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Relationship Marketing and Customer Satisfaction of Commercial Banks in Kenya

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Abstract
Commercial banks have to be of superlative standard and devoted to excellence in relationship marketing to piece a major role in customer satisfaction. Relationship marketing develops long-term relationships and improves corporate performance through customer loyalty and customer retention. The study sought to evaluate the effect of relationship marketing on customer satisfaction of commercial banks in Kenya. The study was anchored on the commitment-trust theory. The study was guided by the positivist philosophy and adopted the explanatory research design. The target population was the 39 commercial bank customers in Kenya with a sample of 602 customers. The study used a structured questionnaire as the data collection instrument. Structural equation modeling was used to ascertain the relationship between the various variables. The study found that relationship marketing had a positive and statistically significant relationship with customer satisfaction of commercial banks in Kenya. The study recommends that banks should invest in building rapport with customers by providing customer-tailored services, providing a platform where customers can share compliments and complaints, and responding instantly to customer inquiries and issues.

Keywords: Commercial Banks in Kenya, Relationship Marketing, Customer Satisfaction

1.0 Introduction

Customer satisfaction is vital in the creation and maintenance of competitive advantage in the banking sector globally (Adeniran, 2020). The realization that there are numerous economic advantages ascribed to retaining satisfied customers instead of looking for new customers has made commercial banks pay attention to customer satisfaction to remain competitive (Konovalov et al., 2020). This is heightened by using relationship marketing. The benefits accrued from this approach are improved company performance, profitability, business referrals and increased publicity, customer share, and competitive positioning (Hammoud *et al.,* 2018).

Customer satisfaction is imperative to a business that is faced with new encounters in a modern atmosphere (Delińska & Sliż, 2019). Banks need to have a vivacious identity in the fluctuating banking setting to provide excellent services (Zhao *et al*., 2019). According to Evert (2021), commercial banks have to be of superlative standard and devoted to excellence in relationship marketing to piece a major role in customer satisfaction. Globally, banks play a critical role in an economy. They operate the payments system, are the major source of credit for large swathes of the economy, and act as a safe haven for depositors' coffers (Packin & Nippani, 2021).

Banks act as the circulatory system that links together goods, services, and finance markets (Hairudin *et al*., 2022). There is a strong and positive nexus between access to credit and commercial banks' gross domestic product (GDP) measured as real value added (Ruto, 2016). In Kenya, private sector credit as a percentage of GDP has remained relatively low at 27.5% relative to the global average of 133.8% (Moyo & Sibindi, 2020). The disconnect presents a significant economic problem since over 75% of GDP is linked to private expenditure and investments, naturally powered by credit (Kimani *et al.,* 2021). There is a necessity for commercial banks to increase their engagement with private firms to make them customers. This will call for inventive marketing strategies accompanied by the innovative presentation of the products.

Customers are better educated, more demanding of the products and services they require, and more conversant with technology (Hadad & Bratianu, 2019). Relationship marketing (RM) is a strategy that includes all marketing activities absorbed toward establishing, developing, and maintaining successful customer relationships (Caliskan, 2019). RM develops long-term relationships and advances corporate performance through customer loyalty and customer retention. It involves creating, maintaining, and enhancing strong relationships with customers and other stakeholders within and outside one's enterprise (Aka *et al.,* 2016). Effective RM involves a variety of overlapping strategies and technologies that help foster a deeper, long-term relationship with current and prospective customers. It has been shown that if a company treats its customers appropriately and they become loyal for a long time, they will bring more and more profits to the company every year (Johanesová & Vaňová, 2020).

With product quality becoming a common standard in many industries, and no longer a major source of competitive advantage, many firms are turning to relationship marketing to remain afloat (Gummerus *et al.,* 2017). Trust, bonding, communication, shared value, empathy, and reciprocity are the six main components of RM (Aka *et al.,* 2016). RM is an effective strategy for a business when there are substitute products or services for the customer to choose from, when the customer makes the selection decision, and when there is an ongoing and periodic desire for the product or service (Giltner, 2020).

As of the end of 2019, the banking system's total assets stood at KES 4.8 trillion, out of which loans and advances amounted to KES 2.7 trillion (Kenya Bankers Association, 2020). The banking system's total assets continued to grow, albeit modestly by 9.2 %. The observed growth was driven mainly by the increase in credit to the private sector, although trapped below the double-digit level observed pre-2017. The overall capital adequacy ratio (CAR) was 18 % in 2019 up from 16.5 % in the year 2017, indicating rising instability conditions (Mugo, 2021). As of December 31, 2020, the Kenyan banking sector comprised CBK and 42 banking institutions (CBK, 2021). Out of the 42 banks, 40 were privately owned while the Kenya Government had majority ownership in 2 banks.

Banks constantly aim at growing their market shares, profits, efficiency, and asset bases, to outpace their competitors (Ali, 2020). They may achieve this through embracing reforms that result in changes in the banking structure, mergers, and acquisitions, entry and exit of banks, conversion of non-bank institutions to banking institutions, adoption of technology, and new business models (Mugo, 2021). The banking sector in Kenya continues to struggle with rising non-performing loans and inadequate commercial bank loans to meet the rising customer demands (Ochieng, 2018; Muigai *et al*., 2019). This implies that there is a high rate of loan defaulting, calling for strategies to retain non-defaulting customers while at the same time providing competitive loan products that will attract more non-defaulting customers. Amidst these challenges, banks need to attract and retain more customers to remain afloat. This may happen when the existing customers are satisfied and various modalities of marketing are put in place to attract more customers. Commercial banks in Kenya also have a low average customer satisfaction index (CSI) which dropped from 67% to 60% way below the Kenyan banking industry benchmark of 77% (M'mbwanga, 2021). This could reduce customer satisfaction which leads to banks losing customers to their competitors such as microfinance institutions (MFIs) and Savings and Credit cooperative societies (SACCOs). There is, therefore, a need for increased relationship marketing and the provision of high-quality loan services that could help satisfy existing customers while attracting potential new customers. This study, therefore, seeks to evaluate the effect of relationship marketing on customer satisfaction of commercial banks in Kenya.

2.0 Materials and Methods

The adoption of the positivist's philosophy permitted the study to investigate various Relationship Marketing variables, in relation to customer satisfaction of commercial banks in Kenya. Additionally, this study adopted the explanatory research design to determine the effect of relationship marketing on customer satisfaction in commercial banks. The target population was customers of commercial banks in Kenya. Since it was not possible to determine the number of customers served by commercial banks in Kenya, the number of accounts held was used as a proxy. Thus, all the customers who hold 69881847 accounts as of December 2020 in 39 commercial banks licensed by the Central Bank of Kenya that were not under receivership were used. The sample of the customers was calculated using the following formula

$$n = \frac{1.96^2 pq}{d^2}$$

Where;
n is the required sample size,
p is the proportion of the population having the characteristic,
q = 1-p
d is the degree of precision.
According to CBK (2020), the proportion of Kenya's adult population with access to formal banking services is 83 %. Thus, p = 0.83, q = 1-0.83 = 0.17 and at 95% confidence level d = 0.03 is acceptable.

Therefore, $= \frac{0.83*0.17*1.96^2}{0.03^2} = 602$.

Thus, a total of 602 commercial banks' customers were sampled and distributed proportionately based on the accounts held in each bank. Simple random sampling was used in selecting the first respondent while systematic random sampling was applied in selecting the fifth customer to enter the banking hall. The primary data was collected using a structured questionnaire. The researcher engaged research assistants to administer the questionnaires to the sampled respondents and guide the respondents on how to respond to the instruments. The instruments were collected thereafter being filled on the same day. Primary data were analyzed using both descriptive statistics and inferential statistics that included Pearson correlation and regression. The structural equation model for relationship marketing used was; $CusS = \beta 0 + \beta 1T + \beta 2E + \beta 3Comm + \beta 4B + \beta 5R + \beta 6SV + \varepsilon i$
where T is trust, E is empathy, Comm is communication, B is bonding, R is reciprocity and SV is a shared value.

3.0 Literature Review

This study was guided by a commitment trust theory. The commitment trust theory was proposed by Morgan and Hunt (1994). The theory states that the customer's relationship, commitment, and trust are positioned as the key mediating variable model of RM. Kalafatis and Miller (1997) did a replica study on the development of a conceptual framework to establish the relationship between RM and customer satisfaction and confirmed the position of commitment and trust as key mediating variables of relationship outcomes, although some of the hypothesized paths could not be confirmed. This theory was appropriate for studying RM and customer satisfaction, and commitment-trust theory concepts to explain and conceptualize RM paradigms. RM refers to a wide range of 'relationship variables' that have developed over the past few decades in consumer product markets and in business-to-business sectors. (Makanyeza & Chikazhe, 2017)
The empirical evidence on the relationship marketing and customer satisfaction remains scanty in relation to the banking sector and some studies have been carried out in other sectors (Makanyeza & Chikazhe, 2017). Using the structural equation modelling approach, Yuwita and Nugroho (2020) indicated that service quality and RM variables significantly influenced customer satisfaction variables in the Wisma Soewarna Brach Office (Kcp) of Bni of Tangerang. Another study by Amoako et al. (2019) showed a positive and significant relationship between RM (trust and commitment) and customer satisfaction in the Ghanaian hospitality industry. Similarly, Laely and Rosita (2020) found a significant relationship between RM and customer satisfaction in McDonald's restaurants.
In addition, Ibojo and Dunmade (2016) established that RM results in customer satisfaction in a private university, in Oyo State, Nigeria. Likewise, a study by Nugraha *et al*. (2020) in Regional Development Bank Bali Renon showed that RM had a positive and significant effect on customer satisfaction. A review by Aka *et al*. (2016) indicated that RM dimensions such as trust, commitment, communication, and service quality influenced customer satisfaction in Nigeria. It should, however, be noted that the Yuwita and Nugroho (2020) study was carried out in the

service industry in general rather than in commercial banks. Moreover, it is worth noting that Amoako et al. (2019) and Laely and Rosita (2020) findings were from the hospitality sector and their generalization in the banking industry might not be prudent. It should also be noted that the education sector is different from the banking sector and that the Ibojo and Dunmade (2016) study findings might not apply to the banking sector.

Though related, Nugraha *et al*. (2020) study was carried out in a single entity (bank) and hence might not be a true reflection of all banks. It should also be noted that the Aka *et al*. (2016) review was none specific in terms of industry and did not specifically indicate aspects of RM that were significantly related to customer satisfaction. The Aka *et al*. (2016) study might suffer from biased conclusions. Nonetheless, all these studies point to a positive relationship between RM and customer satisfaction.

Contrary to these findings, a study by Ikraman and Syah (2020) reported that RM does not affect customer satisfaction in B2B companies. The study was carried out in business-to-business companies and may not reflect the situation in the banking sector. The conflicting results imply that there is a need to examine the relationship between RM and customer satisfaction on the basis of industry. Thus, this study seeks to ascertain the effect of RM on the customer satisfaction of commercial banks in Kenya.

4.0 Results

4.1 Demographic Characteristics of Respondents

This section presents the demographic characteristics of the respondents who access commercial banks. The demographic characteristics of interest to this study were; gender, age, level of education, marital status, source of income, and level of income.

Table 1: Demographic Characteristics of Respondents

	Characteristic	Frequency	Percent
	Male	216	54.7
	Female	179	45.3
Gender	**Total**	**395**	**100**
	18-30 years	102	25.8
	31-40 years	131	33.2
	41-50 years	98	24.8
	51-60 years	45	11.4
	Above 60 years	19	4.8
Age	**Total**	**395**	**100**
	Primary school	14	3.5
	High school	53	13.4
	College	70	17.7
	First Degree	185	46.8
	Postgraduate	60	15.2
	Others	13	3.3
Education level	**Total**	**395**	**100**
	Married	254	64.3
	Single	99	25.1
	Widowed	24	6.1
	Divorced	18	4.6
Marital status	**Total**	**395**	**100**
	Formal Employment	189	47.8
	Unemployed	50	12.7
	Self-employment	137	34.7
	Others	19	4.8
Source of income	**Total**	**395**	**100**
	Less than 10,000	85	21.5
	10,001-50,000	153	38.7
	50,001-100,000	100	25.3
	More than 100,000	57	14.4
Level of income	**Total**	**395**	**100**

The result presented in Table 1 shows that 54.7% of the respondents were male while 45.3% were female. This also implied that more male customers were accessing banking services as opposed to their female counterparts.
Further, the study sought to establish the age of respondents that access formal commercial bank services. In Kenya, to be eligible to hold an account as an independent person, the minimum requirement is a national identity card or passport. Citizens aged 18 years and above are eligible to be issued a national identity card. However, there exist junior accounts whose opening and transactions are not carried out by the juniors themselves but by either their parents or guardians who have attained the age of maturity. Therefore, it was expected that the minimum age of any particular respondent is 18 years. The result in Table 1 shows that 25.8% of the respondents were between 18 and 30 years, 33.2% of the respondents were between 31 and 40 years, 24.8% of the respondents were between 41 and50 years, 11.4% of the respondents were between 51 and 60 years and 4.8% of the respondents were above 60 years. This result implied that the respondents who participated in the study were below 50 years old, indicating that those in the working age bracket seek commercial bank services more than those in the retirement age bracket.
From the result presented in Table 1, 3.5% of the respondents had primary school as their highest level of education, 13.4% of the respondents had high school as their highest level of education, and 17.7% of the respondents had college as their highest level of education. Additionally, 46.8% of the respondents had a first degree as their highest level of education, 15.2% of the respondents had postgraduate as their highest level of education and 3.3% of the respondents had other levels of education other than those specified. This implied that respondents in all education levels require commercial bank services, the majority of them being those with post-secondary education.
The marital status of the respondents was based on four categories; married, single, widowed, and divorced. From the result above, 64.3% of the respondents were married, 25.1% were single, 6.1% were widowed and 4.6% were divorced. The majority of the account holders in Kenyan commercial banks were married.
It was indicated that 47.8% of the respondents were employed, 12.7% of the respondents were unemployed, 34.7% were self-employed and 4.8% of the respondents had other sources of income. This implied that respondents of all income sources require commercial bank services. However, the salary was the source of income for the majority of the respondents in the study.
Income was classified into four categories that is less than 10,000; 10,001-50,000; 50,001-100,000 and more than 100,000 Kenya shillings. It can be observed that 21.5% of the respondents earned less than 10,000 Kenya shillings, 38.7% of the respondents earned between 10,001 and 50,000 Kenya shillings, 25.3% of the respondents earned between 50,001 and 100,000Kenya shillings and 14.4% earned more than 100,000 Kenya shillings.

4.2 Descriptive results

The descriptive results for relationship marketing are presented in Table 2. Descriptive statistics comprised means and standard deviations. The coefficients of variation ratings were determined as 0 to 25% very good, 26 to 50% good, 51 to 75% fair, and 76 to 100% poor. The descriptive results of customer trust are presented in Table 2.

Table 2 Extent of Agreement or Disagreement with Customer Trust

Customers Trust	Mean	Standard Deviation	CV %
My bank is very concerned about proper service delivery	3.73	1.12	30.03
My bank employees' words and promises are reliable	3.63	1.23	33.88
My bank is consistent in providing quality services	3.54	1.31	37.01
Employees of my bank show respect to customers	3.73	1.10	29.49
Employees of my bank fulfill obligations to customers on time	3.82	1.03	26.96
I have confidence in my bank's service delivery	3.68	1.28	34.78
Average	**3.69**	**1.18**	**32.03**

Key: CV= Coefficient of Variation

Note: The responses from the duly filled questionnaires were analyzed using SPSS software and the descriptive statistics were presented in the form of mean and standard deviation.
From the results presented in Table 2, most of the respondents agreed with a mean of 3.73 and a standard deviation of 1.12 that their banks were concerned about proper service delivery. The

majority of the respondents also agreed with a mean of 3.63 and a standard deviation of 1.23 that their banks' employees' words and promises were reliable. On the question of whether their banks were consistent in providing quality services, the majority of the employees agreed with a mean of 3.54 and a standard deviation of 1.31.

On whether employees of their bank showed respect to customers, the respondents agreed with a mean of 3.73 and a standard deviation of 1.10. The respondents in the study agreed with a mean of 3.82 and a standard deviation of 1.03 that the employees of their banks fulfilled their obligations to customers on time. On the other hand, the majority of the respondents also agreed with a mean of 3.68 and a standard deviation of 1.28 that they had confidence in their banks' service delivery

From these responses on customer trust, it was evident that the majority of the respondents had trust in their respective commercial banks. The average coefficient of variation of customer trust for the study was 32.03 indicating that the variation was low and hence good. Table 3 presents the descriptive statistics for bonding with customers.

Table 3 Extent of Agreement or Disagreement with Bonding with Customers

Bonding with customers	Mean	Standard Deviation	CV %
My bank delivers solutions to my service needs promptly	3.67	1.22	33.24
My bank fosters interaction with customers during and after service delivery	3.76	1.21	32.18
My bank's responses are reliable during and after service delivery	3.57	1.34	33.54
My bank's services are easily accessible always anywhere.	3.71	1.22	32.88
My bank ensures that the technology it offers can be easily used by customers	3.61	1.25	34.63
My bank takes responsibility for any response given by employees during interaction with customers	3.63	1.27	34.99
My bank employees offer personalized services to customers	3.67	1.22	33.24
Average	**3.66**	**1.25**	**33.53**

Key: CV= Coefficient of Variation

Note: The responses from the duly filled questionnaires were analyzed using SPSS software and the descriptive statistics were presented in the form of mean and standard deviation.

The responses had a mean of 3.67 and a standard deviation of 1.22 indicating that their banks delivered solutions to their service needs promptly. On the question of whether the banks foster interaction with customers during and after service delivery, the respondents agreed with a mean of 3.76 and a standard deviation of 1.21. The respondents did agree with a mean of 3.57 and a standard deviation of 1.34 that their banks' responses were reliable during and after service delivery. Concerning the question of whether bank services were easily accessible always anywhere, the respondents agreed with a mean of 3.71 and a standard deviation of 1.22. The result also indicated that the respondents did agree with a mean of 3.61 and a standard deviation of 1.25 that their banks ensured that the technology they offered could be easily used by customers.

The respondents did agree with a mean of 3.63 and a standard deviation of 1.27 that, their banks took responsibility for any response given by employees during interaction with customers. Finally, concerning the question of whether bank employees offered personalized services to customers, the respondents did agree with a mean of 3.67 and a standard deviation of 1.22. On whether banks' responses are reliable during and after service delivery respondents agreed with a mean of 3.57 and a standard deviation of 1.34. The average coefficient of variation of bonding with customers for the study was 33.53 within the range of 26% to 50% indicating that the variation was low and hence good.

Table 4 presents the descriptive results for communication with customers.

Table 4 Extent of Agreement or Disagreement with Communication with Customers

Communication with Customers	Mean	Standard Deviation	CV %
My bank provides timely and trustworthy information to customers	3.53	1.34	37.96
This bank provides information if there are new service delivery ways	3.52	1.31	37.22
Information provided to customers by my bank is accurate	3.86	1.16	30.05
Average	**3.64**	**1.27**	**35.08**

Key: CV= Coefficient of Variation

Note: The responses from the duly filled questionnaires were analyzed using SPSS software and the descriptive statistics were presented in the form of mean and standard deviation.

From the results presented in Table 4, the respondents agreed with a mean of 3.53 and a standard deviation of 1.34 that the bank provides timely and trustworthy information to customers. On the question of whether banks provided information, and if there were new service delivery ways, the respondents agreed with a mean of 3.52 and a standard deviation of 1.31. The respondents did agree with a mean of 3.86 and a standard deviation of 1.16 that the information provided to customers by their banks was accurate. The respondents agreed that the bank provides timely and trustworthy information to customers with a mean of 3.53 and a standard deviation of 1.34. The average coefficient of variation of communication with customers for the study was 35.08 which lies between 26 to 50% indicating that the variation was low and therefore, good.

Table 5 presents the descriptive statistics of empathy with customers.

Table 5 Extent of Agreement or Disagreement with Empathy to Customers

Empathy to customers	Mean	Standard Deviation	CV %
My bank's employees' service delivery is prompt	3.56	1.30	36.52
My bank's employees are always willing to help me during service delivery	3.52	1.32	37.50
My bank's employees are never too busy to respond to service delivery requests	3.61	1.33	36.84
My bank employees' behavior creates confidence in me during service delivery	3.52	1.34	38.07
My bank has my best interest at heart during service delivery	3.73	1.22	32.71
My bank's employees understand my specific service delivery needs	3.60	1.33	36.94
Average	**3.59**	**1.31**	**36.43**

Key: CV= Coefficient of Variation

Note: The responses from the duly filled questionnaires were analyzed using SPSS software and the descriptive statistics were presented in the form of mean and standard deviation.

From the results presented in Table 5, the respondents agreed with a mean of 3.56 and a standard deviation of 1.30 that the bank's employees' service delivery was prompt. The respondents agreed with a mean of 3.52 and a standard deviation of 1.32 that bank employees were always willing to help customers during service delivery. The respondents also agreed with a mean of 3.61 and a standard deviation of 1.33 that the banks' employees were never too busy to respond to service delivery requests.

On the question about bank employees' behavior creating confidence in customers during service delivery, the respondents agreed with a mean of 3.52 and a standard deviation of 1.34. Additionally, the respondents agreed with a mean of 3.73 and a standard deviation of 1.22 that the bank had their best interest at heart during service delivery. Finally, the respondents agreed with a mean of 3.60 and a standard deviation of 1.33 that bank employees understood their specific service delivery needs.

In regards to the question as to whether the bank had their best interest at heart during service delivery, respondents agreed with a mean of 3.73 and a standard deviation of 1.22. The respondents agreed with a mean of 3.52 and a standard deviation of 1.34 that bank employees' behaviour created confidence. The average coefficient of variation of empathy to customers for the study was 36.43 which lies between 26 to 50% indicating that the variation was low and hence good.

The descriptive statistics for reciprocity to customers are presented in Table 6.

Table 6 Extent of Agreement or Disagreement with Reciprocity to Customers

Reciprocity to customers	Mean	Standard Deviation	CV %
Any customer-related favor is repaid by my bank by ensuring his/her service delivery needs are fulfilled	3.53	1.34	37.96
My bank believes that the favors offered to customers during service delivery are mutually beneficial	3.57	1.34	37.54
My bank ensures that any assistance available during service delivery is availed to customers on time	3.54	1.31	37.01
Average	**3.55**	**1.33**	**37.50**

Key: CV= Coefficient of Variation

Note: The responses from the duly filled questionnaires were analyzed using SPSS software and the descriptive statistics were presented in the form of mean and standard deviation.
The respondents agreed with a mean of 3.53 and a standard deviation of 1.34 that any customer-related favour is repaid by banks. The respondents believed that the favors offered to customers during service delivery are mutually beneficial with a mean of 3.57 and a standard deviation of 1.34. Finally, the respondents agreed with a mean of 3.54 and a standard deviation of 1.31 that banks ensured that any assistance available during service delivery was availed to customers on time. The average coefficient of variation of reciprocity to customers for the study was 37.50 within the range of 26 to 50% indicating that the variation was low and therefore good.
The descriptive statistics for shared value with customers were presented in Table 7.

Table 7 Extent of Agreement or Disagreement with Shared Value with Customers

Shared value with Customers	Mean	Standard Deviation	CV%
My bank's goals are in tandem with customer's banking service delivery needs	4.01	1.05	26.18
The banking service quality is in line with my banking service delivery needs.	3.52	1.38	39.20
My banking service quality policies align with customer service delivery needs	3.58	1.37	38.27
Average	**3.70**	**1.27**	**34.55**

Key: CV= Coefficient of Variation

Note: The responses from the duly filled questionnaires were analyzed using SPSS software and the descriptive statistics were presented in the form of mean and standard deviation.
From these results, the respondents did agree with a mean of 3.53 and a standard deviation of 1.34 that any customer-related favour was repaid by their bank by ensuring their service delivery needs were fulfilled. The respondents did agree with a mean of 3.57 and a standard deviation of 1.34 that the bank believed that the favors offered to customers during service delivery were mutually beneficial.
Finally, the respondents agreed with a mean of 3.54 and a standard deviation of 1.31 that banks ensured that assistance available during service delivery was availed to customers on time. The average coefficient of variation of reciprocity to customers for the study was 34.55 within the range of 26 to 50% indicating that the variation was low and therefore, good.

4.3 Kaiser-Meyer-Olkin Test for Relationship Marketing

Factor analysis was conducted to verify the validity of the research instruments. In doing this, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Barlett's Test of Sphericity were employed to determine the adequacy of the collected data to be used in equation modelling. The principal components method was used to undertake the factor analysis. For the principal components' method, an extraction value of more than 0.5 (critical level of significance which was set at 0.5) is retained for further analyses (Field, 2013). The KMO sampling adequacy tests and Bartlett's Sphericity tests for relationship marketing are presented in Table 8.

Table 8: Measures of RM KMO Sampling Adequacy Tests and Bartlett's Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.632
Bartlett's Test of Sphericity	Approx. Chi-Square	1794.614
Bartlett's Test of Sphericity	df	378
Bartlett's Test of Sphericity	Sig.	0.000

From the results presented in Table 8, the KMO statistic was 0.632 and was statistically significant at a 0.05 level of significance. Furthermore, the Chi-square of Bartlett's Test of Sphericity was 1794.614 and was statistically significant at 0.05 level of significance. In addition, the principal component method was conducted to identify the variables for relationship marketing that would meet the research criteria with factor loading > 0.05. The results are presented in Table 4.30

4.4 Confirmatory factor analysis for Service Quality

Factor analysis was conducted to verify the validity of the research instruments

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Table 9: Measures of Relationship Marketing Component Matrix

Measurement indicators of relationship marketing	Factor Loadings
My bank is very concerned about proper service delivery	0.545
My bank employees' words and promises are reliable	0.520
My bank is consistent in providing quality services	0.619
Employees of my bank show respect to customers	0.540
Employees of my bank fulfill obligations to customers on time	0.528
I have confidence in my bank's service delivery	0.845
My bank delivers solutions to my service needs promptly	0.576
My bank fosters interaction with customers during and after service delivery	0.675
My bank's responses are reliable during and after service delivery	0.620
My bank's services are easily accessible always anywhere.	0.542
My bank ensures that the technology it offers can be easily used by customers	0.611
My bank takes responsibility for any response given by employees during interaction with customers	0.513
My bank employees offer personalized services to customers	0.571
My bank provides timely and trustworthy information to customers	0.545
This bank provides information if there are new service delivery ways	0.575
Information provided to customers by my bank is accurate	0.876
My bank's employees' service delivery is prompt	0.541
My bank's employees are always willing to help me during service delivery	0.517
My bank's employees are never too busy to respond to service delivery requests	0.536
My bank employees' behavior creates confidence in me during service delivery	0.904
My bank has my best interest at heart during service delivery	0.897
My bank's employees understand my specific service delivery needs	0.566
Any customer-related favor is repaid by my bank by ensuring his/her service delivery needs are fulfilled	0.634
My bank believes that the favors offered to customers during service delivery are mutually beneficial	0.592
My bank ensures that any assistance available during service delivery is availed to customers on time	0.664
My bank's goals are in tandem with customer's banking service delivery needs	0.518
The banking service quality is in line with my banking service delivery needs.	0.536
My banking service quality policies align with customer service delivery needs	0.675

The measurement indicators that had factor loadings > 0.5 (set critical level of significance) were retained in the study for further analysis.

4.5 Reliability analysis

The reliability of the statements was conducted using Cronbach's alpha. Diehl and Gay (1992) argue that a reliability coefficient of at least 0.7 and above is acceptable. Results are shown in Table 10.

Table 10: Reliability test results

Statement	Cronbach's Alpha
My bank is very concerned about proper service delivery	.713
My bank employees' words and promises are reliable	.716
My bank is consistent in providing quality services	.719
Employees of my bank show respect to customers	.724
Employees of my bank fulfill obligations to customers on time	.719
I have confidence in my bank's service delivery	.718
My bank delivers solutions to my service needs promptly	.710
My bank fosters interaction with customers during and after service delivery	.712
My bank's responses are reliable during and after service delivery	.715
My bank's services are easily accessible always anywhere.	.715
My bank ensures that the technology it offers can be easily used by customers	.711
My bank takes responsibility for any response given by employees during interaction with customers	.719
My bank employees offer personalized services to customers	.714
My bank provides timely and trustworthy information to customers	.714
This bank provides information if there are new service delivery ways	.712
Information provided to customers by my bank is accurate	.715
My bank's employees' service delivery is prompt	.723
My bank's employees are always willing to help me during service delivery	.715
My bank's employees are never too busy to respond to service delivery requests	.714
My bank employees' behavior creates confidence in me during service delivery	.706
My bank has my best interest at heart during service delivery	.705
My bank's employees understand my specific service delivery needs	.717
Any customer-related favor is repaid by my bank by ensuring his/her service delivery needs are fulfilled	.717

My bank believes that the favors offered to customers during service delivery are mutually beneficial	.717
My bank ensures that any assistance available during service delivery is availed to customers on time	.713
My bank's goals are in tandem with customer's banking service delivery needs	.723
The banking service quality is in line with my banking service delivery needs.	.718
My banking service quality policies align with customer service delivery needs	.716

All the statements attracted Cronbach's Alpha coefficients greater than 0.7. Thus, the measures in the questionnaire were all reliable for use in the study analysis.

4.6 Structural Equation model of relationship marketing and customer satisfaction in commercial banks in Kenya.

The regression analysis results of the study are presented in Table 11. The results entail the regression analysis of relationship marketing and customer satisfaction.

Table 11: Relationship marketing and customer satisfaction.

Outcome variable		Predictors variables	Estimate	S.E.	C.R.	P
Customer satisfaction	<---	Customers trust	.165	.026	6.372	.000
Customer satisfaction	<---	Bonding with customer	.219	.024	9.101	.000
Customer satisfaction	<---	Communication	.074	.018	4.105	.000
Customer satisfaction	<---	Empathy to customers	.150	.021	7.119	.000
Customer satisfaction	<---	Reciprocity	.054	.017	3.241	.001
Customer satisfaction	<---	Shared value	.076	.017	4.369	.000
		Estimate				
Squared multiple correlations		0.614				

Note: S.E is the Standard Error whereas C.R. is the Critical Ratio.

The SEM equation in form of a figure is shown in figure 1.

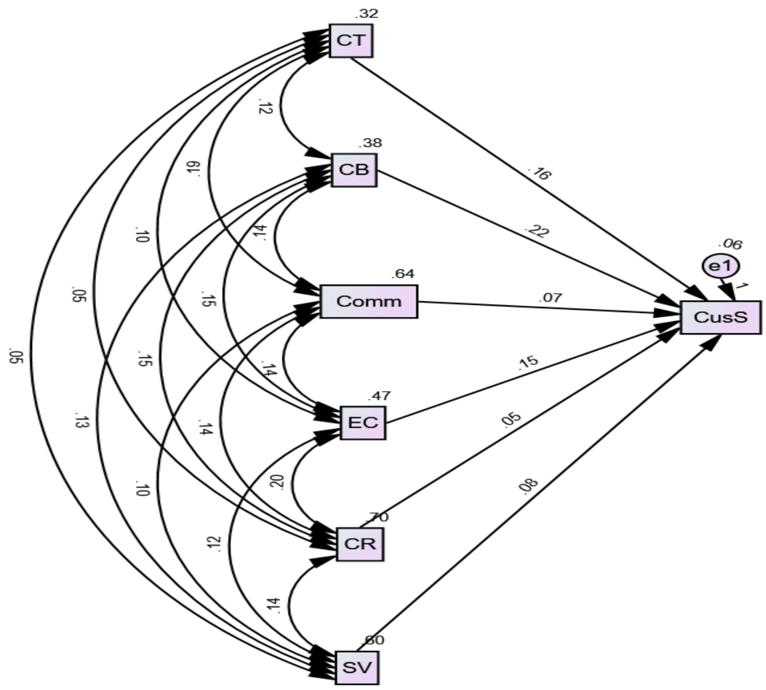

Figure 1: Structural Equation Model for Relationship Marketing and Customer Satisfaction.

Where; CusS was customer satisfaction, CT was customer trust, CB was customer bonding, Comm was communication, EC was empathy to customers, CR was reciprocity to customers and SV was shared value.

From the results presented in Table 11, the R-Squared for the model was 0.614. This implies that a combination of the factors of customer trust, customer bonding, communication, empathy to customers, reciprocity to customers, and shared value jointly contributes 61.4% of the total variations in customer satisfaction. It can also be observed that the effects of all these variables on customer satisfaction were positive (positive estimates) and statistically significant (P values <0.05). All these variables were therefore relevant in explaining the variations in the levels of customer satisfaction.

Furthermore, bonding with the customers had the highest positive and significant effect on customer satisfaction (0.219, 0.000) whereby a unit improvement in customer bonding will result in a 0.219 unit increase in the levels of customer satisfaction. A unit increase in reciprocity leads to a 0.054 unit increase in the level of customer satisfaction. In addition, customer trust also had a positive (0.165) and significant (0.000) coefficient. This means that a unit improvement in customer trust yields 0.165 units increase in the level of customer satisfaction. The coefficient for communication was also positive (0.074) and was statistically significant (0.000). This implies that a unit improvement in communication yields 0.074 units increase in the level of customer satisfaction. Furthermore, empathy for customers had a positive (0.150) and a statistically significant (P = 0.000) coefficient. This meant that t a unit increase in empathy toward customers leads to a 0.150 unit increase in the level of customer satisfaction. Finally, it was found that the coefficient of shared value was positive (0.076), and statistically significant (P = 0.000). Therefore, a unit improvement in shared value will result in a 0.076 unit increase in the level of customer satisfaction.

Among these variables, bonding with the customer had the greatest effect on customer satisfaction. Bonding with a customer involves having the customer very close. According to Aka *et al*., (2016), relationship marketing develops long-term relationships and improves corporate performance through customer loyalty and customer retention, which involves creating, maintaining, and enhancing strong relationships with customers and other stakeholders within and outside one's enterprises. In addition to this, the contribution of customer trust to customer satisfaction cannot be neglected. Building customer trust involves the provision of quality, timely and reliable services. It also entails treating every customer with respect. According to Caliskan, (2019), relationship marketing employs marketing strategies including all marketing activities directed toward establishing, developing, and maintaining successful customer relationships.

From the analysis, it was evident that communication had a positive and significant contribution to customer satisfaction. Communication involves sharing information with the customers regarding the banks' services in a timely and efficient manner. The information shared should always be accurate and trustworthy. Imouokhome, *et al*., (2020) in their study indicated that relationship marketing has enhanced product quality, trust, complaint handling, customer satisfaction, and customer loyalty, particularly in the Nigerian banking sector. Additionally, reciprocity also plays a positive and significant role in customer satisfaction. Reciprocity involves offering favours or help whenever necessary to the customers. A study by Johanesová and Vaňová, (2020) argued that when a company treats its customers appropriately and they become loyal for a long time, they would bring more and more profits to the company every year.

The analysis of the data indicated that empathy for customers has a positive influence and this effect is statistically significant. This means that empathy for customers should be seriously considered by Kenyan commercial banks to enhance customer satisfaction. Commercial banks strive to maintain the existing customer base as opposed to looking for a new customer base through the application of several marketing strategies. They pay attention to customer satisfaction in order to remain competitive (Konovalov *et al*., 2020). Finally, shared value is also critical as it plays a positive and statistically significant role in determining the variations in the levels of customer satisfaction. Shared value entails actualizing the policies and the goals of the banks in the service delivery process. According to Evert (2021) commercial banks have to be devoted to excellence in relationship marketing and service delivery to piece a major role in customer satisfaction.

5.0 Conclusion and Recommendation

From the results, relationship marketing has a positive and significant relationship with customer satisfaction. Relationship marketing is an important factor that explains variations in the level of customer satisfaction of commercial banks in Kenya. The study recommends that banks should invest in building rapport with customers by providing customer tailored services, providing platform where customers can share complements and complaints and responding immediately to customer queries and issues.

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