

**WAITING LINES MANAGEMENT AND CUSTOMER SATISFACTION IN
COMMERCIAL BANKS IN KENYA**

BY

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DECLARATION

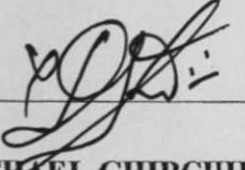
This research project is my original work and has not been presented to any other institution or university.

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D61/60176/2011

This research project has been submitted for examination with our approval as the university supervisors.

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I gratefully acknowledge the Almighty God for the grace and strength to pursue the MBA program to the end.

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ABSTRACT

The main objective of this research was to find out how waiting line management influences customer satisfaction in Kenyan banks. To achieve the main objective, the study determined the effect of waiting lines management on customer satisfaction, how commercial banks manage waiting lines and the challenges faced by commercial banks while managing waiting lines. The research was a census survey of all the 43 registered commercial banks in Kenya. The primary data was collected using self-administered questionnaire and the analysis was done using descriptive statistics generated from Statistical Package for Social Sciences (SPSS). The study concludes that majority of commercial banks customers in Kenya are not satisfied with management of waiting lines. The main area where customers are dissatisfied is the perceived waiting time. Besides, bank customers are not satisfied with information provided in the waiting room and the waiting environment within the banks. Customers become less satisfied due to perceived longer waiting times that they have to spend queuing at the bank. Customers are not satisfied with management of waiting lines despite the fact that banks have implemented lines management measures such as use of physical barriers, automatic queue measurement systems, seamless banking, internet banking, mobile banking and agency banking. The study recommends that commercial banks in Kenya should invest in the provision of appropriate information to the customers and commercial banks in Kenya should increase customer satisfaction by adopting strategies such as use of signage and signaling systems, use of interactive communication and advertisement on the television screens and allowing visitors' freedom of movement while keeping them informed about the expected waiting time or giving them a guaranteed reception time. The study also recommends further study in efficiency of line management technologies in the Kenya banking sector.

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LIST OF ABBREVIATIONS

- (CBK) Central Bank of Kenya**
- (ATM) Automated Teller Machine**
- (ICT) Information and Communication Technology**
- (CWT) Customer Wait Time**
- (SMS) Short Message Service**
- (FCFS) First-Come-First-Served**

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Christopher, Payne and Dallanlyne (1997), organizational survival depends upon their ability to move closer to their customers and fully understanding their customer's needs and wants. Similarly, Vein (1994) argued that, for a business to succeed it should focus on satisfying customers needs by organizing itself to meet the needs of the targeted customers more efficiently. For many years, the topic of customer satisfaction has been on the agenda of many organizations therefore, satisfaction has become a crucial concern for both the customers and the organizations. Banks are among the organizations that customer satisfaction is their key success factor and a major source of competitive edge. Recently, banks have monitored their performance in terms of customer satisfaction and waiting time and have reached an excellent level of customer satisfaction for the quality of its services.

According to Sridhar (1998), contact systems have to carefully look into theory and psychology of waiting lines to take advantage of customer participation in order to avoid negative effects of delays and other psychological factors on service quality and customer satisfaction. An important determinant of customer satisfaction is ease access, which includes location of service facility, its opening hours and minimum waiting time to receive service.

1.1.2 Customer Satisfaction

Hansemark and Albinson (2004) argue that satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire. Kotler (1994) defines customer satisfaction as the level of one's feelings after comparing the performance or results that he or she felt compared with expectations. Oliver (1997) defines customer satisfaction as a customer's fulfillment response; thus the judgment that a product or a service feature, or the product or service itself provides a pleasurable level of consumption-related fulfillment, including levels of under-fulfillment or over-fulfillment.

Defining customer satisfaction in service operations has been approached in two ways. One is satisfaction as a function of disconfirmation which is the difference between customer perception and expectation (Anderson, 1973). Secondly is customer satisfaction as a function of perception where satisfaction mainly depends on customer's perception of actual service performance rather than on the disconfirmation between perception and expectation (Cronin & Taylor, 1994). Customer satisfaction can, therefore, be conceived as one element of an overall model of customer behavior that evolves over time as asserted by (Beardon and Teele, 1983).

1.1 Waiting Lines and Waiting Time Management in Banks

Most banks get poor marks when it comes to customer flow. Poor customer flow keeps customers waiting, leading to disgruntled customers who are upset with their lost time. A guaranteed way to see pleasant faces in banks is by eliminating physical queues for

services Short Message Service (SMS) queue management systems such as queue mobile com can do that easily as they manage virtual queues and have integrated SMS text messaging facility. Customers who enter their details into the system receive SMS alert about their position in the queue hence they don't have to wait in physical lines for the fear of missing their turn and they are also free to utilize their waiting time constructively. Commercial banks have implemented various measures to manage customer waiting lines which are aimed at improving overall performance and maintaining customer's satisfaction levels through reducing physical queues in the bank. They include, Fully networked seamless banking, Visa chip debit card giving access to all visa ATM's and merchant outlets worldwide, access to internet banking, SMS banking, mobile banking, pay bill system and Agency banking. Some banks have also stratified their customer's i.e. executive banking which targets those customers who are willing to spend more and avoid waiting in the lines. This has also tried to reduce the long queues in banks.

According to Larson & et al(1991) in his study on managing waiting lines in banking industry he came up with various suggestions; Do not overlook the effects of perceptions management, consumers tend to perceive time to be grossly excessive than the actual time while waiting; Install distractions that entertain and physically involve the customer i.e. providing music or a video; Get customers out of lines providing off-store transactions, like using Automated Teller Machines, online and telephone transactions, can help lessen the customers' lines; Only make people conscious of time if they grossly overestimate waiting times. Modify customer arrival behavior; Keep resources not

serving customers out of sight; Segment customers by personality types, i.e. having an express lines for those customers who need something that can be done very quickly; Never underestimate the power of a friendly server, greeting the customer by name, or providing some other special attention, can go a long way toward overcoming the negative feeling of a long wait.

Sridhar (1998) states that, finding ways and means by which customers who are inevitably in waiting lines are allowed to pass time quickly and pleasantly. Hence waiting lines can be managed through various strategies. This strategy calls for developing agreeable surroundings like comfortable temperature, seating restful music, light hearted video programs and large mirror. Other ways were collecting preliminary information from customers in waiting lines, disseminating advance information on the service, promoting other products offered by the service firm and offering supplementary services like entertainment TV, Video, reading materials and water.

Service recovery is another way of managing waiting lines; service recovery strategies describe the actions that service providers take in response to defects or failures i.e. waiting for long before getting served (Gronroos, 1988). These actions range from do nothing to whatever it takes to fix the problem. Within this range, the most common and frequently used actions are: apology; assistance; and compensation (Bitner et al., 1990; Hart et al., 1990; Hoffman et al., 1995; Kelley et al., 1993). As with any bad customer experience, employees should be equipped to perform service recovery and make things right for the customer

Waiting lines can also be managed through firm's adopting strategies to match capacity and demand (Bateson and Hoffman, 1999; Lovelock and Lapert, 1999; Zeithaml and Bitner, 2002). One of the first strategies adopted is to flex capacity to meet demand. During periods of peak demand, the organization expands its capacity by adding new resources such as people, facilities and equipment. Second, companies may try to smooth demand. Companies can motivate consumers by making their offer more attractive during low demand periods. Companies may also choose to use reservation in order to spread the demand evenly. However, even with booking, service providers experience difficulties in minimizing delay in service delivery. When demand and capacity cannot be aligned, waiting lines strategies can still be found. Among waiting lines strategies, we find making wait more fun or tolerable, differentiating waiting customers and choosing an appropriate waiting lines configuration (Zeithaml and Bitner, 2002).

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However banks have to consider queuing costs while managing waiting lines. The central problem in virtually every waiting lines situation is a trade-off decision. Operations managers recognize the trade-off that must take place between the cost of providing good service and cost of customers waiting time. Managers want queues that are short enough so that customers do not become unhappy or leave without being attended and never return again. However; managers are willing to allow some waiting if it is balanced by a significant savings in service costs. Waiting cost may simply be an estimate of the cost of customers lost because of poor service and long queues.

1.1.4 Banking Industry in Kenya

According to the Banking Act chapter 488 of the laws of Kenya year 2002, a bank is a company which carries on or proposes to carry on banking business in Kenya. At the end of December 2011. the banking sector in Kenya comprised of 44 banking institutions. Commercial banks were 43 and one mortgage finance company. The report also showed that there were 4 representatives' offices of foreign banks, 188 Forex Bureaus, 6 deposit-Taking micro finance institutions and 2 credit reference bureaus (CBK report December 2011). The banking sector has a lot of potential for growth and prosperity especially with the change in government over the last few years hence showing the beginning of fast growth. The sector is huge, as of December 2011, Kenyan banks held Ksh 2.02 trillion in assets making banking be one of the biggest industries in Kenya. The sector has also been seen to increase its performance by 20.4% whereby it has increased from Ksh 1.68 trillion in December 2010 to 2.02 trillion in December 2011 (CBK report 31st march 2012). However a lot need to be done to ensure that the big five banks do not continue to dominate the sector and therefore, an extension of their services to the rural areas and to the informal sector where growth is expected to be phenomenal (Marketing Intelligence, April 2004).

Banks have however experienced major challenges caused by various factors hence increased competition in the industry. Some of the factors that have affected banks' performance were attributed to the fact that many banks were ill prepared to handle demands such as provision of diversified range of financial services, demands on liquidity, foreign exchange credit products and capital finance obligations. Other drivers

of (he industry's deteriorating rate in performance had been sighted as being heavy investments in information technology occasioned by the 'millennium bug', increased customer awareness hence changes in customers' tastes and preferences, inflation, falling interest rates and the controversial Central Bank 2000 (Amendment) Bill referred to as 'Donde Bill* (Mbogo 2003) .In order to counter the challenges the banks have responded b; increasing innovations in the banking sector.Forexample introduction of mobile banking where a customer uses his or her mobile phone to deposit, withdraw and pay bills via M-pesa.Internet banking where customers are able to send files containing their accounts details at the click of a button. Finally there is agency banking model which provides banking services in a more cost effective way to the customers.

1.2 Statement of the Problem

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Customer satisfaction has been a concern for most organizations as organizations seek to improve on their operational strategies that can result in reduction of customer complains especially on waiting lines management. Most commercial banks manage their waiting lines through placing physical barriers aimed at guiding queue formation and organizing it in the most efficient way. This enables queue discipline which is on first come first serve basis. Commercial banks have also tried to manage waiting lines through implementation of certain measures like, Mobile banking, Internet banking, Agency banking, Seamless banking, Visa ATM debit cards, Credit cards and Pay bill systems.

These measures are implemented in most banks but that has not been enough measures to minimize and manage waiting lines in the banks due to some inconveniency that comes

with these services hence queues are still found in the banks. That is some of these measures come with a high cost, i.e. pay bill system and mobile banking where customers pay school fees, utility bills and other bills has proved to be quiet expensive. At times there is systems breakdown e.g. poor internet which does not allow access to internet banking and confirmation of bank statements online. Small branch network within central business district and also country wide .Finnaly, Mobile banking unreliability where a few seconds of system down time caused by unstable performance servers or insufficient technical support cause loss of profit and negative effect on trust relationship between customers and bank. These are the main challenges that make customers prefer visiting the bank and transact from there, therefore there end up having long waiting lines in the bank.

Sims (2009) conducted a research on customer waiting and found that more than 30 percent of the people who visit a business for service expect instant attention ignoring the fact that they may wait to be served Kumar, Kalwani and Dada (1997) state that customers often have to wait during the process of acquiring and consuming many products and services.

Aborampah (2010) compared customer's perceptions regarding the quality of banks services in Ghana and Spain and found that banks should make conscious efforts to be reliable in Ghana and Spain so that customers' confidence and trust will increase. In the study of Bank customer retention in Newzeland, David & Christopher (2006) results suggested that the most important constructs were customer satisfaction, followed by

corporate image and switching barriers Karen & Blaire (1989), in their study on improving customer satisfaction through management of perceptions of waiting concluded that, as perceptions of waiting time increases customer satisfaction tends to decrease. However extensive study has been done on Kenyan banking industry. Dick (2003) in his study on effects of information communication technology on customer satisfaction in Kenyan banks, found that information communication technology adoption by banks and customers usage of the ICT products results to enhanced customer satisfaction. Kinuthia (2011) studied factors influencing effective use of automated teller machines by bank customers in Voi. In his study he found that, the number of machines should be increased. Proper lighting and additional security be provided to increase the use of the ATM machines. Card retention should also be minimized if not eliminated all together and the retrieval time reduced. Wambui (2011) studied the relationship between employee benefits and customer satisfaction: Commercial banks in Murang'a Municipality. Imbuga (2005) did a study on the determinants of customer satisfaction, Mathenge (2005) did a general study on the area of customer satisfaction and Murekio (2010) did a study on customer satisfaction with a focus on revenue generation. There is no research known to me that has been done on waiting lines management and customer satisfaction in Kenyan banking industry.

Despite the certain measures implemented by commercial banks on waiting lines management, queues are still found in banks. The main aim of this study is to bridge the existing gap on waiting lines management and customer satisfaction. This study will therefore seek to answer these questions; How waiting lines management influence

customer satisfaction? How do commercial banks manage waiting lines? What are the challenges faced by commercial banks while managing waiting lines?

1.3 Research Objectives

The main objective of this research is to find out how waiting lines management influences customer satisfaction in Kenyan banks. Specifically the objectives of this study are;

- i) To determine the effect of waiting lines management on customer satisfaction
- ii) To determine how commercial banks manage waiting lines
- iii) To establish challenges faced by commercial banks while managing waiting lines.

1.4 Value of the Study

This study will be of great importance whereby, it will generally add up to the store of knowledge on the effect of waiting lines management with customer satisfaction in banking industry

This study will also serve as guideline for the formulation of policies on waiting line management and customer satisfaction in banks. By coming up with policies on how to manage customers waiting lines, banks will be in a position to achieve customer satisfaction.

The study will also serve as strategies for banks in managing unavoidable waiting lines whereby at the end of this research, this study will come up with strategies of overcoming challenges experienced by banks while trying to manage waiting lines.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers that have carried out their research in the same field of study. The specific areas covered here are; Queue psychology theory. Management approaches, Satisfaction as a function of disconfirmation, Satisfaction as a function of perception, Waiting time and Strategies for managing customer waits time.

2.2 Queuing Psychology Theory

Maister, (1985) developed a theory of queue psychology which focuses on combination of perception and expectation management. In particular he defined a concept which he referred to as First Law of service. $Satisfaction = perception - Expectation$. He further asserted that if you expect a certain level of a service and perceive the service received to be higher, you will be a satisfied customer. There are two main directions in which customer satisfactions with waits can be influenced. That is by working on what a customer expects and what a customer perceives. According to Maister, (1985) there are eight principles which organization can use to influence customer satisfaction with waiting times. They include; Unoccupied times feel longer than occupied time, Anxiety makes waits seem longer, Uncertain waits are longer than known finite waits, Pre-process waits feels longer than in-process waits, Unexplained waits are longer than explained waits, Unfair waits are longer than equitable waits, The more valuable the service, the longer one will wait and Solo waiting feels longer than group waiting.

Maister (1985) was among the first to develop a framework that identified the factors affecting customer satisfaction with waiting. His framework identified situations in which waits were perceived either more positively or more negatively as a result of the circumstances of the wait. Maister's model has been widely accepted because of its strong face validity although it was conceptual rather than a result of structured empirical study. The fundamental premise of the Maister model is that it is the perception of the wait that determines satisfaction rather than the actual waiting time.

2.3 Waiting Time

Customer Wait Time (CWT) is the total elapsed time between issuance of a customer order and satisfaction of that order. (Qfinance dictionary, 2009). Much of the research on waiting has focused on strategies to reduce or avoid waits through the use of operations management techniques or altering the perceived wait through perceptions management (Katz et al., 1991; Maister, 1985). For example, queuing theory and modification of the service delivery process are two methods that can be used to reduce waiting time.

Perceptions management includes strategies or tactics that fill or occupy the customer's time while they wait for the service (Maister, 1985). To provide a context for this study, prior research on factors influencing waiting time and customers' evaluation of service is reviewed. The length of wait directly affects service evaluation. Studies have consistently found a negative relationship between actual or perceived time spent waiting and service quality evaluations; longer delays result in lower service evaluation (Clemmer and

Schneider, 1989; Hornik, 1982; Katz et al., 1991; Taylor, 1994). With respect to perceived waiting time, customers frequently overestimate the amount of time they spend waiting in lines (Hornik, 1982; Katz et al., 1991). As the perception of waiting time increases, customer satisfaction tends to decrease (Katz et al., 1991).

Delays perceived by the customer to be petty and unreasonable could escalate into anger and dissatisfaction (Duggirala et al., 2008). In healthcare, it has been established that a persistent source of patient dissatisfaction is waiting time (Hopton et al., 1993) especially at the Out Patient Department (Barlow, 2002). The problem of waiting time gets complicated by lack of facilities and justification on the rationale of such waiting. A study by Bielen and Demoulin (2007) discovered that customer perception of waiting time influence their satisfaction with the service that they receive.

2.4 Operations Management Approach

Traditional Operations management theory states that the way to make customers feel they are spending less time in lines is physically to reduce the length of the wait. This can be accomplished by increasing staffing levels or increasing employee's productivity. This approach is certain to produce shorter waits, it is not clear if it will always be effective in improving customer satisfaction. In particular customers will not notice that staffing has improved and lines waits have reduced, thus their satisfaction with service provided may not improve. In addition increasing staffing levels may prove to be very expensive especially in a low-unemployment economic environment. (Karen & Blaire, 1989)

2.5 Perceptions and Expectations Management Approaches

Alternatively customer satisfaction can be improved through, directly manipulating customer perceptions and expectations of waiting. The logic behind expectations and perceptions management is that perception is reality. In the case of customer satisfaction, if a customer thinks he is satisfied then he is satisfied. Similarly, if a customer thinks that his wait was short enough then it was short enough regardless of how short or long it was. Perceptions/expectations management is preferred to Operations management since it's often very inexpensive to implement. (Karen & Blaire, 1989).

Sasser et al (1979) provide good examples of both managing the perception and the expectation of waiting times. For the former, they offer the example of 'the well-known hotel group that received complaints from guests about excessive waiting times for elevators. After an analysis of how elevator service might be improved, it was suggested that mirrors be installed near where guests waited for elevators. The natural tendency of people to check their personal appearance substantially reduced complaints, although the actual wait for the elevators was unchanged.

2.6 Satisfaction as a Function of Disconfirmation

One line of research has attempted to define satisfaction in terms of disconfirmation, that is, the difference between customer perceptions and expectations (Anderson, 1973; Parasuraman et al., 1994; Swan et al., 1981), as illustrated in equation. Satisfaction = f (Perception - Expectation).

According to Davis and Heineke (1997) Customer expectations of service are set in two ways that is; prior to the customer's first encounter with the service firm, via advertising and the second way is through customer word of mouth and after a previous encounter (or encounters) with the firm, from personal experience. Early work in this area of study proposed that there are two dimensions to the expectation construct: the level of service desired by the customer and the level of service predicted by the customer (Anderson, 1973; Swan et al., 1981):

Zeithaml et al. (1993) have argued that desired service is the level of service a customer believes can and should be delivered and that adequate service is the level of service the customer considers acceptable. According to Spreng and Olshavsky (1993), they demonstrated that there was a significant relationship between the extent to which performance is congruent with desires, but did not find the disconfirmation of expectations to be significant.

The disconfirmation model, however, has been questioned by some researchers who have used a different approach to measuring customer satisfaction. Goode and Moutinho (1995), for example, state, "The disconfirmation of expectations model has been increasingly criticized in recent years and, as a result, standards other than expectations have been suggested".Teas (1994) in particular, argue that the multiple definitions of expectations and the resulting difficulties with measurement operationalization undermine the value of models incorporating expectations.

2.7 Satisfaction as a Function of Perception

Customer satisfaction has also been discussed as a function of perception, whereby it is an alternative approach that appears to be gaining acceptance. Satisfaction depends primarily on the customer's perception of service performance rather than on the disconfirmation between perception and expectation (Cronin and Taylor, 1994; Teas, 1993). This relationship is illustrated by the following equation, Satisfaction = f (Perception).

Further, satisfaction as a function of perception has been studied by various scholars. Katz et al. (1991) in their empirical study of bank customers examined how a service firm might improve customer satisfaction with waiting in lines. They collected customer opinion data shortly after customers had completed their bank transactions. They found that* customers tended to overestimate how long they had waited in lines. In an attempt to improve the customers' perception of the waiting experience, an electronic news board which transmitted up-to-date news was installed in an attempt to occupy customers' time and an electronic clock was installed to make it possible for customers to assess accurately the length of time they waited for service. Neither of these interventions affected customer satisfaction with the waits, although customers estimated their waiting times more accurately after the installation of the clock. They also found that customer satisfaction was inversely related to customer perceptions of waiting time.

Larson (1987) has also found that a key determinant in satisfaction with the experience of waiting is the degree of social justice. He notes that even if waiting times are very short,

customers may become infuriated if the principle of first in first out is violated. According to Larson's research perceptions of queuing has influenced customer satisfaction. For example he notes that for fast food customers, satisfaction in a single queue system may be higher than that at multi-queue chains. Bateson (1984) has noted that time spent in unpleasant encounters often seems to pass more slowly than time spent in pleasant encounters. Thus he concluded that it is perception of time rather than clock time that is relevant when considering delivery of customer services.

2.8 Measuring Customer Satisfaction

Customer satisfaction measures how well a company's products or services meet or exceed customer expectations. Satisfaction measures involve three psychological elements for evaluation of the product or service experience; Cognitive, affective and behavioral.

The cognitive element of the wait is the consumers' evaluation of the wait as being or not being acceptable, reasonable, tolerable (Durrande-Moreau, 1999) as well as considered to be short versus long (Pruyn and Smidts, 1998). According to Scott (2007) cognitive element is defined as an appraisal or conclusion that the product was useful or not useful, fit the situation or did not fit, exceeded the requirements of the situation or did not exceed. Cognitive responses are specific to the situation for which the product was purchased and specific to the consumer's intended use of the product, regardless if that use is correct or incorrect.

Affective element of the wait consists of emotional responses to waiting such as irritation, boredom, frustration, stress, pleasure, happiness, etc (Taylor, 1994; Hui and Tse, 1996; Pruyn and Smidts, 1998). According to Pruyn and Smidts (1998), these affective and cognitive aspects form the appraisal of the wait. A consumer's attitude liking or disliking towards a product can result from any product information or experience whether perceived or real. Again, it is meaningful to measure attitudes towards a product or service that a consumer has never used, but not satisfaction.

Behavioral satisfaction can influence post-purchase or post-experience actions other than usage such as word of mouth communications and repeat purchase behavior. Additional post-experience actions might include product or information search activity, changes in shopping behavior and trial of associated products. It is sometimes believed that dissatisfaction is synonymous with regret or disappointment while satisfaction is linked to ideas such as, it was a good choice or I am glad that I bought it. When phrased in behavioral response terms, consumers indicate that purchasing this product would be a good choice or I would be glad to purchase this product. Often, behavioral measures reflect the consumer's experience individuals associated with the product i.e. customer service representatives and the intention to repeat that experience. (Scott, 2007)

2.9 Strategies for Managing Customer Wait Time

Strategies for managing customer wait time include; Employee training, set the expectation, communicates with the customer, pleasant waiting area, provide distractions and service recovery.

Employee training; employees on the front-line are the ones who can help make a great customer experience. Employees need to be trained and equipped on how to manage customers, communicate information and resolve issues. Well-trained employees can help turn a negative customer experience into a positive one. Server attentiveness shapes a customer's impression of service quality (Chase et al., 1984; Bitner, 1990). Server attentiveness of the front lines employees involves two complimentary skill sets; the first deals with interpersonal skills like noticing non-verbal cues, while the second encompasses technical skills such as the ability to correctly remember the exact details of a customer's request (Goldstein, 2003; Tansik, 1990; Sulek et al., 1995; Dobni et al., 1997; O'Neill and Palmer, 2003; Gupta et al., 2005).

Set the expectation; setting the expectation for the length of a wait psychologically prepares the customer and gives the customer options. If we had been told that we would have an hour plus wait, we probably would have gone and gotten something to eat, taken a walk or gone next door to shop. It is only common courtesy to give people a heads up when the wait will be extra long. Communicate with the customer; things happen and delays are inevitable and most customers are understanding and forgiving. That is why giving the customer an idea about how long the wait will be, accompanied by an apology, and goes a long way in showing respect for the customer and their time. (Bitner et al., 1990; Hart et al., 1990; Hoffman et al., 1995; Kelley et al., 1993).

Pleasant waiting area; reception areas and waiting rooms should be clean, well maintained and aesthetically pleasing. If someone is waiting on a service they should at

least have a comfortable place to wait. Crowded and noisy waiting rooms can agitate customers and not prepare them well for a good service experience. Waiting rooms should be able to accommodate more people than would be waiting at any one time. People don't like to have to look for a seat and customers often "spread" out - so having plenty of seating is important. Physical comfort during service delivery also influences a customer's evaluation of service (Dube-Rioux et al., 1989). A number of variables related to the atmosphere of the service setting contribute to customer comfort. These variables include: furnishings, de'cor, lighting, music, temperature, odors, air quality, noise and layout. Wakefield and Blodgett (1996, 1999) reported that the physical setting had a positive effect on repeat patronage intentions in leisure service settings. Likewise, Bitner (1992) argued that the service environment will influence customer satisfaction and behaviors.

Provide distractions; typical waiting room distractions are magazines and sometimes television but it is important that the magazines are current and that the television is on an appropriate channel for the clientele. Service recovery; service recovery strategies describe the actions that service providers take in response to defects or failures (Gronroos, 1988). These actions range from "do nothing" to "whatever it takes to fix the problem". Within this range, the most common and frequently used actions are: apology; assistance; and compensation (Bitner et al., 1990; Hart et al., 1990; Hoffman et al., 1995; Kelley et al., 1993). As with any bad customer experience, employees should be equipped to perform service recovery and make things right for the customer.

2.10 Conceptual Framework

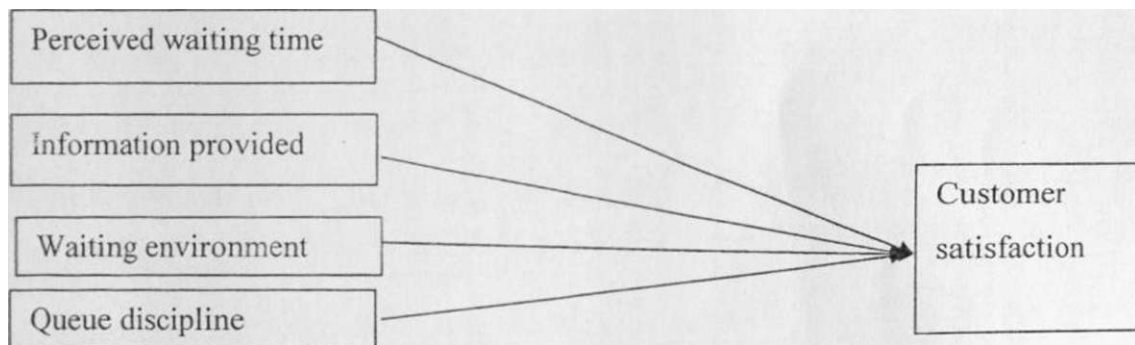
Taylor (1994) shows that delay significantly influences the feelings of anger. Moreover, Pruyn and Smidts (1998) find that the perceived waiting time affects the cognitive dimension of the wait appraisal. Consequently, we do consider perceived waiting time as a determinant of customer satisfaction. Indeed, real waiting time is an antecedent of perceived waiting time rather than an antecedent of waiting time satisfaction (Pruyn and Smidts, 1998). Baker and Cameron (1996) present an integrative review of customers' perception of waiting time. Other variables that determine customer satisfaction with waiting line management are the information provided in case of delay (Hui and Tse, 1996; Antonides et al., 2002), the characteristics of the waiting environment (Pruyn and Smidts, 1998) and Queue discipline. Studies have suggested that any information on the waiting duration can reduce the uncertainty of the wait and lower the overall level of stress experienced by consumers (Maister, 1985). Previous research highlights the impact of queuing information and waiting duration information on the cognitive and affective aspect of the wait when the wait is long (Hui and Tse, 1996) and during busy periods (Clemmer and Schneider, 1989). Moreover, the uncertainty influences service evaluation through consumers' affective responses to the wait (Taylor, 1994).

The attractiveness of the waiting environment is related to its physical design in terms of comfort, space and decor. Service environment influences the affective aspects of waiting time (Baker and Cameron, 1996). A pleasant environment promotes positive feelings within consumers. Pruyn and Smidts (1998) show that perceived attractiveness positively

influences the affective response to the wait, a known component of satisfaction.

Finally queue discipline is another variable for waiting lines management that influences customer satisfaction. The queue discipline is the method by which customers are selected from the queue for processing by the service mechanisms. The queue discipline is normally first-come-first-served (FCFS), where the customers are processed in the order in which they arrived in the queue, such that the head of the queue is always processed (Andrew, 1999). Key determinant in satisfaction with the experience of waiting is the degree of social justice, whereby if the principle of FCFS is violated customers become dissatisfied (Larson 1987).

Figure 2.1: Conceptual Framework



Independent variables

Dependent variable

Therefore conceptual framework summarizes that; Perceived waiting time, information provided, waiting environment and queue discipline influences customer's satisfaction.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was used in gathering the data, analyzing the data and reporting the results. The researcher aimed at explaining the methods, tools and procedures that was used to collect data so as to get relevant, reliable and complete information related to the subject matter under study. This chapter was based on the following sub thematic areas; research design, population, sample design, data collection and data analysis.

3.2 Research Design

The research was an empirical study carried out as a census survey of all the 43 registered commercial banks. A survey design is considered to be the best suited for these requirements because it will obtain in-depth understanding on how commercial banks manage waiting lines, the challenges experienced by banks while managing waiting lines and determining the effects of customer waiting time on customer satisfaction. It also provided a comprehensive basis for analysis and gathering primary information specific to this survey.

3.3 Population

The population of interest in this study comprised all commercial banks. The total number of commercial banks is 43 as per the Central Bank of Kenya report

201 I(Appendix II).Due to the small number of commercial banks in Kenya, a census study was carried out. The respondents were both commercial banks customers and operations managers. One customer and one operations manager was chosen from each commercial bank. Customers targeted were the non-executive customers since they mostly queue hence in a position to answer how satisfied they are with waiting lines management in banks. The reason why operations managers were chosen is because they have knowledge about how the bank manages customers waiting lines and the challenges faced by the bank while managing customers waiting lines.

3.4 Data Collection

Data collection is the process of gathering information about a phenomenon using data collection instruments (Sekaran, 2000).Primary data was collected for the purpose of this study where both customers and operations managers were involved. Self-administered questionnaires were given to both managers and customers. The questionnaire was semi-structured; having both open-ended and closed-ended questions. The questionnaires were administered by the researcher to operations managers and customer's of commercial banks. The questionnaire was divided into four parts, namely section A which aims at obtaining demographic and general information, section B for obtaining information relating to customer satisfaction with waiting lines management in commercial banks and section C and D will contain the Operations managers questionnaire concerning how the bank manages waiting lines and the challenges faced by the bank while trying to manage waiting lines respectively. Likert scale was used. Data was collected through response obtained from both operations managers and customers via questionnaires.

3.5 Data Analysis

Data collected was tabulated, classified and coded. Coding was done to assist the researcher to sort, tabulate and analyze the answered questionnaire received from the respondents. The SPSS computer analysis package was used to extensively analyze the data using analytical statistics such as tables, frequency distributions and cross tabulations. Descriptive statistics, percentages and mean scores was used to describe demographic and general information of the respondents, how commercial banks manage waiting lines and challenges faced while managing the waiting lines. Regression model was also used to find out whether the independent variables predict the given dependent variable. That is, if waiting environment, perceived waiting time, and information provided and Queue discipline have an impact on customer satisfaction.

$$y = c + p_1X_1 + p_2X_2 + p_3X_3 + p_4X_4 + e$$

y = Customer satisfaction with waiting lines management

c = Constant Term

p_i = Beta coefficients

X_1 = Perceived waiting time

X_2 = Information provided

X_3 = Waiting environment

X_4 = Queue discipline

e = the standard error

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter contains data analysis, discussions and findings of the research. The main objective of this research was to find out how waiting lines management influences customer satisfaction in Kenyan banks. To achieve the main objective, the study determined the effect of waiting lines management on customer satisfaction, how commercial banks manage waiting lines and the challenges faced by commercial banks while managing waiting lines. A census study was carried out and data was collected from all the 43 commercial banks in Kenya. The response rate for the study is shown in table

Table 4.1: The response rate for the study

Target Group	Sample Size	Respondents	Response Rate (%)
Customers	43	40	93.2
Operations managers	43	40	93.2
Total	86	80	93.2

The study managed to collect data for 80 respondents out of the target sample of 86 respondents. This constituted 93.2% response rate which is adequate for statistical reporting. This was adequate enough for the study since according to Mugenda (2003), 50% of the response rate is adequate enough to carry out a study.

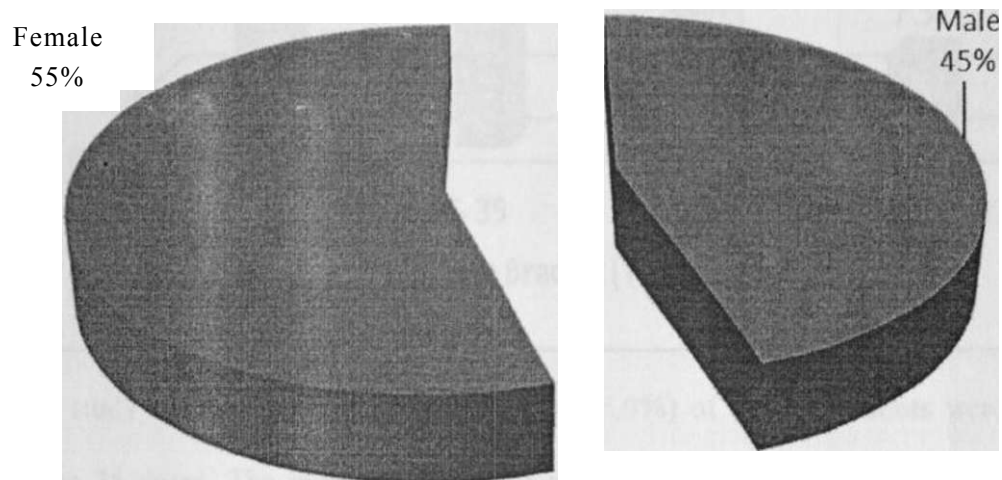
4.2 Demographic & General Information of the Respondents

This section presents the demographic & general information of the respondents. The demographic characteristics include gender and age of the respondents. General information comprise of the duration of membership and the frequency of visits to the bank.

4.2.1 Gender of the respondents

Figure 4.2 shows the study findings on gender of the respondents.

Figure 4.2: Gender of the respondents

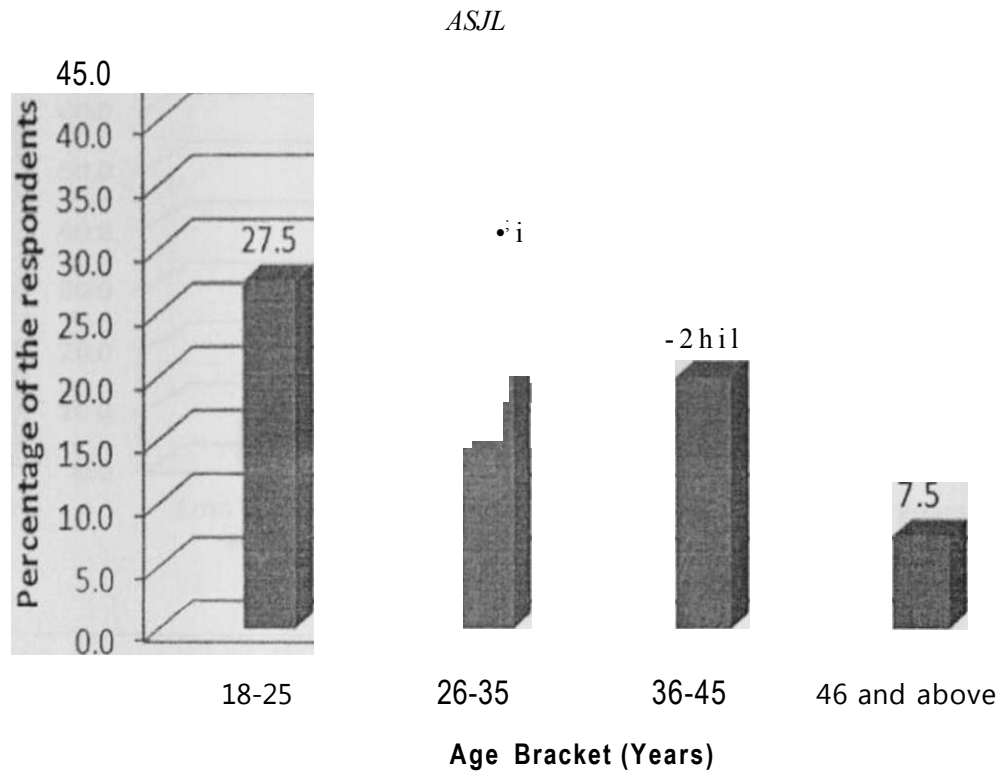


The study findings in figure 4.2 indicate that majority (55 %) of the respondents were female while 45% were male.

4.2.2 Age of the respondents

Figure 4.3 shows the study findings on age of the respondents.

Figure 4.3: Age of the respondents

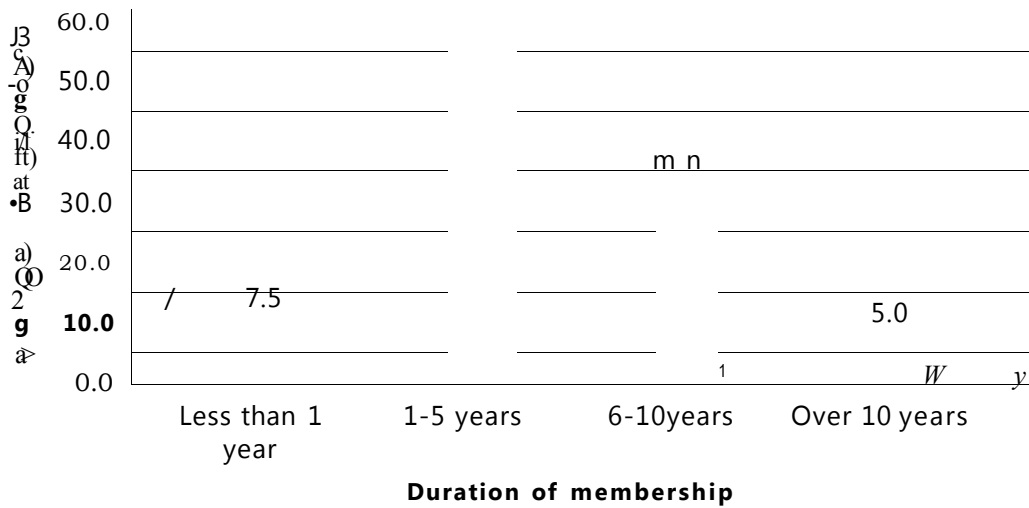


From the study findings in figure 4.3, majority (45.0%) of the respondents were aged from 26 to 35 years. The minority (7.5%) of the respondents were aged 46 years and above.

4.2.3 Duration of membership

The study established the customers duration of membership at commercial banks in Kenya. Figure 4.4 shows the Findings of the study.

Figure 4.4: Duration of membership

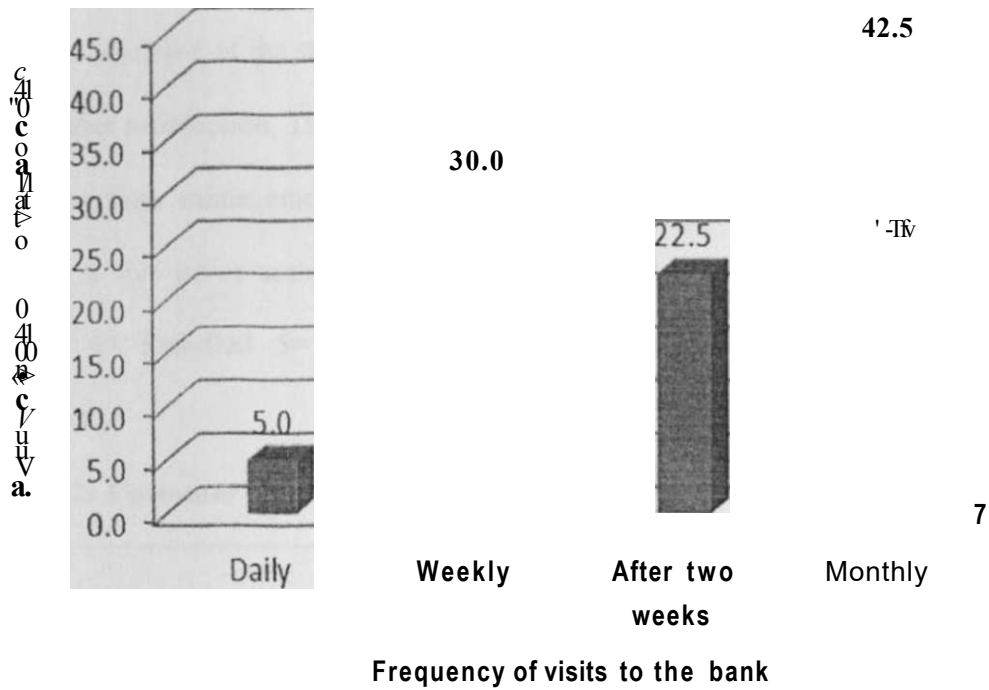


From the study findings in figure 4.4, majority (57.5%) of the respondents had been members of commercial banks in Kenya for durations ranging between 1 and 5 years followed by 30.0% of the respondents who had been members of their banks for durations ranging from 6 to 10 years, 7.5% had been members for less than 1 year and 5.0% had been members for more than 10 years. Therefore, the respondents had been members of their banks for durations long enough to be familiar with the effect of waiting lines management on customer satisfaction in Kenyan banks.

4.2.4 Frequency of visits to the bank

The study established the Frequency of visits to the commercial banks in Kenya by the customers. Figure 4.5 shows the findings of the study.

Figure 4.5: Frequency of visits to the bank



The study findings in figure 4.5 shows that majority of the respondents (42.5%) visit their banks monthly followed by 30.0% and 22.5% who visit their banks weekly and every fortnight respectively. Minority (5.0%) of the respondents visit their banks daily. The findings reveal that the respondents visit their banks frequently and are knowledgeable on the effect of waiting lines management on customer satisfaction in Kenyan banks.

4.3 The effect of waiting lines management on customer satisfaction in Kenyan banks.

The main objective of the study was to determine the effect of waiting lines management on customer satisfaction. The respondents were asked to indicate the extent to which use of waiting lines management strategies listed in table satisfy them. The response was rated on a five point scale where 1= Very dissatisfied 2= Dissatisfied 3= moderately satisfied 4= Satisfied 5= very satisfied. Mean and standard deviations were the calculated.

Table 4.2: Customer satisfaction with waiting lines management strategies

	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction with queue discipline	40	1	5	4.07	0.944
Satisfaction with information provided	40	1	5	3.48	0.052
Satisfaction with waiting environment	40	1	5	3.23	0.109
Satisfaction with perceived waiting time	40	1	5	2.37	0.095
Satisfaction with the overall waiting line management	40	1	5	2.25	0.013

The study findings in table 4.3 indicate that majority of the respondents were satisfied with queue discipline (m=4.07). There was moderate satisfaction with information provided (m=3.48) and waiting environment (m=3.23). However, the respondents were dissatisfied with the perceived waiting time (m=2.37) and with the overall waiting lines management (m=2.25).

4.3.1 Regression Analysis Results

The researcher performed a regression analysis to establish the association between the independent variables (perceived waiting time, information provided, waiting environment and queue discipline) and the dependent variable (customer satisfaction with waiting lines management).

The regression model was as follows:

$$y = c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

y ~ Customer satisfaction with waiting lines management

c = Constant Term

(β) = Beta coefficients

X₁ = Perceived waiting time

X₂ = Information provided

X₃ = Waiting environment

X₄ = Queue discipline

e = the standard error

The regression results are shown in tables 4.4, 4.5, and 4.6.

Table 4.3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimensionO 1	.344 ^a	.118	.018	.15671

a. Predictors: (Constant), perceived waiting time, information provided, waiting environment and queue discipline.

Table 4.4: Analysis of Variance (ANOVA)**ANOVA^b**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.115	4	.029	1.176	.338 ^a
	Residual	.860	35	.025		
	Total	.975	39			

a. Predictors: (Constant), perceived waiting time, information provided, waiting environment and queue discipline.

b. Dependent Variable: Customer satisfaction with waiting lines management

Table 4.5: Regression Coefficients

Coefficients"

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.019	.139		14.486	.000
Perceived waiting time.	-.051	.030	-.010	-.048	.002
Information provided.	.048	.032	.074	.351	.001
Waiting environment	.046	.026	.325	.786	.003
Queue discipline	.035	.030	.207	1.145	.005

a. Dependent Variable: Customer satisfaction with waiting lines management

The established multiple linear regression equation becomes:

$$Y = 2.019 - 0.051X_1 + 0.048X_2 + 0.046X_3 + 0.035X_4 + 0.139$$

The sign of the coefficients denote the nature of relationship between the dependent and the independent variables in the study. From the study findings in table 4.6 above, the perceived waiting time had a negative coefficient (-0.051) indicating the existence of an inverse relationship with customer satisfaction with waiting lines management. Therefore, customer satisfaction with waiting lines management in commercial banks decreases with increase in the perceived waiting time.

The regression results show positive coefficient for information provided (0.048), waiting environment (0.046) and queue discipline (0.035). Therefore, a direct proportionality

exists in which customer satisfaction with waiting lines management increases with the increase in information provided, improved waiting environment and queue discipline of bank customers.

The regression results show that the t values were all below the confidence level which is set at 1.96 for 5% level of significance. The t values are all less than 1.96 that is, -0.048 for perceived waiting time, 0.351 for information provided, 0.786 for waiting environment and 1.145 for queue discipline. Similar results are observed with the F value ($F=1.176$) which is less than the critical value $F_{critical}=2.6$ at 5% level of significance. Therefore the independent variables (perceived waiting time, information provided, waiting environment and queue discipline) do not have a significant influence on customer satisfaction with waiting lines management.

The findings of the study in table 4.4 show that the R Square value is 11,8%. This shows that 11.8% of the variance in customer satisfaction is explained by the independent variables used. This is a very low explanatory power for the model, which is consistent with the foregoing findings. Therefore the independent variables for the study (perceived waiting time, information provided, waiting environment and queue discipline) have little impact on the dependent variable (customer satisfaction with waiting lines management). The findings of the study reveal that perceived waiting time, information provided, waiting environment and queue discipline at commercial banks in Kenya are not statistically significant in explaining customer satisfaction with waiting lines management.

4.4 Management of Waiting Lines in Kenyan Commercial Banks

One of the objectives of the study was to determine how commercial banks in Kenya manage waiting lines. The respondents were asked to indicate the extent to which commercial banks use the strategies listed in table 4.2 to manage waiting lines in the bank. The response was rated on a six point scale where 1= does not exist, 2= very small extent, 3= small extent 4=some extent 5= great extent 6= very great extent. Mean and standard deviations for the responses were calculated and are presented in table 4.2 below.

Table 4.6: Strategies used to manage waiting lines in the bank

	N	Minimum	Maximum	Mean	Std. Deviation
Use of automatic queue measurement systems	40	1	6	4.77	0.702
Internet banking	40	1	6	4.60	0.257
Mobile banking	40	1	6	4.55	0.413
Seamless banking	40	1	6	4.20	0.418
Use of physical barriers	40	1	6	4.07	0.023
Allocation and direction in terms of dedicated terminals in self-service or receptionist	40	1	6	4.07	0.185
Communication to adjust waiting time according to the importance of the service to be provided	40	1	6	4.02	0.025
Use of signage and signaling systems	40	1	6	3.32	0.829
Use of interactive communication and advertisement on the television screens	40	1	6	3.20	0.091
Allow visitors freedom of movement while keeping them informed about the expected waiting time or giving them a guaranteed reception time.	40	1	6	3.17	0.483
Agency banking	40	1	6	1.45	1.395

From the study findings in table 4.1 above majority of the respondents stated that commercial banks greatly apply waiting lines management strategies such as, automatic queue measurement systems (m=4.77), internet banking (m=4.60), mobile banking (**m=4.55**), seamless banking (m=4.20), use of physical barriers (m=4.07), allocation and direction in terms of dedicated terminals in self-service or receptionist (m=4.07) and communication to adjust waiting time according to the importance of the service to be provided (m=4.02).

The study findings indicate that commercial banks moderately apply strategies such as use of signage and signaling systems aimed to provide information to people queuing to aid efficient queue formation and flow, as well as setting service expectations (m=3.32); use of interactive communication and advertisement on the television screens (m=3.20) and allowing visitors freedom of movement while keeping them informed about the expected waiting time or giving them a guaranteed reception time (m=3.17).The least used strategy is agency banking (m=1.45) and this tells that most commercial banks do not use agency banking as a strategy for managing waiting lines.

The physical barriers are aimed at guiding queue formation and organizing it in the most efficient way while signage and signaling systems are aimed at providing information to people queuing to aid efficient queue formation and flow, as well as setting service expectations. The automatic queue measurement systems use a variety of measurement technologies which predict and measure queue lengths and waiting times and provide management information to help service levels and resource deployment.

4.5 Challenges faced by commercial banks in management of waiting lines

One of the objectives of the study was to establish the challenges faced by commercial banks while managing waiting lines. The respondents were asked to indicate their levels of agreement with the statements concerning challenges encountered while trying to manage waiting lines. The response was rated on a five point scale where 1= strongly disagree 2=Disagree 3= Neutral 4= Agree 5= strongly agree. Mean and standard deviations were the calculated as shown in table 4.7.

Table 4.2: Challenges faced by commercial banks in management of waiting line

	Z	Minimum	Maximum	Mean	Standard Deviation
Small Branch network within the country	40	1	5	4.48	0.324
Poor customer flow management	40	1	5	4.23	0.252
Mobile banking unreliability.	40	1	5	3.41	0.392
Legal risk	40	1	5	3.25	0.276
Operational risks	40	1	5	3.10	0.057
Reputational risk	40	1	5	3.02	0.121
Unfriendly user interface of internet banking	40	1	5	2.55	0.261
Poor facility layout (banking hall layout)	40	1	5	2.40	0.105
High risks of money laundering due to electronic banking	40	1	5	2.40	0.215
Agency banking is not given emphasis and is not implemented	40	1	5	2.32	0.347

From the study findings in table 4.7 majority of the respondents agreed that commercial **banks** faces challenges such poor customer flow management (m=4.23) and small branch

network within the country (m=4.48). Commercial banks moderately faces challenges such as mobile banking unreliability (m=3.41), legal risk (m=3.25), operational risks (m=3.10), reputational risk (m=3.02), and unfriendly user interface of internet banking (m=2.55).

Majority of the respondents indicated that commercial banks in Kenya slightly face challenges such as poor facility layout (m=2.40), high risks of money laundering due to electronic banking (m=2.40) to some extent, and agency banking is not given emphasis and is not implemented (m=2.32).

However, a number of the respondents disagreed with the statement that agency banking is not given emphasis and is not implemented though it has proved to be the least used strategy. Commercial banks have poor facility layout, they also face high risks of money laundering due to electronic banking i.e. internet and mobile banking and automated teller machines and finally they have unfriendly user interface of internet banking.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the research findings presented in chapter four above. The conclusion drawn from the findings of the study are also presented in this chapter. Besides, the chapter presents recommendations and areas for further study.

5.2 Summary of the Findings

The main objective of this research was to find out how waiting lines management influences customer satisfaction in Kenyan banks. The study established that majority of customers in commercial banks were satisfied with queue discipline. However, majority of customers in commercial banks expressed moderate satisfaction with information provided and waiting environment. The findings of the study revealed that customers were dissatisfied with the perceived waiting time and with the overall waiting lines management.

The study established that commercial banks in Kenya have adopted waiting lines management strategies such as use of physical barriers, automatic queue measurement systems, seamless banking, internet banking and mobile banking. However, there is a low provision of direction in terms of dedicated terminals in self-service or receptionist to allow customers to take their place in the queue for a service and communication to adjust waiting time according to the importance of the service to be provided. The study established a moderate application of strategies such as agency banking, use of signage and signaling systems; use of interactive communication and advertisement on the

television screens and allowing visitors' freedom of movement while keeping them informed about the expected waiting time or giving them a guaranteed reception time.

The study establishes that commercial banks in Kenya encounter challenges such as poor customer flow management; small branch network within the country; high risks of money laundering due to electronic banking i.e. internet and mobile banking and automated teller machines; operational risk where by reliance of technology to provide services makes security and system availability the central operational risk of electronic banking in terms of confidentiality and integrity of the system and data; reputational risk where breaches of security and disruptions to the system's availability damages a bank reputation i.e. if electronic banking encounters problems that cause customers lose confidence in electronic delivery channels as a whole; and legal risk where electronic banking carries heightened legal risks for bank especially where they are not fully versed in a jurisdiction's local laws and regulations before they begin to offer services.

5.3 Conclusions and Recommendations

The study established that findings in chapter four indicate that perceived waiting time, information provided, waiting environment and queue discipline do not have a significant impact on customer satisfaction with waiting lines management at commercial banks in Kenya. Therefore, the study concludes that customers of commercial banks in Kenya are less satisfied with waiting lines management strategies employed by their banks. The customers are slightly satisfied with the longer perceived waiting time at the banks, information provided in the waiting room which they consider insufficient and the

waiting environment within the banks which is not adequately engaging to increase their patience.

The study concludes that customers do not have problems with queue discipline in commercial bank. Customers are always disciplined within the bank premises but complain of the long duration of time they have to spend on the queues. As the customers perceive the longer times that they have to spend queuing at the bank, the less they become satisfied with the way lines are managed at the bank.

The study concludes- that the waiting environment within Kenyan commercial banks is not satisfactory to the customers. Customers are not satisfied with management of waiting lines despite the fact that banks have implemented measures such as use of physical barriers, automatic queue measurement systems, seamless banking, internet banking, mobile banking and agency banking. The finding reveals that, the customers do not perceive the benefits of lines management strategies unless they experience significant efficiency in the speed at which bank services are delivered.

The study recommends that commercial banks in Kenya should invest in the provision of appropriate information to the customers. The banks should provide direction in terms of dedicated terminals in self-service or receptionist to allow customers to take their place in the queue for a service and communication to adjust waiting time according to the importance of the service to be provided.

The study further recommends that commercial banks in Kenya should increase customer satisfaction by adopting strategies such as, agency banking, use of signage and signaling systems, use of interactive communication and advertisement on the television screens

and allowing visitors' freedom of movement while keeping them informed about the expected waiting time or giving them a guaranteed reception time. Moreover, the study further recommends that lines management in the banks can be enhanced by implementation of measures that will enhance customer flow management and increase in the number of bank branches. The banks should also increase the number of terminals where deposits are made and emphasize on agency banking implementation.

5.4 Limitations of the Study and Recommendations for further Research

The study establishes the effect of waiting lines management strategies on customer satisfaction in Kenyan banks. However, the study did not investigate whether other factors such as corporate image of the banks influence their satisfaction with the management of waiting lines in the bank. This limits generalization of the study findings to the effect that customer satisfaction with waiting lines management is exclusively affected by perceived waiting time, information provided, waiting environment and queue discipline.

The study therefore recommends further research on the impact of corporate image on customer satisfaction with waiting lines management. The study also recommends further study on the strategies that can be adopted by banks to increase customer satisfaction with waiting lines management. The study should focus on aspects such as perceived waiting time, information provided, waiting environment and queue discipline.

The study recommends further study in efficiency of lines management technologies in **the** Kenya banking sector. Further study will supplement the findings of this study by providing information on strengths and weaknesses of lines management technologies in Kenyan Banking industry.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE

Section **A** and **B** requires you to give demographic and general information regarding **how** you feel about the service delivery by Ecobank in terms of timeliness. Your response will be accorded confidentiality and will only be used for academic purposes. Please tick inside the space provided or fill in where appropriate.

SECTION A: Demographic & General Information

1.1 Name of your Bank

1.2 How long have you been operating with this bank?

1.3 What is your sex?

(i) Male (ii) Female

1.4 What is your age bracket?

(i) 18-25 (ii) 26-35

(iii) 36-45 (iv) 46 and above

1.5 How frequently do you visit the bank?

(i) Daily (ii) Weekly

(iii) After two weeks (iv) Monthly

SECTION B: Customers' level of satisfaction

In this section state to what extent are the following waiting lines management strategies satisfies you. Use the scale of 1- Very dissatisfied 2= Dissatisfied 3= Neutral 4= Satisfied 5= very satisfied

No	Customers' level of satisfaction.	1	2	3	4	5
1	How satisfied are you with perceived waiting time? I.e. how long you had to wait in lines from the time you walked in, to when you place your order.					
2	How satisfied are you with information provided? i.e. How satisfied are you with the bank front lines staff in terms of explanation they give when the systems are down and there is delay.					
3	How satisfied are you with waiting environment I.e. How satisfied are you with distractions like television, magazines provided by the bank while waiting to be served?					
4	How satisfied are you with queue discipline i.e. How satisfied are you with the physical barriers aimed at guiding queue formation whereby first come first serve rule is observed					
5	How satisfied are you with the overall management of lines waiting in your bank					

Section C and D requires you to give information about the extent to which various strategies are used to manage customers' waiting time in the bank and extent to which you agree with the challenges facing the bank while managing customers' waiting time respectively. Your response will be accorded confidentiality and will only be used for academic purposes. Please tick inside the space provided.

SECTION C: How waiting lines are managed

In this section state to what extent are the following strategies used to manage waiting lines in the bank. Use the scale of 1= does not exist, 2= very small extent, 3= small extent 4=some extent 5= great extent 6= very great extent

No	To what extent are the following strategies used to manage waiting lines at the bank	1	2	3	4	5	6
1	Physical barrier aimed at guiding queue formation and organizing it in the most efficient way.						
2	Signage and signaling systems aimed to provide information to people queuing to aid efficient queue formation and flow, as well as setting service expectations.						
3	Automatic queue measurement systems; which use a variety of measurement technologies which predict and measure queue lengths and waiting times and provide management information to help service levels and resource deployment.						
4	Allocation and direction in terms of dedicated terminals in self-service or receptionist to allow customers to take their place in the queue for a service						
5	Waiting time and communication to adjust waiting time according to the importance of the service to be provided						
6	Making waiting both active and interactive so that it is seen to be as pleasant as possible by use of video, interactive communication, and advertising on the television screens						
7	Allow visitors freedom of movement while keeping them informed about the expected waiting time or giving them a guaranteed reception time.						

8	Seamless banking						
9	Internet banking						
10	Mobile banking						
11	Agency banking						

SECTION I): Challenges

In this section state the extent to which you agree with the following statements concerning challenges encountered while trying to manage waiting lines. Use the scale of

1= strongly disagree 2=Disagree 3= Neutral 4= Agree 5= strongly agree

No	Challenges	1	2	3	4	5
1	Agency banking is not given emphasis and is not implemented					
2	Poor facility layout (banking hall layout)					
3	Poor customer flow management					
4	Small Branch network within the country					
5	High risks of money laundering due to electronic banking i.e. internet and mobile banking and automated teller machines					
6	Operational risk where by reliance of technology to provide services makes security and system availability the central operational risk of electronic banking in terms of confidentiality and integrity of the system and data.					
7	Reputational risk where breaches of security and disruptions to the system's availability damages a bank reputation i.e. if electronic banking encounters problems that cause customers lose confidence in electronic delivery channels as a whole.					
8	Legal risk where electronic banking carries heightened legal risks for bank especially where they are not fully versed in a jurisdiction's local laws and regulations before					

	they begin to offer services (not licensed)					
9	Unfriendly user interface of internet banking					
10	Mobile banking unreliability where a few seconds of system down time caused by unstable performance servers or insufficient technical support could mean an enormous loss of profit and a negative effect on trust relationship between customers and bank.					

APPENDIX 2: COMMERCIAL BANKS IN KENYA

- 1) African Banking Corporation Ltd**
- 2) Bank of Africa Kenya Ltd**
- 3) Bank of India**
- 4) Barclays Bank of Kenya Ltd**
- 5) Bank of Baroda (K) Ltd**
- 6) CFC Stanbic Bank Ltd**
- 7) Citibank N.A Kenya**
- 8) Charterhouse Bank Ltd**
- 9) Chase Bank (K) Ltd**
- 10) Commercial Bank of Africa Ltd**
- 11) Co-operative Bank of Kenya Ltd**
- 12) Consolidated Bank of Kenya Ltd**
- 13) Credit Bank Ltd**
- 14) Diamond Trust Bank Kenya Ltd**
- 15) Development Bank Of Kenya Ltd**
- 16) Dubai Bank Kenya Ltd**
- 17) Ecobank Kenya Ltd**
- 18) Equity Bank Ltd**
- 19) Equatorial Commercial Bank Ltd**
- 20) Family Bank Limited**

- 21) Fidelity Commercial Bank Ltd**
- 22) Fina Bank Ltd**
- 23) First Community Bank Ltd**
- 24) Giro Commercial Bank Ltd**
- 25) Guardian Commercial Ltd**
- 26) Gulf African Bank Ltd**
- 27) Mabib Bank A.G Zurich**
- 28) I labib Bank Ltd**
- 29) Imperial Bank Ltd**
- 30) I & M Bank Ltd**
- 31) Jamii Bora Bank Ltd**
- 32) Kenya Commercial Bank Ltd**
- 33) K-Rep Bank (K) Ltd**
- 34) Middle East Bank (K) Ltd**
- 35) National Bank of Kenya Ltd**
- 36) NIC Bank Ltd**
- 37) Oriental Commercial Bank Ltd**
- 38) Paramount Universal Bank Ltd**
- 39) Prime Bank Ltd**
- 40) Standard Chartered Bank of Kenya Ltd**
- 41) Trans-National Bank Ltd**

42) UAB Kenya Bank Ltd

43) Victoria Commercial Bank Ltd

SOURCE: CBK REPORT DECEMBER 201