

# Effects of Strategic Positioning of Service Delivery on Customer Satisfaction - A Case Study of FINA Bank

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**Abstract-** This paper investigates the effects of strategic positioning of service delivery on customer satisfaction a case of Fina Bank Mombasa. Several publications, reference materials as well as some unpublished literature are used to compile the literature review with discussion on the topic under study. At the time of study, the population comprised of customers and the staff totaling to 250 respondents. The researcher issued out 250 questionnaires and received 67. Respondents were grouped into strata's under their departments. Data collection was through questionnaires. Both qualitative and quantitative techniques were used to analyze the data collected. Majority the respondents agreed that strategic positioning of service delivery within an organization has a positive impact on customer satisfaction.

**Index Terms-** Strategic positioning, customer segmentation, service delivery, customer, enterprise satisfaction, small and medium-sized co-operate clients

## I. INTRODUCTION

In today's increasing competitiveness nature in the banking and financing industry, a key challenge for banks is to cut through the noise of competing and substitute products and service to attract the attention of the consumer. The word strategy comes from a Greek word known as *strategia*, which was used in military terms and represent had times which requiring the people in charge of making decision to make good use of the available and existing resources to win a war. strategic service delivery implies a strong focus on competition, product branding and service delivery. Since competition in banking and financing sector was rapidly increasing in terms of service delivery, bankers have to attract more customers through strategic service delivery efforts to improve on their services. In order to achieve this and improve their market and profit positions, many retail banks were directing their strategies towards increasing customers' satisfaction and loyalty through improved service quality. In a fiercely competitive market, non-price factors like customer service become more important hence; it was desirable for banks to develop a customer-centric approach for future survival and growth. (Veneeva, 2006, Kotler, 2003).

It has always been known that prompt, efficient and speedy customer service alone will retain the existing customers to continue and induce new customers to try the services offered by a bank. Further, it had been realized that a number of banks had miles to go to capture the recent trends and to be at par with the modern banks in service delivery. As a result, many banks have introduced new customer friendly measures such as 24-hour

banking, seven-day and anywhere banking, internet banking, extended business hours, ATM network, corporate banking, mobile banking etc to remain competitive in the market. Today, customers are increasingly becoming aware of the options and offers banks provide in retaining them as potential customers. (Krishnaveni & Divya Prava, 2004, Sachdev & Verma, 2004, Aurora and Malhotra, 1997).

Positioning can be defined as collection of creative activities that manipulates the consumers' mind in favor of the brand. The emphasis was that positioning starts with a product and ends up creating a space and occupying it in the consumers' minds. its argue that a well-known brand only holds a distinctive position in consumer's mind which may be difficult for the competitors to claim, and that this position would only be maintained with well-articulated strategies concerning product, price, place, and promotion (Ries, 1986).

In December 2011, Fina bank was a medium-sized financial services provider, providing commercial banking services to individuals and organizations. Its emphasis was to serve small and medium-sized corporate clients ("SMEs"). The bank was the flagship institution of the Fina Bank Group, which includes Fina Bank (Rwanda) and Fina Bank (Uganda). As of December 2010, the asset valuation of Fina Bank (Kenya) was estimated to be approximately \$US 171 million (KES:14.1 billion). The history of Fina Bank (Kenya) dates back to 1986 when Finance International Limited was incorporated in Nairobi, as a "Non-Banking Financial Institution" (NBFI). The name of the institution was later changed to The Finance Institution of Africa (FINA). Ownership of FINA changed in 1991 and the current owners assumed control of the company. (*Financial advisory magazine*, 2012)

A banks service can be affected by economic, technological, demographic, socio-cultural, political and legal factors. With an increasing number of commercial banks in Kenya, banks are now competing for attention for sustainability. From the demand of banking services and facilities perspective, the explosion in brand choice and brand publicity material has increased the confusion among potential consumers. Initially Banks have served as one of the main underpinnings of society since civilization began. They have slowly evolved over the centuries, moving slowly from simple counting houses and places to store physical treasures to the modern institutions of today. Banks now offer products and services that were undreamed of even in the later days; they still provide traditional services such as checking and savings accounts, certificates of deposit and safe deposit boxes. But they now provide a wealth of electronic benefits that can rival those of any other type of retail financial institution (Wiersema, 1994 Treacy, 1994).

For effective positioning strategy to happen it must be beneficial to the marketer and consumer in this case the bank. This was because positioning was underpinned by the philosophy of understanding and meeting unique consumer needs, (*Manhas, 2010*). Effective positioning offers the customer benefits tailored to solve a problem related to their needs. In a way that was different to competitors. For the organization, the value of positioning lies in the link it provides between the analysis of the internal corporate and external competitive environments. This is fundamental to the definitions of strategic marketing, which point to the matching of internal resources with environmental opportunities (*Chacko, 1997, Pike & Ryan 2004*).

Customer satisfaction and services delivery are what modern banks employ to increase and improve their service delivery thus customer retention. Therefore positioning products is central to developing strong customer base and brand equity. The target market and the perceived differentiation from competitors are seen as core concepts of positioning, (*Rao & Steckel1998*). Positioning is a relevant strategic concept, and a major development in consumer marketing, which has equal applicability for industrial products and services. (*Webster 1991*), Webster furthered echoed that Positioning of the company values, through its services was a unique way the firm delivered value to its customers.

Competition had made banks marketing management to adopt strategic concepts and tactics in positioning their services so as to impart value to their customers. Bank service in Kenya can be well positioned through non-functional and functional benefits, non functional benefits involves bank corporate identity and image, whereas functional benefits comprises of developing new attributes for the products or altering old attributes of the old products so as to improve customers satisfaction, (*Ojung'a, 2005*).

Strategic positioning of banking services/products was a concept which most banks undertake so as to be more competitive in the financial industry in Kenya. For banks to attract more customers they must ensure that their services deliver value satisfaction for their customers. The ideal vision of strategically positioning of the bank service and products was to be distinguishable from competitors along real dimensions to be the most preferred bank for a certain market segment or prospects it's an attempt to have a unique and clear position in the market place. The image-making bank seeks to cultivate an image in the customers eyes and mind, positioning was a process of establishing and maintaining distinctive place and image in the market for an organization or its individual product/service offering so that the target market or prospects understands and appreciates what the organization stands for in relation to its competitors (*Zineldin1996, Trout1986*)

### 1.3.1 General objective

The study aimed to investigate the effects of strategic positioning of service delivery on customer satisfaction at Fina bank.

### 1.3.2 Specific objectives

1. To determine the effects of technology advancement on customer satisfaction at Fina bank.
2. To analyze the effects of product classification on customers satisfaction at Fina bank.
3. To investigate how customer segmentation enhance customer satisfaction in fina bank.
4. To find out the effects of brand benefits contribute on customer satisfaction

## II. LITERATURE REVIEW

### Customer Bonding : The Driving Force in Shaping Strategy

Classic strategy frameworks emphasize a product orientation where the company competes against rivals and the winner is determined by who has the best product.

These companies tend to commoditize customers by offering standardized products through mass distribution channels that can inhibit contact with end-customers. The intimacy and connectivity of a networked economy, however, offer opportunities to create constructive, long-term relationships with customers that lead to an unbreakable link that we refer to as "customer bonding", a mutually beneficial engagement based on trust and transparency. To achieve bonding, you must promote investments in and around the product by customers and complementary (firms that deliver products and services that enhance or augment the company's products), that customers cannot easily walk away from and the company can use to customize its offering. Investments in these "collateral" assets, both financial and time, such as learning how to use the product, incorporating customer-specific data, integrating purchased add-ons, and customizing interfaces to the product, can increase switching costs and bonding. The Delta Model provides an expanded set of strategic positions that incorporate customer bonding.

### The Triangle : A New Set of Strategic Positioning

There are three distinct strategic options, which offer very different approaches to achieve customer bonding:

Best Product - Low cost or differentiation: commoditization of customers limits opportunity for bonding, total Customer Solution - Reducing customer costs or increasing their profits: enhancing the customer's economics can lead to stronger bonding, system Lock-in - Complement or lock-in, competitor lock-out, or proprietary standard: identifying, attracting and nurturing complementary can further increase the value of your offering and the strength of your customer bonding (*source Hax, 2009*).

The System Lock-In and Total Customer Solutions options offer new ways to compete that deviate substantially from conventional "best product" strategic positioning, and provide increasing levels of customer bonding

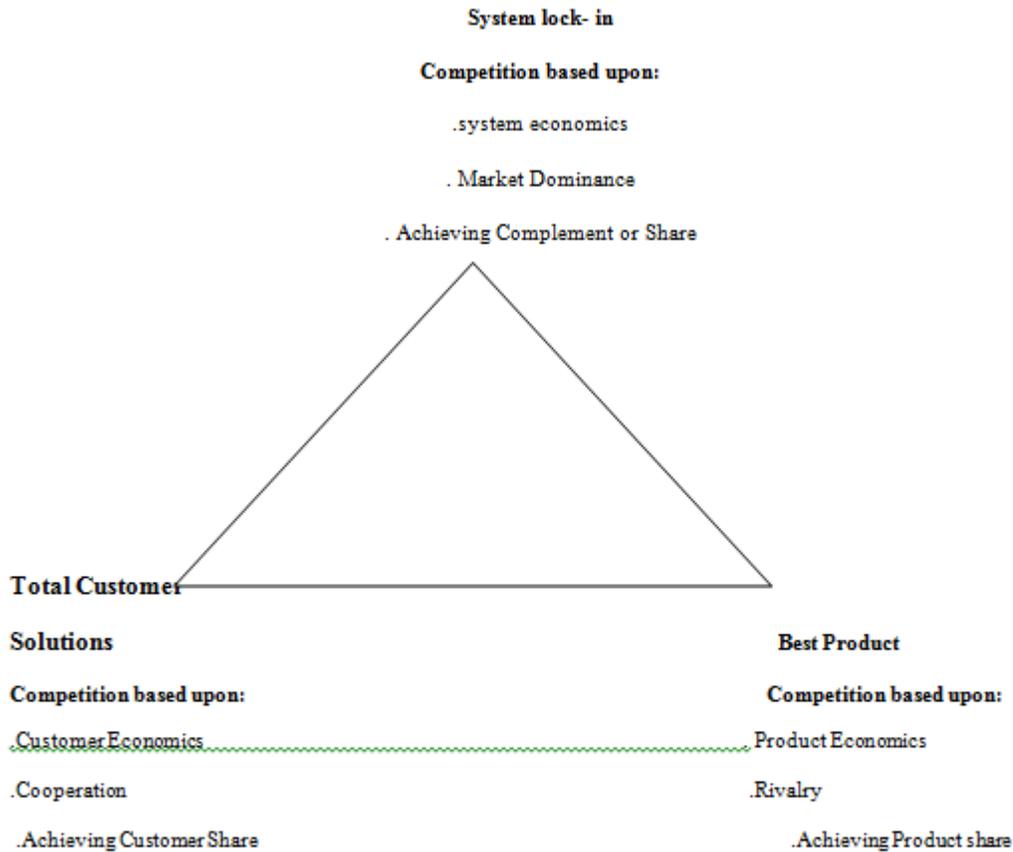


Figure 1 Delta model triangle. A new set of strategic positioning of products and services  
 (source Hax, 2009)

### 2.2.6 System Lock-in

The System Lock-In option was the widest scope; it includes the extended enterprise - the firm, its customers, suppliers, and most importantly, "complementary" – and can lead to the highest level of bonding. While the customer continues to be the central focus, the key to this strategic option was to identify, attract, and nurture the complementary. They are rarely detected and exploited effectively – we must identify and incorporate all the key external players that can become complementary.

System Lock-In can be achieved either by "owning" unique or constrained distribution channels that locks-out competitors (e.g., optimal shelf space in a grocery store, or the best location was a small town) or developing an extensive set of complementary that supports your product or service and locks-in your customer (e.g., by appropriating the industry standard or dominant exchange). Further, mass adoption of the product should in itself significantly expand the value of the product to the customer creating a self-reinforcing feedback loop.

#### Conceptual frame work

Different scholars define conceptual framework according to the subject under review but all point to the same of methodology or maps of processes and procedures followed in solving a problem. This study adopts the following conceptual framework derived from the objectives of the study. The independent variables of the study are technology advancement, product classification,

customer segmentation and brand benefits, while the dependent variable will be customer satisfaction.

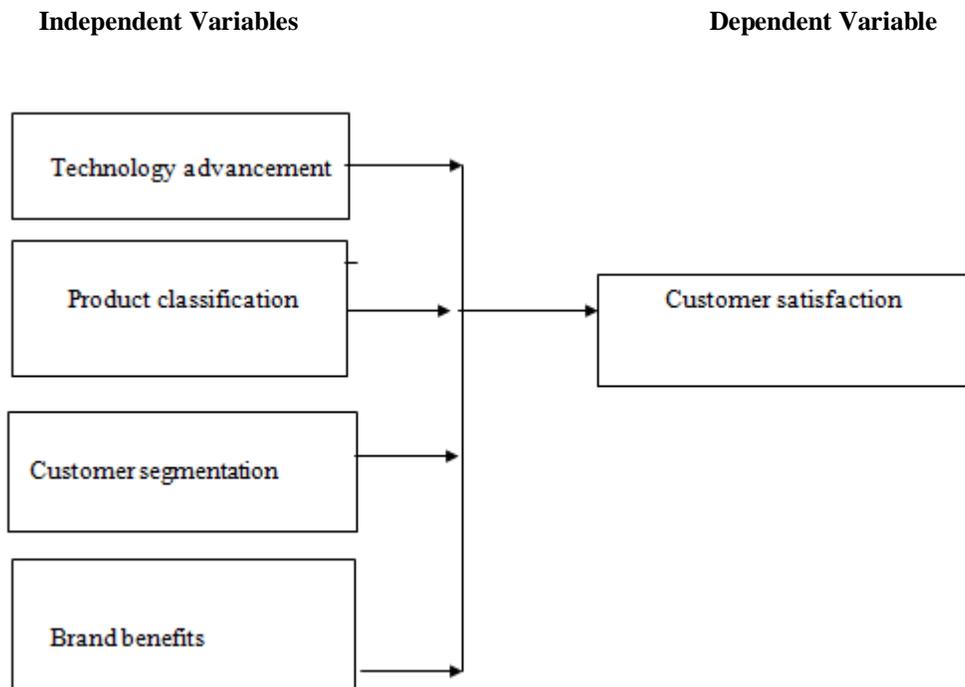


Figure 3. The conceptual framework (Source researcher 2014)

### 2.3.1 Technology advancement

Massive, rapid, technological innovations (Norton, 1995) are replacing the traditional branch teller. With greater competition brought by deregulation, globalization and widespread mergers and acquisitions taking place in the banking sector, more branches were being closed down and replaced by self-served banking (SSB) facilities like the ATMs, mobile and internet banking as part of a larger rationalization exercise. This enables them to dynamically plan new locations, evaluate their performance, forecast customers' attitude to new offered products and services, estimate clients' switching behavior, and finally provide marketing support to their geographically separate branches. The banking sector had been the backbone of every country. It implements and brings about economic reforms. Any change in this sector through technology has a sweeping impact on any country.

### Product classification

Product classifications help marketers focus their efforts using consumers' buying behavior. A business can use these buying habits to design your marketing efforts for a clearly defined target audience. Consumer products are often classified as convenience goods, shopping goods, specialty products or unsought goods. Although these classifications are named as types of products, focusing on how your customers buy these goods were equally important as you classify products and develop your marketing campaigns (Howard, John A. 1977, Hoyer, Wayne and Steven, 1990).

### 2.3.3 Customer segmentation

The process of splitting customers, or potential customers, in a market into different groups, or segments, within which customers share a similar level of interest in the same or comparable set of needs satisfied by a distinct marketing

propositions. Marketing proposition, the 'tools' or means available to the organization to improve the match between benefits sought by customers and those offered by the organization so as to obtain a differential advantage. Often referred to as the four Ps, this is usually the appropriate mix of product features, price, promotion and place (service and distribution). For the customer, this manifests itself as benefits, cost, relevant image and convenience; in other words, a customer value proposition.

Customers segment themselves and take no notice of how companies segment their market(s). When choosing between competing products and services, customers select the proposition that meets their needs better than any other. To win market share, therefore, a company must ensure that their offers meet these needs better than any other at a price they perceive as providing superior value for money (which does not necessarily mean it has to be the cheapest). As this was how customers operate in a market, then a segmentation project should have these as its segmentation criteria.

### 2.3.4 Brand benefits

According to Marcia Yudkin branding was the process of creating distinctive and durable perceptions in the minds of consumers. A brand was a persistent, unique business identity intertwined with associations of personality, quality, origin, liking and more. Here's why the effort to brand your company or yourself pays off. Memorability; a brand serves as a convenient container for a reputation and good will. It's hard for customers to go back to "that what's its name store" or to refer business to "the plumber from the Yellow Pages." In addition to an effective company name, it helps when people have material reminders reinforcing the identity of companies they will want to do repeat

business with: refrigerator magnets, tote bags, datebooks, coasters, key rings, first aid kits.

### 2.3 Critique existing literature

Previous researchers have demonstrated the importance of increasing understanding of strategies to resolve customer complaints and more to study the behavior of customers, namely quality of life & sex (Ndubisi, 2005). Study customer behavior through the CM model to take the complaint as an opportunity to provide solutions, research studies and the (Vos & Huitema, 2008). As the study by (Baptista, 2003) in which an organization should attempt to resolve complaints informally, taken orally and should make proper records and the complaint should be resolved as soon as possible so the problem does not persist.

They have also emphasized differences in complaints against the Service Counter and self service terminals & (Vihtkari Snellman, 2003), was the nation that the use of self-service terminals in the bank to reduce customer complaints, but rather a circumstance where there is 40 per cent of users are not satisfied with the self-service. Researchers previously expressed understanding of customer dissatisfaction was the key to successful implementation of TQM and principals as well as the (Puga Leal & Pereira, 2002). Researchers say previous satisfaction is waiting to be served a major contributor to quality of service satisfaction (Sulek & Hensley, 2007).

Researchers previously expressed satisfaction with the care, satisfaction, trust and satisfaction as a control, each dependent on each other that Beverland, and 2005. Previous researchers to state that organizations need to keep employees as customers and keeping customers as employees of (Bowers & Martin, 2004). Researchers found that the quality of a product and services was dependent on the existing knowledge in the management. (Yang, 2006). Researchers say there was a strong relationship between the dimensions of service quality, performance and customer satisfaction. Previous studies were identified the benefits that customer retention delivers to an organization (see Colgate et al., 1996; Reichheld and Sasser, 1990; Storbacka et al., 1994). For example, the longer a customer stays with an organization the more utility the customer generates (Reichheld and Sasser, 1990). This was an outcome of a number of factors relating to the time the customer spends with the organization. These include the higher initial costs of introducing and attracting a new customer, increases in both the value and number of purchases, the customer's better understanding of the organization, and positive word-of-mouth promotion.

Customer satisfaction has been said one of the most widely used study in marketing. The previous research has tries to identify a number of variables of customer satisfaction. Because satisfaction was basically a psychological state, care should be taken in the effort of quantitative measurement, although a large quantity of research in this area was recently been developed. Work done by Berry (Bart Allen and Brodeur between 1990 and 1998) defined ten 'Quality Values' which influence satisfaction behavior, further expanded by (Berry ,2002 ) and known as the ten domains of satisfaction. These ten domains of satisfaction include: Quality, Value, Timeliness, Efficiency, Ease of Access, Environment, Inter-departmental Teamwork, Front line Service Behaviors, Commitment to the Customer and Innovation.

These factors are emphasized for continuous improvement and organizational change measurement and are most often utilized to develop the architecture for satisfaction measurement as an integrated model. Work done by Parasuraman, Zeithaml and Berry (Leonard L) between 1985 and 1988 provides the basis for the measurement of customer satisfaction with a service by using the gap between the customer's expectation of performance and their perceived experience of performance.

This provides the measurer with a satisfaction "gap" which was objective and quantitative in nature. Work done by Cronin and Taylor propose the "confirmation/disconfirmation" theory of combining the "gap" described by Parasuraman, Zeithaml and Berry as two different measures (perception and expectation of performance) into a single measurement of performance according to expectation. According to Garbrand, customer satisfaction equals perception of performance divided by expectation of performance. The usual measures of customer satisfaction involve a study with a set of statements using a Likert scale. The customer is asked to evaluate each statement and in term of their perception and expectation of performance of the organization being measured. Based on their responses, customers can be categorized into one of three groups: Promoters, Passives, and Detractors.

## III. METHODOLOGY

### Research design

The researcher used descriptive survey design method. This method was preferred because it allows for prudent comparison of the research findings. A descriptive survey was used to ensure complete description of a situation making sure that there was minimum bias in the collection of data thus reducing error in interpreting data. (Cooper, and Schindler, 2003, Burns and Grove ,2003, Polit, 2001, Parahoo, 1997).

### 3.2 Population

In this study the population was Fina bank staffs and their daily customers, who were grouped in terms of their age, educational status, socio-economic status and residential areas and 250 but out of 250 , 67 respondents took part in the research.

Departments	Frequency	Percentage
Top management staffs	20	8
Middle level staffs	50	20
Operational staffs	80	32
Customers	100	40
<b>Total</b>	<b>250</b>	<b>100</b>

Table 3.1: Target Population

### 3.4 Sampling and sample size

Ngechu (2004) underscores the importance of selecting a representative sample through making a sampling frame. A sample size of 10 Fina banks limited branches e.g. town centre branch opposite KPLC building partnerships managers of the

project implementation team was selected in the study out of the entire product positioning in all Fina banks within Kenya. Stratified proportionate random sampling technique was used to select the sample. According to Babbie (2010) stratified proportionate random sampling technique produce estimates of overall population parameters with greater precision and ensures a more representative sample was derived from a relatively homogeneous population. Stratification aims to reduce standard error by providing some control over variance. From each stratum the study will use simple random sampling to select respondents by taking 30% of each category. Statistically, in order for generalization to take place, a sample of at least 30 elements (respondents) must exist (*Cooper and Schindler, 2003*). *Mugenda and Mugenda (2003)* argue that if well chosen, samples of about 10% of a population can often give good reliability. The selection was as follows:

**Table 3. 2: Sample Size**

Departments and customers	Frequency	Sample Ratio	Sample
Top management staff	20	0.3	17
Middle level staff	50	0.3	19
Operational staff	80	0.3	21
Customer	100	0.3	10
<b>Total</b>	<b>250</b>		<b>67</b>

Source: Author (2012)

### 3.5 Data collection

According to *Sarantakos (1993)*, the successful completion of a sampling procedure connects the research with the respondent and specifies the kind and number of respondents who were involved.

The investigator knows at this stage not only what was to be studied, but also who to approach for the required information. The information was to be available, provided that the right 'connection' between the researcher and the respondents are made. This connection was made through the methods of data collection.

According to *Sotirios Sarantakos (2005)*, a questionnaire was a method of survey data collection in which information was gathered through oral or written questionnaires. Oral questioning was known as interviewing; written questioning was

accomplished through questionnaires which are administered to the respondents by mail or handed to them personally by the researcher.

Structured questionnaires were used in the collection of primary data and this was either self administered or face to face interview with the respondent. For self-administered questionnaires, the researcher further interviewed the respondents on a few responses that required further clarification.

### 3.6 Data collection procedure

The researcher recorded questionnaires as issued to the respondents i.e. identified sample and indicated timeframe within which the questionnaires had to be returned. Observations and interviews were recorded naturally.

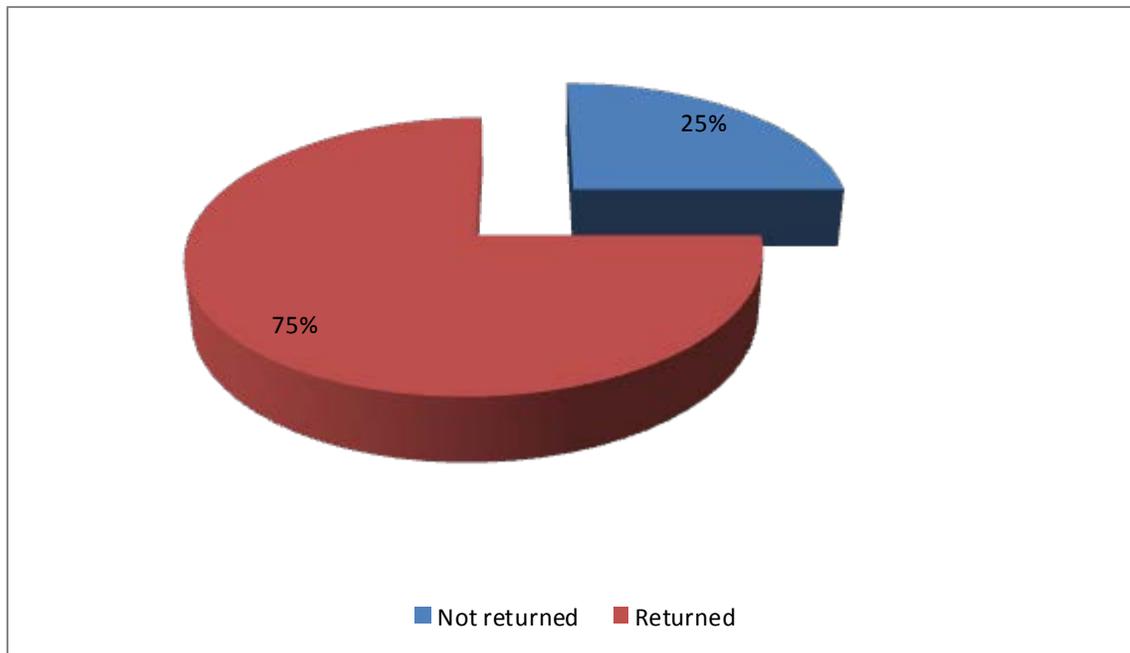
### 3.7 Data processing and analysis techniques

Data was analysed using both descriptive and inferential statistics. The Statistical Package for Social Sciences (SPSS V21) is favored because of the quantitative nature of the data was used in the data analysis. These descriptive statistical tools were helpful to the researcher to describe the data and the features of data that is of interest. The study findings are presented using tables, histograms, bar charts and pie charts. Tables were used to summarise respondents for further analysis and facilitate comparison. In addition the study the researcher had used Karl Pearson's product moment correlation analysis to assess the relationship between the variables. This was because correlation analysis illustrates both the direction and strength of the relationship between two variables (*Malhotra and Peterson, 2006*).

## IV. RESEARCH FINDINGS AND DISCUSSION

### Rates of response

The study had initially targeted 67 respondents, 50 respondents filled and returned their questionnaires thus constituting 75% response rate, while 17 of the respondents didn't respond and never returned the questionnaires and constituted 25% non response rate. This collaborates *Bailey (2000)* assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on this assertion; the response rate in this case of 75% was very good for a new study and facilitated collection of data on variability perspective of the different respondents of the Fina bank as it is shown in the figure 4.1 below.



**Figure 4.1 rate of respondents**

Working experience	Frequency	Percent
1-5 years	25	50
5-10 years	15	30
10-15 years	10	20
<b>Total</b>	<b>50</b>	<b>100</b>

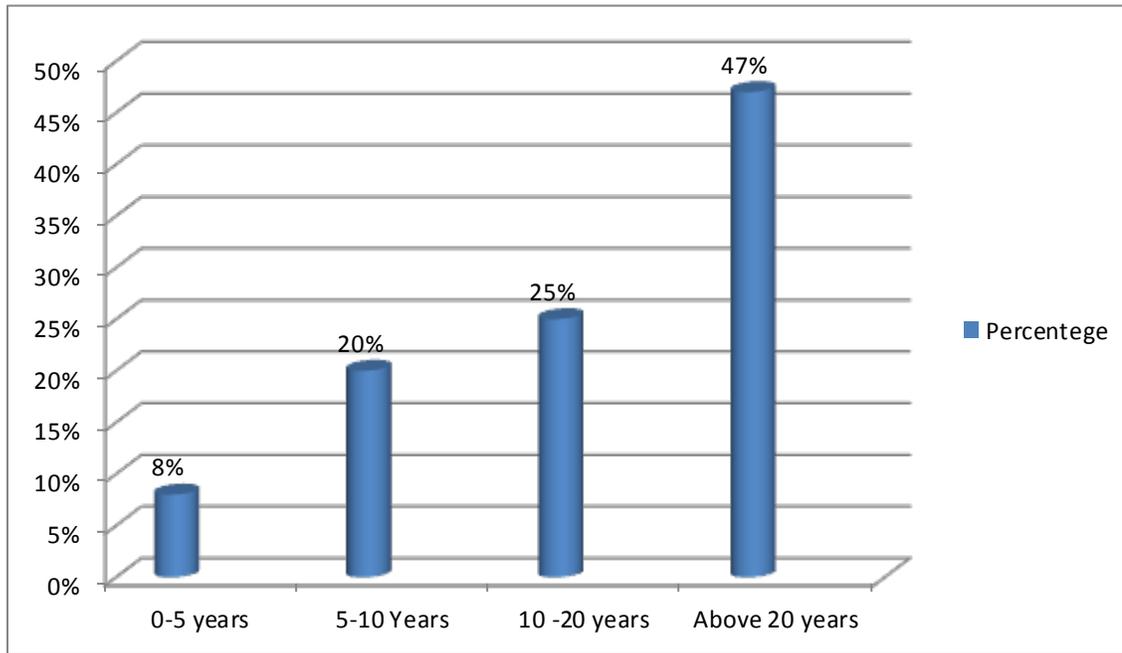
**Table 4.1 Working experience of the respondents**

The research sought to find out the number of years the respondents had been working at Fina bank. According to the study, 50% of the respondents had been working at Fina bank in department for a period between 1-5 years, 30% of the respondents for 5-10 years, 10% of the respondents had been working for 10-15 years which indicating that majority of the employees were new in the organization having worked for less than 10years but a facilitation of adequate experience since they account for more than half of the total sample group of the study. The variation in different years worked by different respondents helped the study in that information and data required was collected from different perspectives in terms of years with those who had been there for long giving the genesis of strategic positioning of service delivery and what factors were attributed to implement the strategy and how to deal with any challenges that may be encountered with the new employees giving out information from a recent perspective of modernity and changes

in infrastructure development, policies and legal frameworks of strategic positioning of service delivery at Fina bank thus variability and hence efficiency of data.

**4.2 Demographic characteristics of the respondents**

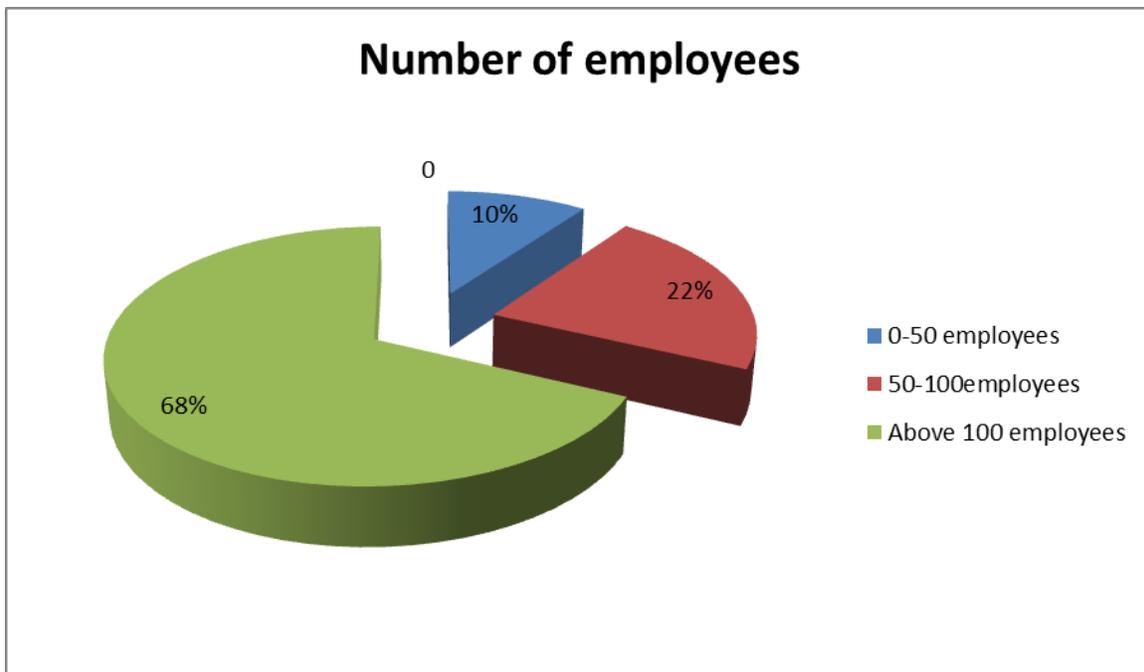
The establishment of demographic data of the respondents was guided by questions regarding the general information about them and the company in general. The data also establishes to what extend the respondents agree that the external environment has an influence on the strategic positioning of service delivery at Fina Bank. Majority of the respondents (75 percent) possess return the educational qualification higher than diploma or its equivalent and about 25 percent of the respondents are in the rank of senior manager and above. This is an indication that the respondents are highly rated employees who should know more about the strategic positioning of service delivery.



**Figure 4.2 The period that the Organization has been in to existence**

From the chart above its shows clearly that majority of the respondents which is 47% responded that the firm has been to existence for more than 20 years of operation, as 25% of the respondents said that the firm has been in to existence between

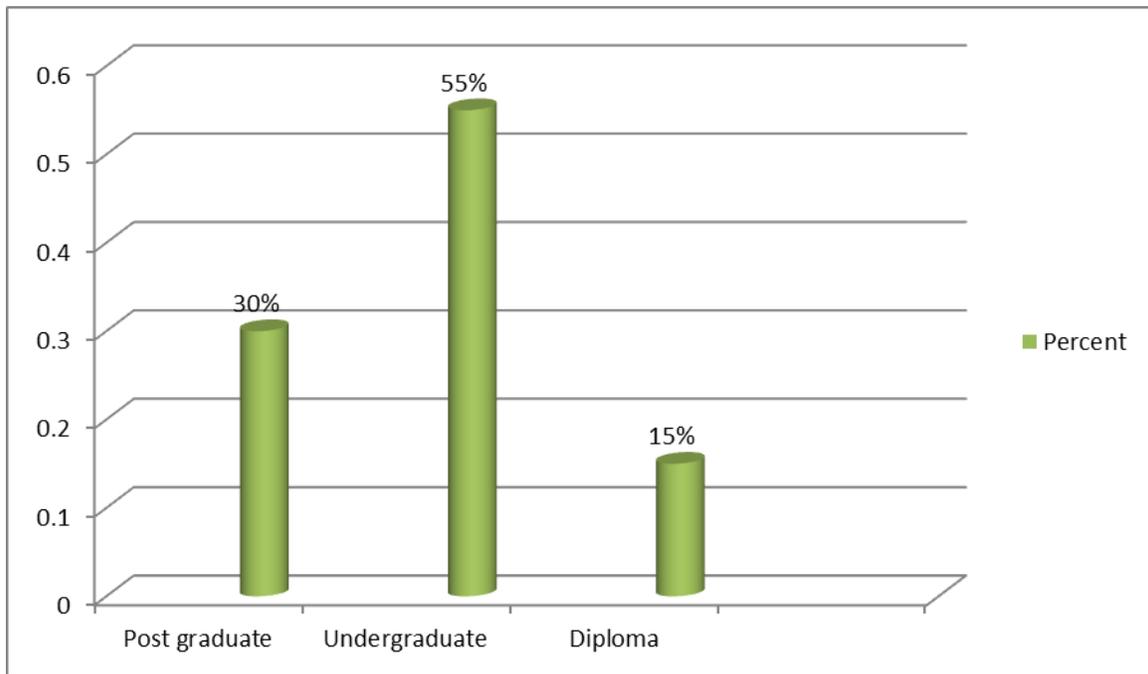
10-20 years while 20% of the respondents said the firm has been in its operation between last 5-10years and final 8% of the respondents said that the firm has been to existence between last 0-5years.



**Figure 4.3 Total number of employees in your Organization**

Based on the number of employees of the Fina bank has been analyze, 68% of the respondents said that majority of the employees in Fina bank range from 100 peoples under above as 22% of the respondents said the employees range from 50-100

employees and final 10% of the respondents said they range from 0-50 employees.



**Figure 4.4 Level of education of the Fina bank Employees**

**Highest Level of Education**

Regarding the highest level of education, that the respondent had achieved, 55% had reached undergraduate level, 15% of the respondents had reached diploma level and 30% had post graduate degrees this indicating a well educated employee bracket with the highest number being atleast under graduates thus professionalism of Fina bank and an implication of proper

structures and requirement for recruiting and employment by the organization, its highest level being post graduate holders is also a noble venture of having highly skilled employees in the banking industry hence enable to facilitate proper and efficient service delivery to customers and hence facilitate success of product or service branding.

**Objective 4.3.1 Technology influence on successful customer satisfaction in Fina bank**

Strategies	Strongly agree	Agree	Not sure	Disagree	Strongly disagree	Mean	Stdvn
New technologies can be very exciting for a project particularly if the technology enables the customer to do things that are otherwise not possible.	15	8	2	5	7	7.4	4.8
It is always safe to avoid the temptation to use technology whose success is in doubt.	7	10	5	9	8	7.8	1.9
Even if the technology has been proven successful, contractors and management must ensure that people working with this technology have attained adequate experience.	10	13	11	3	5	8.4	4.2
There is absolute need to test the technology always until one is comfortable it is going to work.	20	10	4	8	6	9.6	6.2
People working with technology should be skilled.	13	10	10	8	0	8.2	4.9

**Table 4.3 Technology in influence successful customer satisfaction**

According to the study findings on the table 4.3, the respondents strongly agreed that there is absolute need to test the technology always until one is comfortable of it, is going to work which is shown by a mean of 9.6 and standard deviation of 6.2. This shows that for a service to be effective out of knowledge one must test it if it will serve the purpose for which it was invested to enhance customer satisfaction.

More so, the respondents agreed that if the technology has been proven successful, contractors and management must ensure that people working with this technology have adequate knowledge and experience as customer satisfaction is a series of process. This indicates that successful of a technology must be proven by professionals and people that will work with the technology must be well skilled which is shown by a mean of 8.4 and standard deviation of 4.2.

As proposed in a standard deviation 4.9 and shown by mean 8.2 the respondents, had also strongly agreed that people working with technology should be skilled as it is ranked number three. This indicate that for a successful implementation of the technology in improving service delivery to enhance customer satisfaction it should managed and controlled by competent and well skilled personnel. Furthermore, the respondents agreed that it is always safe to avoid the temptation to use technology whose success is in doubt shown by a mean of 7.8 and a standard deviation of 1.9. This shows safety of the technology to be used for enhancing service delivery should be assessed before it is used to avoid the doubt of it. From the above table, a mean of 7.4 which also a stranded deviation of 4.8 shows that the respondents agreed that new technologies can be very exciting for a service particularly if the technology enables the customer to do things that are otherwise not possible.

**4.3.2 Strategies that will enable product classification and enhance customer satisfaction at fina bank**

Strategies	Strongly agree	Agree	Not sure	Disagree	Strongly disagree	Mean	Stdev
Product classifications are correlated with effective services delivery and customer satisfaction.	13	10	2	5	8	7.6	4.27
Companies that provide services are concerned about customer loyalty and goodwill to improve their performance, and customer satisfaction.	11	9	5	12	0	7.4	4.8
Companies that experience a high rate of competition in the market need to have marketing strategies that will enable their mission of exploiting the market through products classification and customer satisfaction.	8	18	10	10	4	10	5.09
The strategies used in managing customers segmentation are adhered with marketing ethical code in satisfaction of customer needs	15	12	1	5	2	7	6.20
Segmentation of customer plays a role of long term and adaptive relationship between customer and firm.	20	15	5	6	4	10	7.10

**Table 4.4 Strategies that will enable product classification**

The study sought to find out from the above table 4.4, as shown by mean 7.6 and standard deviation 4.27 shows that the respondents strongly agreed that product classifications are correlated with effective services delivery and customer satisfaction, this indicates that classification of the products and services has no boundary with customer satisfaction whenever service delivery is effective. The respondents also strongly agreed that companies that provide services are concerned about customer loyalty and goodwill to improve their performance, and customer satisfaction as shown by mean 7.4 with a standard deviation of 4.8. This implies that customer loyalty and goodwill has a role in determine the position of the firm performance as well as customer satisfaction.

From mean of 10 as shown in the table above the respondents agreed that companies that experience a high rate of competition in the market need to have marketing strategies that will enable their mission of exploiting the market through

products classification and customer satisfaction. This implies that competition stimulate firms to adopt it new strategies that will enable their goals to be realized and archive through meeting customer needs.

Respondents strongly agreed that the strategies used in managing customer’s segmentation are adhered with marketing ethical code, and in satisfaction of customer needs as shown by mean 7. This indicates that the strategies used must be in line with the marketing policies and ethical conducts as to determine the effectiveness of the products and the quality of services delivery to customer. In addition to the above findings, the majority of respondents agreed that segmentation of customer plays a role of long term and adaptive relationship between customer and firm as shown by mean 10 and a standard deviation of 7.10, this shows that customer segmentation plays a role in establishing and maintaining a long term relationship between the customer and the company.

**4.3.3 Enhancing customer segmentation strategy to enhance customer satisfaction at Fina bank**

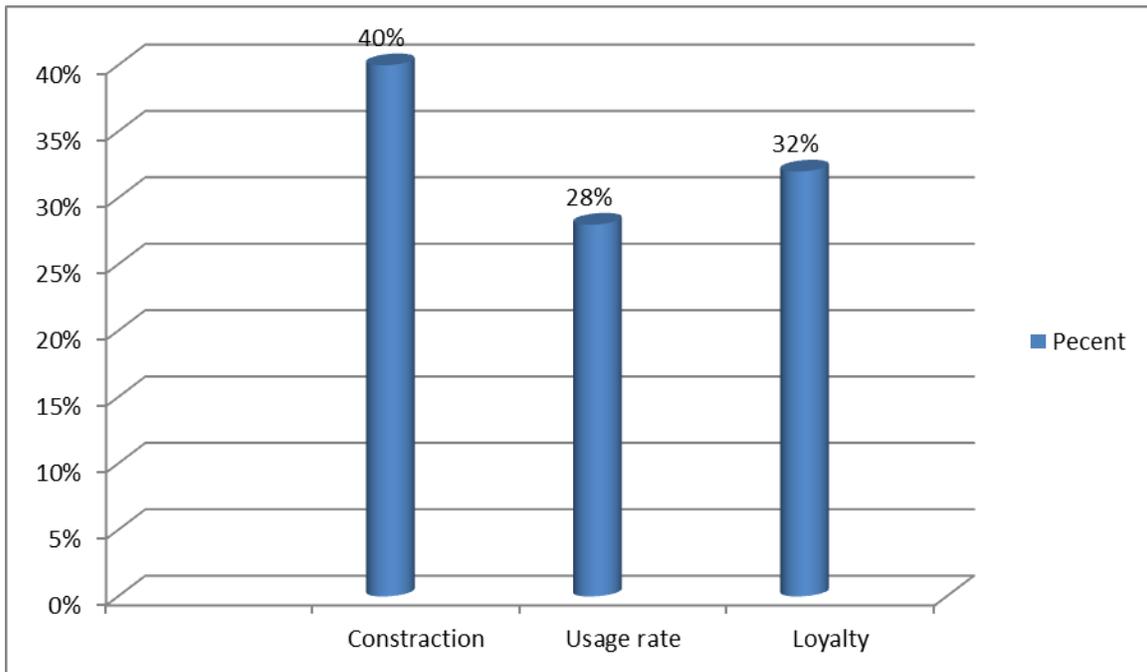
Strategies	Strongly agree	Agree	Not sure	Disagree	Strongly disagree	Mean	Stdev
New strategy of customer segmentation based on technology advancement can be very exciting for influencing customer satisfaction.	14	5	7	6	10	8.4	3.64
It is always good to segment your customer based on economic advantages that will influence their satisfaction.	16	10	6	9	5	9.2	4.32
Even if customer segmentation has been proven successful as one of the marketing strategy, management must ensure that people working with this strategy have attained adequate experience to influence customer satisfaction.	28	10	2	3	6	9.8	10.63

**Table 4.5 Enhancing customer segmentation strategy to enhance customer satisfaction at Fina bank**

From the table 4.5 above as shown by mean 9.8 and a standard deviation of 10.63, the respondents strongly agreed that customer segmentation has been proven successful as one of the marketing strategy, management must ensure that people working with this strategy have attained adequate experience to influence customer satisfaction, this shows that management must put consideration on peoples who are working with marketing department to have the required qualification so as to influence customer satisfaction.

From the above findings as shown by mean 9.2 and a standard deviation of 4.32, the respondents strongly disagreed that it is always good to segment customer based on economic advantages that will influence their satisfaction). This implies that segmentation plays a great role in improving customer satisfaction however; the respondents strongly agreed that new strategy of customer segmentation based on technology advancement can be very exciting for influencing customer satisfaction as shown by mean 8.4.

**4.3.4 Brand benefit at Fina bank**



**Figure 4.5 Brand benefit**

The respondents also give their opinion as it is from the bar chart above its is clearly shown that for a product to be rebranded construction should be effective as the majority of the respondents suggested that which is shown by a 40% as 32% of the respondent felt that loyalty of customers towards the product is a major concerned that will assist project manager to have a

sound strategy in branding its products and services and final 28% of the respondents felt that usage rate must also be put in consideration as the frequently use of the product by the customer will either be changed when they see new brand of products and services or they may be more attracted to buy more of them.

#### 4.3.5 Regression Analysis

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	.652(a)	.425	.871	3.221	.0025	.0025	1	1	.915

**Table 4.6: Model Summary**

The adjusted R<sup>2</sup> is called the coefficient of determination. This value tells us how the success of strategic service delivery varied with effects of service delivery, information technology, product classification process, transparency in customer segmentation and accountability in conversing customers to the new brands of product and services. According to the above

table, the value of adjusted R<sup>2</sup> is 0.871. This implies that, there was a variation of 87.1 % of effects on the success of strategic positioning of service delivery at Fina bank due to service delivery, information technology, product classification process, transparency in customer segmentation and accountability when it comes to deliver service to customers.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.431	3.125		1.725	.305
	Service delivery	0.374	.059	.098	.094	.935
	Information Technology	0.141	.048	.089	.091	.891
	Product segmentation process	0.354	.495	.094	.092	.912
	Transparency to customers segmentation and accountability in service delivery	0.426	.416	.097	.096	.953

**Table 4. 7: Coefficient of Determination**

As per the SPSS generated, the results established the below regression equation which was utilized: the regression equation.

$$Y = a + \beta_1(X_1) + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + \hat{\epsilon} \text{ When } \beta_5=0 \dots \text{Equation 1}$$

**Where:-**

Y = Success of strategic positioning of service delivery at Fina bank

A = constant

X1 = Service delivery

X2 = Information Technology

X3= Product classification process

X4= Transparency to customers segmentation and accountability in service delivery

Incorporating the values of the Beta values into equation 1 we have:

$$Y = 1.431 + 0.374 X_1 + 3.141 X_2 + 0.354 X_3 + 0.426 X_4$$

Equation 2: regression equation with beta values

The researcher conducted a multiple regression analysis and from the above regression model, the factors service delivery, information technology, Product classification process, transparency in customer segmentation and accountability in delivering service, have effects on the success of strategic positioning of service delivery at Fina bank to a level of 1.431. It was established that a unit increase in service delivery at Fina bank would cause an impact on the level of customer satisfaction at Fina bank by a factor of 0.374, a unit increase in information technology at Fina bank would cause an impact on strategic

position of service delivery by a factor of 3.141, also a unit increase the product classification process would cause an impact on strategic positioning of service delivery at Fina by a factor of 0.354. Also a unit increase in transparency to customer segmentation and accountability in service delivery would an impact on the success of strategic positioning of service delivery by a factor of 0.426. This shows that there is a positive relationship between success of strategic service delivery at Fina bank service delivery, information technology, and product classification process, transparency in customer segmentation and accountability in service delivery.

## V. SUMMARY OF THE FINDINGS

### 5.2 Summary of findings

#### 5.2.1 Technology advancement on customer satisfaction

It was discovered that technology advancement in enhancing good service delivery has a great significance. Customers would like to be served or to have a self-service system that will base on the technology advancement as it was seen that technology will be exiting if it will give a chance for the customers to do things that will be convenient to them for example the use of mobile phones to facilitate their banking activities and the use of ATMS. It was also found that this will be advantageous to a service firm to go hand in hand with technology, as many of the respondents had agreed that investment in new technology to improve service delivery to customers will have a great significance to the firm at large as it will put it at competitive stance in the banking industry.

#### 5.2.2 Product classification on customer's satisfaction

From the findings and analysis the researcher had discovered that majority of the respondents had strongly agreed that for the firm to have a good service or products it needs to invest in research and development programs in order to have a clear picture of what their customer and market wants them to do.

From the study it was discovered that most firm services delivery are mostly conducting a thorough market research in indentifying their customer needs and wants and also in knowing their competitors are doing in maintaining their competitive advantage, it needs the firm to have in place good strategies of addressing the market whenever they are launching their product and service.

#### 5.2.3 Consumer segmentation enhances customer satisfaction

It was discovered that for a market and customer segmentation to work effectively the firm must have clear strategies in enhancing the service delivery of their output to the market, mostly segmentation will depend on customer loyalty and the goodwill between the firm and their existing customers as this will enable positioning of the products and service depending on their consumption behavior.

It was also found that segmentation will be as a result of stiff competition that a firm needs to improve its activities or it needs to use other strategies that will enable them to exploit the market for their segmentation mission to succeed, under all this their activities need to adhere with the legal and marketing ethical codes that will enable the firm to establish a long lasting relationship with its customers.

#### 5.2.4 Brand benefit

The researcher discovered that for a product brand to be effective and attractive a firm must invest in marketing research to know the buying behaviors of their potential customers that will assist the firm in knowing how to strategizing their construction for rebranding their products and service so as to satisfy the existing customers and if possible attracting new customers.

However if firm may consider all the aspects of rebranding well it will be in a better position to strategically offer effective products and services at affordable price which will lead to a firm to increase its cash inflows as well as improving their market share and final it will improve its competitive advantages over their competitors.

### 5.3 Conclusion

The personnel in the project management department at Fina bank needs to have well and competent staffs in undertaking a troughed marketing research to enable them to have a clear picture on how to invest in the technology that will be effective for them to enhance their mission of improving the strategic position of service delivery which will lead to customer satisfaction. The stakeholder in marketing, ICT and financial department need to coordinate well so as to avoid the conflict of interest as investing in new technology is expensive that they need a well defined strategy as technology keeps on changing frequently.

Finally, the study concludes that ICT Infrastructure affects implementation of quality technology which will facilitate the service to enhance the customer satisfaction, e-banking ,ATMS and other services offered by most banks in Kenya especial at Fina bank are affected largely by ICT infrastructure of Kenya this is one of the major draw backs that the stakeholders of Fina bank must put a lot of eye mark so as to have a sound strategies on how to come up with a good strategy to position their service delivery to satisfy their customer as well as improving their competitive advantages over their competitors.

### 5.4 Recommendation

From the findings and conclusions of this study the researcher recommend that strategic service delivery at Fina bank need to be well defined and strategically put in place in order to improve its cash inflows. These recommendations can also be adopted by the company so as to improve its sales performance in the market. The following are the recommendations to the management in order to improve its market share and its profits through customer satisfaction.

To conduct marketing research- for Fina bank limited to be able to continue increasing its market share and profits, marketing research must be thoroughly done regarding the technology to be adopted so as to improve the service delivery, and also to know and understand their market properly and also know the method their competitors use to market their products and the technology used in offering service to customers.

Fina bank limited should also understand its market and customers properly so that they may be able to deliver superior service through adopting unique marketing strategies (customer segmentation, product classification, price decisions) in launching their service and products to the market . This will help the company to minimize the cost of marketing which might

even lead to loss of customers and good will from existing customers.

Service delivery is very essential in any company. This is because; the management of any company can solicit business with other company or customers without having to go using sales people or customer care service which is somehow tiresome compared to online feedback, e-banking and ATMs services. In light of this, I would recommend that the Fina bank limited selects and train personnel which will be able to implement this method of strategic service positioning fully because the researcher have discovered that the strategy is very advantageous and can lead to increase of profits in the company. The companies also need to include its customers so that they may be able to know exactly what they need and this will lead to reduction of costs which might be caused by the poor marketing of the product and services.

### 5.5 Suggestion to further studies

Further studies can be carried out on the effects of strategic positioning of the product/service to enhancing customer satisfaction on the performance of the organization. These studies can be carried out in many firms to assess the effects of strategic product positing. Since the study only cased studied fina bank ltd. A survey on all commercial banks would be an effective research.

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