in service industries. They should consider service quality a key strategic issue for the business success (Spathis *et al.*, 2004).

Many moderation/mediation studies have used other moderators/mediators rather than marketing mix strategy in the relationship between service quality and customer satisfaction (Murshid *et al.* 2014; Osman and Sentosa, 2014; Nai and Shu, 2008). Murshid *et al.* (2014) carried out a study to examine the mediation effect of perceived value on marketing mix strategy and physical satisfaction with locally manufacture drug in Yemin. Osman and Sentosa (2014) carried a study to establish understanding of a mediating effect of customer satisfaction on service quality and customer loyalty relationship in Malaysian commercial banking industry while Nai and Shu (2008) examined the moderating effect of alternative differentiation on the quality/satisfaction relationship. Previous studies on the relationship between marketing mix strategy and customer satisfaction used marketing mix strategy as an independent variable (Mohammad *et al.* 2015; Levesques *et al.* 1996; Ahmad *et al.* 2013; Akroush, 2011; Khan *et al.* 2014; Rezky *et al.* 2012) as opposed to a moderating variable. The moderating effect of marketing mix strategy on service quality and customer satisfaction among commercial bank customers in Nairobi Kenya is unknown. The role of a moderating variable like marketing mix strategy can have a strong influence on the strength of the relationship between service quality and customer satisfaction thus it was needed for the study.

Moderating effect of Marketing Mix Strategy on the relationship between Service Quality and Customer Satisfaction

Murshid *et al.* (2014) carried out a study to examine the mediation effect of perceived value on marketing mix strategy and physical satisfaction with locally manufacture drug in Yemin. The findings provided support for the relationship between marketing mix strategies (Product, Price, Place and Promotion) and physician satisfaction. The findings also confirmed that perceived value is a critical antecedent to physician satisfaction. In addition, Price, Place and Promotion are important predictors of perceived value and perceived value has a strong positive relationship with satisfaction. The study established that price, place and promotion strongly predict physician perceived value. However, product has no influence on perceived value. The results of the study also indicated that perceived value partially mediates the relationship between marketing mix strategy and physician satisfaction. As a result, the strength of the marketing mix strategy, physician satisfaction relationship becomes weaker when perceived value is considered. The study did not offer service quality as one of the determinants of satisfaction and still yet the study ignored the

external customer in establishing the relationship between marketing mix strategy and physicians satisfaction.

A study was carried by Osman and Sentosa (2014) to establish understanding of a mediating effect of customer satisfaction on service quality and customer loyalty relationship in Malaysian commercial banking industry. The results showed that service quality enhances customer satisfaction in Malaysian commercial banking industry. The findings suggested that the relationship between customer satisfaction and profitability may reside in customer satisfaction's influence on customer loyalty, and the customer plays a crucial role within the Malaysian commercial banking industry. The study however does not clearly establish the relationship between service quality and customer satisfaction. The study was carried out in Malaysia of which the study findings cannot be used to represent the Kenyan Scenario.

Nai and Shu (2008) investigated the relative importance of service quality dimensions on customer satisfaction across utilitarian and hedonic services. They also examined the moderating effect of alternative differentiation on the quality/satisfaction relationship. The results indicated that the technical quality is more influential on the satisfaction of utilitarian services, and functional quality is a more important determinant factor of satisfaction in hedonic services than in utilitarian services. The relationship between service quality dimensions and satisfaction varies with the degree of differentiation of other alternatives. This study did not consider the behavioural consequences of customer satisfaction such as customer loyalty, repeat purchase and recommendation.

Ntongai *et al.* 2015. (2015) conducted a study on the analysis of the moderating role of service failure on the relationship between service quality and customer satisfaction in the Kenya's mobile phone sector and established that service failure negatively moderated the relationship at  $\beta = -0.662$ ,  $p < 0.05$ .

Many moderation/mediation studies have used other moderators/mediators rather than marketing mix strategy in the relationship between service quality and customer satisfaction (Murshid *et al.* 2014; Osman and Sentosa, 2014, Ntongai *et al.* 2015, Nai and Shu, 2008). Previous studies on the relationship between marketing mix strategy and customer satisfaction used marketing mix strategy as an independent variable (Mohammad *et al.* 2015; Levesques *et al.* 1996; Ahmad *et al.* 2013; Akroush, 2011; Khan *et al.* 2014; Rezky *et al.* 2012) as opposed to a moderating variable. The moderating effect of marketing mix strategy on service quality and customer satisfaction among commercial bank customers in Nairobi, Kenya is unknown. The role of a moderating variable like marketing mix strategy can have a strong influence on the strength of the relationship between service quality and customer satisfaction thus it was needed for the study.

## II. METHODOLOGY

The study adopted correlational research design. The study population comprised customers of the 11 commercial banks listed on the NSE, Kenya. The total commercial banking population in Nairobi for the listed banks is estimated to be 1,072,500 (CBK, 2014). Commercial banks provide services to customers thus have a direct interconnection with them. Customers are the ones who receive the final service of the banks and thus the researcher anticipated them to give a valid response about service quality, marketing mix strategy and customer satisfaction. The sampling unit was the customers within the banks. Proportionate stratified random sampling technique was used to select the study sample. Stratified random sampling helped in achieving the desired representation of various sub groups within a population of distinct categories of different sizes (Mugenda, 2008). Customer population for each of the 11 commercial

banks was determined using market share of these banks. Customers were stratified into three strata namely Retail, Business and Corporate to constitute 63%, 21% and 16% of the customer population size respectively. Simple random sampling was used to select the samples that constituted each stratum. The sample of each stratum was proportionate to the population size of the stratum. Sample proportions are presented in table 3.1 and 3.2 below. The sample size was determined according to Fisher *et al.* (1998) as below;

$$n = Z^2 pq / d^2 \quad \text{Eq. 1}$$

Where: n – The desired sample size (If the target population is greater than 10,000)

Z = The Standard normal deviate at the required confidence level

P = The proportion in the target population estimated to have characteristics being measured

q = 1 – p

d = The level of statistical significance set

If there is no estimate available of the proportion in the target population assumed to have the characteristics of interest, 50% should be used as recommended by Fisher *et al.* (1998) For example: If the proportion of a target population with a certain characteristic is .50, the Z statistic is 1.96 and we desire accuracy at the .05 level, then the sample size is;

$$n = (1.96)^2 (.50) (.50) / (.05)^2 = 384$$

The questionnaire was the main instrument of data collection. The respondents were asked to express their experiences, expectations and levels of satisfaction measured on a five point Likert scale ranging from “1 – Strongly disagree to 5 – Strongly agree. A Likert scale is easy to construct and administer. It is also easy for respondents to understand (Malhotra, 1996). This has been acknowledged by Vickers cited in Hansson and Arnetz (2005). In addition, Hansson and Arnetz (2005) indicate that coding and interpretation are easier.

Data analysis was carried out using descriptive statistics such as mean, frequency, standard deviation, Correlation, multiple regression analysis and moderated regression analysis. Hypothesis was tested through correlation and multiple regression analysis. The use of both descriptive and inferential statistics aided the researcher in gaining higher degree of reliability and validity (Babbie, 1986).

The researcher used a multiple regression model to determine the relationship between the variables of the study as shown in the following equations, (Cohen *et al.* 2013). Thus;

$$Y_j = B_0 + B_1 X_{kj} + e \quad (1) \quad \text{Eq. 2}$$

$$Y_j = B_0 + B_1 X_{kj} + B_2 Z_{kj} + e \quad (2) \quad \text{Eq. 3}$$

$$Y_j = B_0 + B_1 X_{kj} + B_2 Z_{kj} + B_3 Z_{kj} X_{kj} + e \quad (3) \quad \text{Eq. 4}$$

Where;

Y = Customer satisfaction of customer j

X = Service quality provided by bank k

Z = The theoretically defined moderator variable (Marketing mix strategy),

$XZ$  = The interaction term

$B_n$  = The regression coefficients

$B_0$  = The constant

k and j represent the banks and customers respectively

e = The error/residual in the equation being e (1) for equation 3.2 , e (2) for equation 3.3 and e(3) for equation 3.4.

### III. RESULTS AND DISCUSSION

#### III.1 Response Return Rate

The response return rate of retail customers was 99.6% as shown in the results from table 4.1. Business customers had a response return rate of 98.8% while corporate customers had a response return rate of 98.4%. The overall response return rate was 98.4%, which is termed as very high response return rate. A minimum response of 75% is considered adequate (Fowler, 1993; Ary *et al.*, 1996).

#### III.2 Moderating Effect of Marketing mix Strategy on the Relationship between Service Quality and Customer Satisfaction

The final objective of the study sought to determine the moderating effect of marketing mix strategy on the relationship between service quality and customer satisfaction of commercial bank customers in Nairobi, Kenya.

The first model tested whether service quality had an influence on customer satisfaction. Therefore a simple linear regression model was carried out to establish the effect of service quality on customer satisfaction. The model summary results are presented as shown in Table I.

**Table I:** Summary Model for the Percentage Change in Customer Satisfaction Explained by Service Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.488 <sup>a</sup>	.238	.236	.46998	.238	118.312	1	378	.000

a. Predictors: (Constant), overall service quality



The results in Table I indicate that service quality explained 23.6% change in customer satisfaction [Adjusted R square=.236, F (1, 378) =118.312, p<.05]. This implies that service quality has an influence on customer satisfaction and explains a significant variance in customer satisfaction. The results for the unique contribution of service quality on customer satisfaction were also presented as shown in Table II.

**Table II:** Unique Contribution of Service Quality on Customer Satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	.875	.306		2.859	.004			
1 Overall service quality	.829	.076	.488	10.877	.000	.488	.488	.488

a. Dependent Variable: Customer satisfaction

Table II coefficient results indicate that service quality uniquely contributes to customer satisfaction ( $\beta=.488$ ,  $p<.05$ ). This implies that in the absence of any other variable, one standard deviation in service quality would lead to 0.488 unit change in customer satisfaction. Thus it can be concluded that service quality has a significant influence on customer satisfaction. The study therefore sought as well to find out whether service quality would explain a significant change in customer satisfaction when marketing mix strategy was controlled for using a multiple hierarchical regression model. The model summary results were presented as shown in Table III.

**Table III:** Summary Results of the Effect of service Quality on Customer Satisfaction when Marketing mix Strategy is controlled for

Mode	R	R Square	Adjusted R Square	Std. Error Estimate	Change Statistics				
					R <sup>2</sup> Change	F Change	df1	df2	Sig. F Change
1	.650 <sup>a</sup>	.423	.421	.40914	.423	276.884	1	378	.000
2	.666 <sup>b</sup>	.444	.441	.40218	.021	14.196	1	377	.000

a. Predictors: (Constant), marketing mix strategy

b. Predictors: (Constant), marketing mix strategy, overall service quality

The model summary results as shown in Table III indicate that the overall model 2 (which consisted of both marketing mix strategy and service quality) explains 44.4% of change in customer satisfaction. However, marketing mix strategy alone explained 42.1% change in customer satisfaction [Adjusted R square=.421,  $p<.05$ ] whereas after controlling for the effect of marketing mix strategy, service quality was found to explain only 2.1% significant change in customer satisfaction. Even though the relationship between service quality and customer satisfaction was found to be moderated by marketing mix strategy, the interaction term, which is the cross-product between marketing mix strategy and service quality was not taken care off, in other words, the calculated shared variance. The present study therefore sought to test the hypothesis that “The relationship between service quality and customer satisfaction of commercial bank customers in Nairobi, Kenya is not moderated by marketing mix strategy”. Hierarchical multiple regressions were used to test this hypothesis using the scores of service quality, marketing mix strategy and

customer satisfaction. Customer satisfaction was regressed on the two variables in steps. First, marketing mix strategy was entered in the model in order to control for its effect, the second variable entailed the cross product scores between marketing mix strategy and service quality (referred to as the interaction term), which were also controlled for. The final model consisted of service quality, whose net effect after controlling for the other variables was obtained. The results for the summary model are presented as shown in table IV.

**Table IV:** Summary Model Results for the Moderating Effect of Marketing mix Strategy on the Relationship between Service Quality and Customer Satisfaction

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.650 <sup>a</sup>	.423	.421	.40914	.423	276.884	1	378	.000
2	.666 <sup>b</sup>	.444	.441	.40221	.021	14.137	1	377	.000
3	.697 <sup>c</sup>	.486	.482	.38704	.043	31.144	1	376	.000

a. Predictors: (Constant), Marketing mix strategy

b. Predictors: (Constant), Marketing mix strategy, Interaction term

c. Predictors: (Constant), Marketing mix strategy, Interaction term, Overall service quality

From the findings shown in Table IV, marketing mix strategy explained 42.3% significant change in customer satisfaction [R Square=.423, F (1,378) =276.884, P<.05]. This was then controlled for after the interaction term, which is the cross product between marketing mix strategy and service quality was entered into the model. It was found to explain 2.1% significant change in customer satisfaction, [R square change=.021, F (1, 377) =14.137, p<.05]. The final model (model 3) in the regression results was obtained after controlling for the effect of both the marketing mix strategy and the interaction term which is the interaction between marketing mix strategy and service quality, (marketing mix strategy \* service quality) on customer satisfaction. This was the net effect of service quality on customer satisfaction, [R square change=.043, F (1,376) =31.144, p<.05] or 4.3%. The effect though small confirms moderation. Power to detect interaction effects is often low because of the small effect sizes observed in social science research (Aiken and West, 1991). Fairchild (2008) investigated power for the general model using previous arguments made in literature that interaction effects in real data typically range from explaining 1% to 3% of variance in dependent variable. The variance though small, still confirms moderation. These findings implied that there was a significant moderation effect of marketing mix strategy on the relationship between service quality and customer satisfaction. Therefore we reject the null hypothesis and adopt the alternative hypothesis that the moderating variable (marketing mix strategy) has a significant effect on the relationship between service quality and customer satisfaction of commercial bank customers in Nairobi, Kenya.

The model significance was therefore assessed whereby ANOVA results were presented as shown in Table V.



**Table V: Model Significance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.350	1	46.350	276.884	.000 <sup>b</sup>
	Residual	63.276	378	.167		
	Total	109.626	379			
2	Regression	48.637	2	24.318	150.321	.000 <sup>c</sup>
	Residual	60.989	377	.162		
	Total	109.626	379			
3	Regression	53.302	3	17.767	118.609	.000 <sup>d</sup>
	Residual	56.324	376	.150		
	Total	109.626	379			

a. Dependent Variable: customer satisfaction

b. Predictors: (Constant), Interaction term

c. Predictors: (Constant), Interaction term, marketing mix strategy

d. Predictors: (Constant), Interaction term, marketing mix strategy, overall service quality

The model significant results revealed that the model is significant for all the three models as indicated by the F-test and all the significance results in Table V. The study proceeded with the presentation of the model coefficient results as shown in Table VI.

**Table VI: Estimated Regression Coefficients for variables in the effect of Marketing Mix Strategy on the Relationship between Service Quality and Customer satisfaction**

Model		Unstandardized Coefficient:		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	.630	.215		2.926	.004
	Marketing mix strategy	.925	.056	.650	16.640	.000
2	(Constant)	1.128	.250		4.519	.000
	Marketing mix strategy	.505	.124	.355	4.063	.000
	Interaction term	.072	.019	.329	3.760	.000
3	(Constant)	-1.200	.481		-2.493	.013
	Marketing mix strategy	1.020	.151	.717	6.751	.000
	Interaction term	.075	.032	.341	2.327	.020
	Overall service quality	.653	.117	.432	5.581	.000

a. Dependent Variable: Customer satisfaction

Table VI results indicate that in the absence of the independent variable which is service quality, unobserved factors are likely to lead to customer satisfaction increasing by 0.630 units as indicated by a constant value that was significant at 0.05. However, the standardized Beta coefficient for marketing mix strategy was 0.650 and significant at 0.05. This implies that the marketing mix strategy uniquely contributed to customer satisfaction, ( $\beta=.650$ ,  $p < 05$ ). After controlling for the unique contribution of the marketing mix strategy, the interaction term, which is the interaction between marketing mix strategy and service quality, (marketing mix strategy \* service quality) was still found to uniquely contribute to customer satisfaction, ( $\beta=.329$ ,  $p<.05$ ). This means that as marketing mix strategy increases by one unit, the

satisfaction level of customers' increases by 0.329. It implies that the moderating variable which is marketing mix strategy has an effect on the relationship between service quality and customer satisfaction. Finally, service quality was entered into the model and was found to have a significant contribution on customer satisfaction, ( $\beta=.432$ ,  $p<.05$ ).

Many moderation/mediation studies have used other moderators/mediators rather than marketing mix strategy in the relationship between service quality and customer satisfaction. Murshid *et al.* (2014) carried out a study to examine the mediation effect of perceived value on marketing mix strategy and physical satisfaction with locally manufacture drug in Yemin. The results of the study also indicated that perceived value partially mediates the relationship between marketing mix strategy and physician satisfaction. As a result, the strength of the marketing mix strategy, physician satisfaction relationship becomes weaker when perceived value is considered. Osman and Sentosa (2014) carried a study to establish understanding of a mediating effect of customer satisfaction on service quality and customer loyalty relationship in Malaysian commercial banking industry. The findings suggested that the relationship between customer satisfaction and profitability may reside in customer satisfaction's influence on customer loyalty, and the customer plays a crucial role within the Malaysian commercial banking industry. Nai and Shu (2008) examined the moderating effect of alternative differentiation on the quality/satisfaction relationship. The results indicated that the relationship between service quality dimensions and satisfaction varies with the degree of differentiation of other alternatives. Ntongai *et al.* (2015) conducted a study on the analysis of the moderating role of service failure on the relationship between service quality and customer satisfaction in the Kenya's mobile phone sector and established that service failure negatively moderated the relationship at  $\beta = -0.662$ ,  $p<0.05$ . Ranaweera and Nely (2003) conducted a study on some moderating effects on the service quality – customer retention link. They presented a holistic model of customer retention incorporating service quality perceptions, price perceptions, customer indifference and inertia. Data from a large scale postal survey of telephone users in England showed that perceptions of service quality have a direct linear relationship with customer retention even in mass services with low customer contact. Price perceptions and customer indifference too were found to have a direct linear effect on retention. Furthermore, it was also seen how both price perceptions and customer indifference moderated the relationship between service quality perceptions and customer retention.

Previous studies on the relationship between marketing mix strategy and customer satisfaction used marketing mix strategy as an independent variable (Mohammad *et al.*, 2015; Levesques *et al.*, 1996; Ahmad *et al.*, 2013; Akroush, 2011; Khan *et al.*, 2014; Rezky *et al.*, 2012) as opposed to a moderating variable. Studies on the moderating effect of marketing mix strategy on the relationship between service quality and customer satisfaction are unknown. The current study established that the moderating variable which is marketing mix strategy has an effect on the relationship between service quality and customer satisfaction and therefore added to new knowledge by providing a marketing strategy model to be used in enhancing the relationship between service quality and customer satisfaction.

## VII. CONCLUSIONS AND RECOMMENDATIONS

### VII.1 Moderating Effect on the relationship between Service Quality and Customer Satisfaction

Using hierarchical regression model, the study found that moderating effect of marketing mix strategy on the relationship between service quality and customer satisfaction is statistically significant. When the interaction term was incorporated with marketing mix strategy included, service quality was found to retain

its significance, therefore it was found that marketing mix strategy and the interaction term had a statistically significant moderating effect on the relationship between service quality and customer satisfaction.

The study objective sought to determine the moderating effect of marketing mix strategy on the relationship between service quality and customer satisfaction of commercial bank customers. The results established that marketing mix strategy moderated the relationship between service quality and customer satisfaction. When the interaction term was incorporated with marketing mix strategy included, service quality was found to retain its significance, therefore it was found that marketing mix strategy and the interaction term had a statistically significant moderating effect on the relationship between service quality and customer satisfaction. This implies that as marketing mix strategy increases, the satisfaction level of customers' increases thus marketing mix strategy influences customer satisfaction positively. The study concludes that the marketing mix strategy moderates the relationship between service quality and customer satisfaction. The present study therefore contributes to existing knowledge by providing a marketing mix strategy model to be used in enhancing the relationship between service quality and customer satisfaction.

Based on the study conclusion that marketing mix strategy moderates the relationship between service quality and customer satisfaction, it is recommended that the bank management should enhance the relationship between service quality and customer satisfaction through proper blending, modification and alignment of marketing mix strategies which have a significant influence on this relationship.

### ***VII.2 Suggestion for Future Studies***

The following suggestions are made for future studies. First, a similar study can be carried out on other financial institutions like insurance firms, Sacco's and micro finance institutions. Still; studies can be carried out in other service industry firms like the hotel and the airline industry. Second, future studies should incorporate all the 43 commercial banks and not only the commercial banks listed on the NSE. Thirdly, studies can be carried in other parts of the country apart from Nairobi. Fourth, future studies can focus on specific customer categories and not all the three including retail, business and corporate. Fifth, future studies may consider having service quality as a moderator in the relationship between marketing mix strategy and customer satisfaction. Sixth, Future researchers may try to interrogate the effect of some specific elements of the marketing mix strategy like product or price on customer satisfaction as compared to looking at the entire marketing mix strategy.

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