*Quest Journals*
*Journal of Research in Humanities and Social Science*
*Volume 14 ~ Issue 8 (August 2026) pp: 170-179*
*ISSN(Online):2321-9467*
www.questjournals.org

**Research Paper**

# Effect of Service Quality on Customer Satisfaction of Commercial Banks in Kenya

*Geoffrey MwikambaBita
**Department of Business Administration, Chuka University P.O. Box 109-60400, Chuka, Kenya.*
**Corresponding Author*

***Abstract***
*Customers' expectations are constantly evolving, and as a result, service providers must constantly innovate, develop, and offer new and improved services and service delivery approaches. In today's fiercely competitive environment, providing high-quality service is the key to maintaining a sustainable competitive advantage. The study thus sought to assess the effect of service quality on customer satisfaction of commercial banks in Kenya. The study was based onHeider's balance theory. The study was guided by the positivist philosophy and adopted the explanatory research design. The target population was the 39 commercial bank customers in Kenya, with a sample of 602 customers. The study used a questionnaire as the data collection instrument. Structural equation modeling was used to ascertain the relationship between the various variables. The study found that service quality had a positive and statistically significant relationship with customer satisfaction in commercial banks in Kenya. The study recommended that commercial banks in Kenya participate in community activities, reward customers, adopt biometric security mechanisms, enhance mobile banking, use modern banking equipment and appealing banking facilities, hire competent employees, and hold regular exhibitions of their products and services.*

***Keywords:*** *Service Quality; Customer Satisfaction; Commercial Banks in Kenya*

*Received 06 Aug., 2026; **R**evised 17 Aug., 2026; **A**ccepted 19 Aug., 2026 © The author(s) 2026. **P**ublished with open access at **www.questjournals.org***

## I. Introduction

In today's competitive commercial environment, banks must be involved in the marketing strategy process to respond to market challenges and opportunities. Retaining existing customers and acquiring new ones is the primary goal of any business. Banks have realized that there are numerous economic benefits associated with keeping satisfied customers rather than constantly seeking new ones (Konovalov*et al.,* 2020). Therefore, banks are now paying more attention to customer satisfaction to remain competitive (Cong & Ali, 2022). Customer satisfaction is crucial for any business that is faced with new challenges in a modern business environment (Delińska&Sliż, 2019). Business in the banking sector is highly dynamic, which means that banks need to adopt a proactive approach to providing excellent services. Commercial banks can improve their service delivery by focusing on enhancing the quality of their services. According to Evert (2021), commercial banks must strive to achieve a high standard and be committed to excellence in relationship marketing, corporate branding, and service delivery to ensure high customer satisfaction.

Service quality refers to a business's ability to meet or exceed the needs and expectations of its customers. Ultimately, it is the customer who determines the quality of a service. According to Ezzat*et al*. (2018), service quality is the comparison between what the customer expects from the service of a certain business and what the service essentially delivers. Customers are satisfied when their expectations are met or exceeded by the organization serving them. Therefore, it is fundamental for commercial banks to improve the quality of their services to increase customer satisfaction, attraction, and retention. Service Quality refers to the degree to which a service delivered or offered meets the expectations of the customer (Ramya*et al*., 2019). Business operators in the service industry often need to evaluate the quality of service they provide to their customers so that they can identify problems quickly, improve their service, and better assess customer satisfaction. The five dimensions of service quality that should guide them are tangibles, reliability, responsiveness, assurance, and empathy (Fida*et al.,* 2020).

Globally, banks play a critical role in an economy. They operate the payment systems, are the major source of credit for large swathes of the economy, and act as a safe haven for depositors' funds (Packin&Nippani, 2021). Banks act as a circulatory system that links together goods, services, and financial markets (Mohamed, 2020). Customers' expectations are constantly evolving, and as a result, service providers must constantly innovate, develop, and offer new and improved services and service delivery approaches. In today's fiercely competitive environment, providing high-quality service is the key to maintaining a sustainable competitive advantage (Cantele &Zardini, 2018). Therefore, businesses must understand the significance of service quality and implement appropriate operational strategies to achieve the desired service quality goals (Mutinda, 2020).

In Kenya, private sector credit as a percentage of GDP has remained relatively low at 27.5% relative to the global average of 133.8% (Moyo&Sibindi, 2020). The disconnect presents a significant economic problem since over 75% of GDP is linked to private expenditure and investments, naturally powered by credit (Kimani *et al.,* 2021). Therefore, there is a need for commercial banks to increase their engagement with private firms to make them their customers. This will call for creative marketing strategies accompanied by the innovative presentation of the products.

Several studies conducted in Kenya, such as (Wafula, 2019; Apondi, 2016; Aliata*et al*., 2016; Kombo, 2015;Bitta, 2014) have found that service quality has a positive and significant effect on customer satisfaction. However, not all aspects of service quality have the same impact. For instance, empathy has no effect on customer satisfaction of customers in Certified Public Accountancy Training Institutions (CPATIs) (Byrne *et al*., 2019). On the other hand, in the hotel industry, reliability is the dimension that has the most significant effect on customer satisfaction, followed by empathy, tangibles, and responsiveness, with assurance having the least effect (Sujay&Afza, 2019).

Empirical evidence on service quality and customer satisfaction in various sectors is contradictory. Ali and Raza (2017) found a positive effect of service quality on customer behavior in conventional and Islamic banks, but did not show a significant relationship. Makanyeza and Chikazhe (2017) found a significant positive association between service quality and customer satisfaction and loyalty in Zimbabwe's banking sector. Kasiri et al. (2017) and Mjaku (2020) also found service quality significantly contributing to customer satisfaction, but failed to demonstrate a significant relationship.

A study by Fida*et al.* (2020) revealed that only empathy and responsiveness dimensions of customer satisfaction were influenced by service quality in the Sultanate of Oman, implying that various dimensions of customer satisfaction might be influenced differently by different aspects of customer satisfaction. For instance, Kant and Jaiswal (2017) indicated that reliability and assurance (dimensions of service quality) explained overall customer satisfaction at rural banks in India while Afroz (2019) established that service quality and all its dimensions had a significant and positive association with customer satisfaction in Tangail. These findings show some inconsistencies on what dimensions could impact customer satisfaction significantly.

A study by Ulaya (2017) indicated that customers were satisfied with services provided by Tanzanian banks, but failed to show whether the banks' service quality significantly affected customer satisfaction. A study by Simon *et al.* (2016) in the banking sector in Kenya established a positive relationship between service quality and customer satisfaction in Kenyan banks. However, the study did not state whether the relationship was statistically significant or not. Moreover, the study did not indicate whether all the commercial banks within Kenya were represented in the study.

Another study by Wafula (2019) established a strong, significant correlation between customer satisfaction and reliability, responsiveness, and assurance dimensions of service quality, and a moderately significant positive correlation between customer satisfaction and empathy and tangibles dimensions of service quality among conventional and Islamic bank customers in Kenya. However, Wafula (2019) did not demonstrate specific dimensions of customer satisfaction that were significantly impacted by various dimensions of service quality. To fill this gap, this study determined the effect of service quality on customer satisfaction of commercial banks in Kenya.

## II. Materials and Methods

The study adopted a positivist research philosophy and an explanatory research design to determine the effect of service quality on customer satisfaction of commercial banks in Kenya. The variables of service quality under study included empathy, service architecture, convenience service encounter, employee service criteria, and customer focus.The target population was customers of commercial banks in Kenya. Since it was not possible to determine the number of customers served by commercial banks in Kenya, the number of accounts held was used as a proxy. Thus, all the customers who held 69881847 accounts as of December 2020 in 39 commercial banks licensed by the Central Bank of Kenya that were not under receivership were used. The sample of customers was calculated using the following formula

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

Where
nis the required sample size,
pis the proportion of the population having the characteristic,
q = 1-p
dis the degree of precision.
According to CBK (2020), the proportion of Kenya's adult population with access to formal banking services is 83 %. Thus, p = 0.83, q = 1-0.83 = 0.17 and at 95% confidence level d = 0.03 is acceptable.
Therefore, $= \frac{0.83*0.17*1.96^2}{0.03^2} = 602$ .
Thus, a total of 602 commercial banks' customers were sampled and distributed proportionately based on the accounts held in each bank. Simple random sampling was used in the selection of the first respondent, while systematic random sampling was applied in the selection of the fifth customer to enter the banking hall. The primary data was collected using a structured questionnaire. The researcher engaged research assistants to administer the questionnaires to the sampled respondents and guide the respondents on how to respond to the instruments. The instruments were collected thereafter, being filled on the same day. Primary data were analyzed using both descriptive statistics and inferential statistics that included Pearson correlation and regression. The structural equation model for service quality used was;

$$CusS = \beta 0 + \beta 1E + \beta 2SA + \beta 3CSE + \beta 4ESE + \beta 5CF + \varepsilon i$$

Where E is empathy, SA is service architecture, CSE is convenience service encounter, ESC is employee service criteria, and CF is customer focus.

## III. Results and Discussions

### Demographic Characteristics of Respondents

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

**Table 1: Demographic Characteristics of Respondents**

| Characteristic | | Frequency | Percent |
|---|---|---|---|
| | Male | 216 | 54.7 |
| | Female | 179 | 45.3 |
| **Gender** | **Total** | **395** | **100** |
| | 18-30 years | 102 | 25.8 |
| | 31-40 years | 131 | 33.2 |
| | 41-50 years | 98 | 24.8 |
| | 51-60 years | 45 | 11.4 |
| | Above 60 years | 19 | 4.8 |
| **Age** | **Total** | **395** | **100** |
| | Primary school | 14 | 3.5 |
| | High school | 53 | 13.4 |
| | College | 70 | 17.7 |
| | First Degree | 185 | 46.8 |
| | Postgraduate | 60 | 15.2 |
| | Others | 13 | 3.3 |
| **Education level** | **Total** | **395** | **100** |
| | Married | 254 | 64.3 |
| | Single | 99 | 25.1 |
| | Widowed | 24 | 6.1 |
| | Divorced | 18 | 4.6 |
| **Marital status** | **Total** | **395** | **100** |
| **Source of income** | Formal Employment | 189 | 47.8 |

| | | | |
|---|---|---|---|
| | Unemployed | 50 | 12.7 |
| | Self-employment | 137 | 34.7 |
| | Others | 19 | 4.8 |
| | **Total** | **395** | **100** |
| | Less than 10,000 | 85 | 21.5 |
| | 10,001-50,000 | 153 | 38.7 |
| | 50,001-100,000 | 100 | 25.3 |
| | More than 100,000 | 57 | 14.4 |
| **Level of income** | **Total** | **395** | **100** |

The results presented in Table 1 show that 54.7% of the respondents were male, while 45.3% were female. This also implied that there were more male customers accessing banking services as opposed to their female counterparts.

Further, the study sought to establish the age of respondents who access formal commercial bank services. In Kenya, to be eligible to hold an account as an independent person, the minimum requirement is a national identity card or passport. Citizens aged 18 years and above are eligible to be issued a national identity card. However, there exist junior accounts whose opening and transactions are not carried out by the juniors themselves but by either their parents or guardians who have attained the age of maturity. Therefore, it was expected that the minimum age of any particular respondent would be 18 years. The result in Table 1 shows that 25.8% of the respondents were between 18 and 30 years, 33.2% of the respondents were between 31 and 40 years, 24.8% of the respondents were between 41 and 50 years, 11.4% of the respondents were between 51 and 60 years and 4.8% of the respondents were above 60 years. This result implied that the respondents who participated in the study were below 50 years old, indicating that those in the working age bracket seek commercial bank services more than those in the retirement age bracket.

Further, 3.5% of the respondents had primary school as their highest level of education, 13.4% high school, and 17.7% college level. Additionally, 46.8% of the respondents had a first degree as their highest level of education, 15.2% of the respondents had postgraduate as their highest level of education, and 3.3% of the respondents had other levels of education other than those specified. This implied that respondents at all education levels require commercial bank services, the majority of them being those with post-secondary education.

The marital status of the respondents was based on four categories: married, single, widowed, and divorced. From the result above, 64.3% of the respondents were married, 25.1% were single, 6.1% were widowed, and 4.6% were divorced. The majority of the account holders in the Kenyan commercial banks were married.

It was indicated that 47.8% of the respondents were employed, 12.7% of the respondents were unemployed, 34.7% were self-employed, and 4.8% of the respondents had other sources of income. This implied that respondents of all income sources require commercial bank services. However, the salary was the source of income for the majority of the respondents in the study.

Income was classified into four categories that is, less than 10,000, 10,001-50,000, 50,001-100,000, and more than 100,000 Kenya shillings. It can be observed that 21.5% of the respondents earned less than 10,000 Kenya shillings, 38.7% of the respondents earned between 10,001 and 50,000 Kenya shillings, 25.3% of the respondents earned between 50,001 and 100,000Kenya shillings, and 14.4% earned more than 100,000 Kenya shillings.

**Descriptive results**

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

**Table 2: Extent of Agreement or Disagreement with Service Architecture**

| Service Architecture | Mean | Standard Deviation | CV % |
|---|---|---|---|
| My bank uses modern-looking service delivery equipment | 3.94 | 1.15 | 29.18 |
| My bank's service delivery physical facilities are visually appealing | 3.57 | 1.38 | 38.66 |
| My bank employees' appearance is always neat | 3.53 | 1.36 | 38.53 |

| | | | |
|---|---|---|---|
| Service-related marketing materials (such as leaflets) of my bank are visually appealing | 3.58 | 1.31 | 36.59 |
| The atmosphere of my banking hall is cozy and well-ventilated | 3.54 | 1.34 | 37.85 |
| The bank's ATMs are sufficient and easy to operate | 3.83 | 1.20 | 31.33 |
| The banking facilities are adapted for people living with disabilities | 3.85 | 1.14 | 29.61 |
| The appearance of the service delivery physical facilities of my bank is consistent with the overall banking industry | 3.81 | 1.18 | 30.97 |
| **Average** | **3.71** | **1.26** | **34.09** |

Key: CV Coefficient of Variation
Note: The responses from the duly filled questionnaires were analysed using SPSS software, and the descriptive statistics are presented in the form of mean and standard deviation.

Based on the study results it can be seen that the respondents agreed with a mean of 3.94 and a standard deviation of 1.15 that their banks used modern-looking service delivery equipment. On the other hand, on whether physical facilities were visually appealing, the respondents agreed with a mean of 3.57 and a standard deviation of 1.38. When asked about bank employees' appearance, on being always neat, the respondents agreed with a mean of 3.53 and a standard deviation of 1.36.

Concerning the question about service-related marketing materials, such as leaflets of their bank being visually appealing, the respondents agreed with a mean of 3.58 and a standard deviation of 1.31. On the other hand, on the question about the atmosphere of their banking hall being cosy and well-ventilated, the respondents agreed with a mean of 3.54 and a standard deviation of 1.34. Regarding the banks' ATMs being sufficient and easy to operate, the respondents agreed with a mean of 3.83 and a standard deviation of 1.20

The respondents further agreed with a mean of 3.85 and a standard deviation of 1.14 that banking facilities were adapted for people living with disabilities. Finally, the respondents agreed with a mean of 3.81 and a standard deviation of 1.18 that the appearance of the service delivery physical facilities of their banks was consistent with the overall banking industry. The service architecture is in tandem with the provision of quality services to the customers, as demonstrated by the aggregate mean. The average coefficient of variation of service architecture for the study was 34.09 ranging between 26% to 50%. This shows that the variation was low and therefore good.

The descriptive results for employee service orientation are presented in Table 3.

**Table 3: Extent of Agreement or Disagreement with Employee Service Orientation**

| **Employee service orientation** | **Mean** | **Standard Deviation** | **CV %** |
|---|---|---|---|
| My bank fulfills its service delivery when it promises to do so within a certain time | 3.54 | 1.30 | 36.72 |
| My bank's employees tell customers exactly when services will be performed | 3.97 | 1.12 | 28.21 |
| My bank's employees have the necessary knowledge to respond to any service delivery query | 3.92 | 1.12 | 28.57 |
| My bank gives me individual attention during service delivery | 3.56 | 1.35 | 37.92 |
| My bank equipment, like AC, TV, lights, and ATMs, among others, works properly for quick and easy service delivery | 3.61 | 1.28 | 35.46 |
| The employees of my bank are dependable in resolving my complaints about service delivery | 3.56 | 1.33 | 37.36 |
| The employees of my bank are sympathetic and reassuring when I have a problem with the service offered | 3.54 | 1.35 | 38.14 |
| The service delivery records and transactions of my bank are error-free | 3.52 | 1.30 | 36.93 |
| **Average** | **3.65** | **1.27** | **34.91** |

Key: CV Coefficient of Variation
Note: The responses from the duly filled questionnaires were analysed using SPSS software, and the descriptive statistics were presented in the form of mean and standard deviation.

From the study's results in Table 3, it is evident that the respondents agreed with a mean of 3.54 and a standard deviation of 1.30 that their bank fulfils service delivery when it promises to do so within a certain time. Additionally, the respondents agreed with a mean of 3.97 and a standard deviation of 1.12 that their banks' employees provide them with accurate information about the exact time of service delivery.

Furthermore, the respondents also agreed that the bank's employees possess the necessary knowledge to handle any service delivery query with a mean of 3.92 and a standard deviation of 1.12. The results also indicate that the respondents agreed with a mean of 3.56 and a standard deviation of 1.35 that they receive individual attention during service delivery. On the other hand, the respondents with a mean of 3.61 and a standard deviation of 1.28 agreed that the bank's equipment, like AC, TV, lights, and ATMs, among others, worked properly for quick and easy service delivery.

The respondents were asked if the employees of their banks were dependable in resolving their complaints about service delivery, and the respondents agreed with a mean of 3.56 and a standard deviation of 1.33. The respondents also agreed with a mean of 3.54 and a standard deviation of 1.35 that the employees of their banks were sympathetic and reassuring when they had a problem with the service offered. Finally, the respondents were asked if the service delivery records and transactions of their banks were error-free; the respondents agreed with a mean of 3.52 and a standard deviation of 1.30.

The aggregate means indicate that bank employees are committed to delivering quality services to the customers and will try to be honest with them. The average coefficient of variation of employee service orientation for the study was 34.09, ranging between 26% to 50% indicating that the variation was low and therefore, a positive aspect. The descriptive statistics for customer focus are presented in Table 4.

**Table 4: Extent of Agreement or Disagreement with Customer Focus**

| Customer Focus | Mean | Standard Deviation | CV % |
|---|---|---|---|
| My bank provides services to the customers the right way, the first time | 4.13 | 0.83 | 20.10 |
| My bank provides services to customers on time | 3.50 | 1.36 | 38.86 |
| My bank provides special treatment for the elderly, sick, Pregnant women, or disabled persons | 3.58 | 1.29 | 36.03 |
| **Average** | **3.74** | **1.16** | **31.66** |

Key: CV Coefficient of Variation

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

According to this study, the respondents agreed with a mean of 4.13 and a standard deviation of 0.83 that banks provided services to the customers the right way the first time. The respondents agreed with a mean of 3.50 and a standard deviation of 1.36 that their bank provides services to the customers on time. Finally, on whether the bank provides special treatment for the elderly, sick, pregnant women, or disabled persons, the respondents agreed with a mean of 3.58 and a standard deviation of 1.29.

Customer focus is a virtue that the banks have committed to enhancing service delivery. The average coefficient of variation of customer focus for the study was 31.66, ranging between 26% to 50%, indicating that the variation was low and therefore good. The descriptive statistics for convenient service encounters are presented in Table 5.

**Table 5 Extent of Agreement or Disagreement with Convenient Service Encounter**

| Convenient Service Encounter | Mean | Standard Deviation | CV % |
|---|---|---|---|
| My bank issues error-free bills, statements, and other documents | 3.66 | 1.26 | 34.43 |
| I feel safe in my transaction with my bank | 3.89 | 1.14 | 29.31 |
| My bank's employees are consistently courteous with me | 3.58 | 1.34 | 37.43 |
| My bank's business hours are convenient for me | 3.85 | 1.18 | 30.65 |
| My bank provides clear guidance and information for using the facilities | 3.57 | 1.34 | 37.54 |
| My bank's ATMs are conveniently located and are accessible to all customers | 3.93 | 1.20 | 30.53 |
| **Average** | | | **33.32** |

Key: CV= Coefficient of Variation

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

The study results showed that the respondents agreed with a mean of 3.66 and a standard deviation of 1.26 that their bank issues error-free bills, statements, and other documents. Additionally, the respondents agreed with a mean of 3.89 and a standard deviation of 1.14 that they felt safe in their transactions with their bank. Furthermore, the respondents agreed with a mean of 3.58 and a standard deviation of 1.34 that their bank's employees were consistently courteous.

When it comes to the convenience of the bank's business hours to the respondents, the respondents agreed with a mean of 3.85 and a standard deviation of 1.18. The respondents agreed with a mean of 3.57 and a standard deviation of 1.34 that their banks provided clear guidance and information on the use of facilities. Finally, on whether the banks' ATMs were conveniently located and accessible to all customers, the respondents agreed with a mean of 3.93 and a standard deviation of 1.20. As per the aggregate mean, customers access convenient bank services offered by dedicated bank employees.

The average coefficient of variation of convenient service encounters for the study was 33.32, ranging from 26% to 50%, which indicated that the variation was low and therefore good. The descriptive statistics for empathy encounters are presented in Table 6.

**Table 6: Extent of Agreement or Disagreement with Empathy**

| **Empathy** | **Mean** | **Standard Deviation** | **CV%** |
|---|---|---|---|
| My bank's employees are prompt when offering services | 3.58 | 1.29 | 36.03 |
| My bank's employees are always willing to help me access services easily | 3.59 | 1.33 | 37.05 |
| My bank's employees are never too busy to respond to requests and queries | 3.51 | 1.34 | 38.18 |
| My bank employees' behavior when offering services creates confidence in me | 3.50 | 1.32 | 37.71 |
| My bank's employees understand my specific service needs | 3.53 | 1.33 | 37.68 |
| My bank can conduct transactions immediately | 3.76 | 1.19 | 31.65 |
| **Average** | | | **36.38** |

Key: CV Coefficient of Variation

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

Based on the results presented in Table 6, it was found that the respondents agreed with a mean of 3.58 and a standard deviation of 1.29 that their banks' employees were prompt when offering services. Additionally, the respondents agreed with a mean of 3.59 and a standard deviation of 1.33 that bank' employees were always willing to help their customers access services easily. Moreover, the respondents agreed with a mean of 3.51 and a standard deviation of 1.34 that their banks' employees were never too busy to respond to requests and queries.

Furthermore, the respondents agreed with a mean of 3.50 and a standard deviation of 1.32 that their banks' employees' behaviour when offering services created confidence in them. The respondents agreed with a mean of 3.51 and a standard deviation of 1.34 that their banks' employees understood their specific service needs. Lastly, the respondents agreed with a mean of 3.76 and a standard deviation of 1.19 that their banks were able to conduct transactions immediately. The study's average coefficient of variation of empathy was 36.38 ranging between 26% to 50% indicating that the variation was low and thus good.

**Structural Equation model of service quality and customer satisfaction in commercial banks in Kenya.**

The regression analysis results of the study are presented in Table 7. The results entail the regression analysis of service quality and customer satisfaction.

**Table 7: Service Quality and customer satisfaction.**

| **Outcome Variable** | | **Predictors Variables** | **Estimate** | **S.E.** | **C.R.** | **P** |
|---|---|---|---|---|---|---|
| Customer satisfaction | <--- | Service Architecture | .104 | .024 | 4.286 | *** |
| Customer satisfaction | <--- | Employee service orientation | .189 | .025 | 7.435 | *** |
| Customer satisfaction | <--- | Customer Focus | .082 | .021 | 3.847 | *** |
| Customer satisfaction | <--- | Convenient service encounter | .222 | .024 | 9.355 | *** |
| Customer satisfaction | <--- | Empathy | .135 | .023 | 5.922 | *** |

| | **Estimate** |
|---|---|
| Customer Satisfaction | .645 |

Where: ***significance at 1%.

The structural equation model for service quality and customer satisfaction is shown in Figure 1.

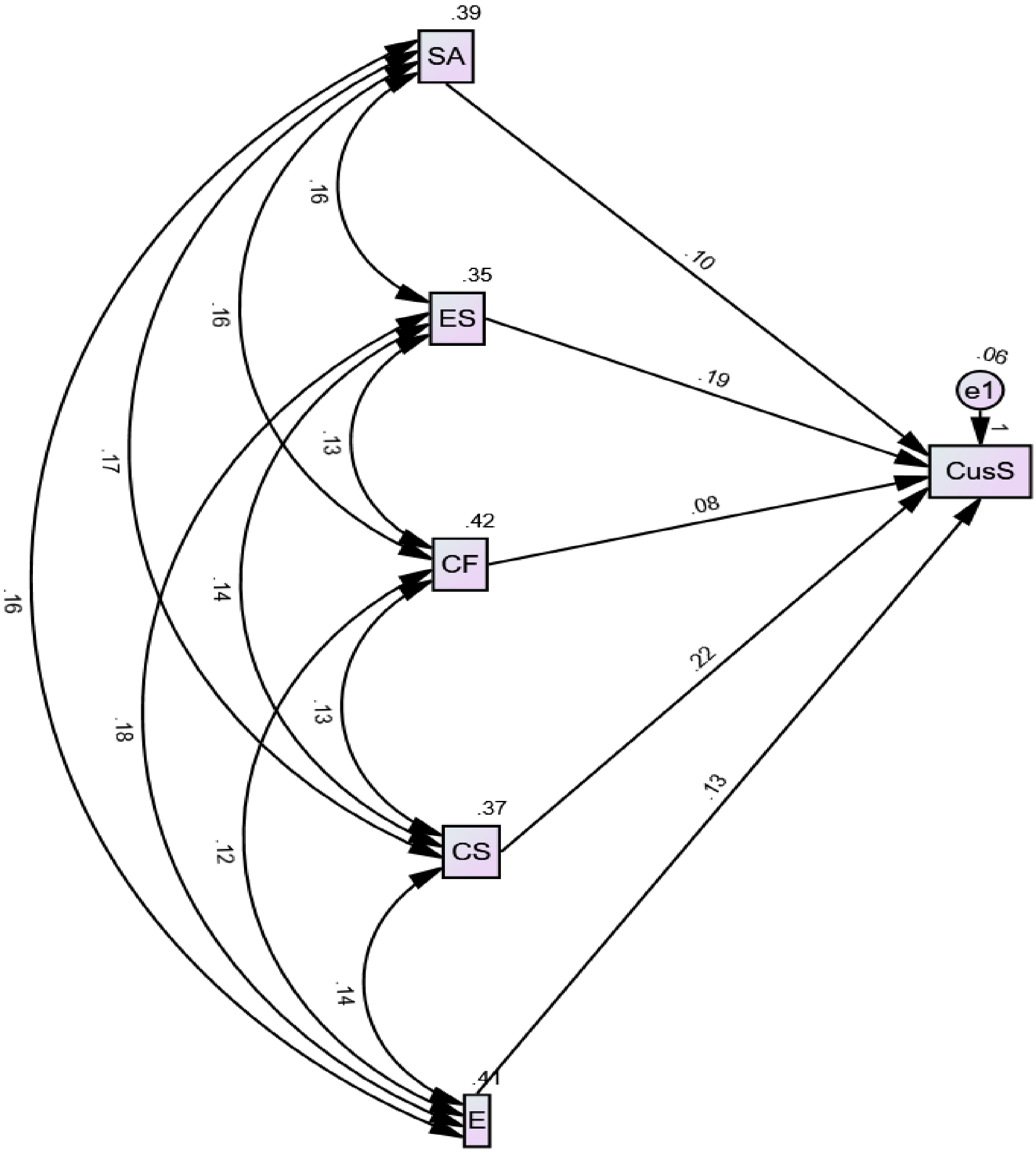


**Figure 1: Structural Equation Model for Service Quality and Customer Satisfaction.**

Where;
CusS was customer satisfaction, SA was service architecture, ES was employee service orientation, CF was customer focus, CS was convenient service encounter, and E was empathy.

Based on the results presented in Table 7, the R-squared for the model is 0.645. This indicates that a combination of the service quality variables, such as service architecture, employee service orientation, customer focus, convenient service encounter, and empathy, jointly explains 64.5% of the total variations in the levels of customer satisfaction. All the coefficients of the variables were positive and statistically significant, which means that all these factors were relevant in explaining the variations in the levels of customer satisfaction in commercial banks in Kenya.
A unit increase in service architecture leads to 0.104 units increase in the level of customer satisfaction. A unit increase in employee service orientation results in 0.189 units increase in the level of customer satisfaction. Additionally, a unit increase in customer focus will lead to 0.082 units increase in the level of customer satisfaction. Also, a unit increase in convenient service encounter will result in 0.222 units increase in the level

of customer satisfaction, while a unit increase in empathy will lead to 0.135 units increase in the level of customer satisfaction.

The decision to either reject or fail to reject the null hypothesis was based on the p-value of the model. The P-value of the model was 0.000 < 0.05 and therefore, the null hypothesis that service quality had no effect on customer satisfaction of commercial banks in Kenya was rejected, and the alternative hypothesis that service quality had a positive and statistically significant effect on customer satisfaction of commercial banks in Kenya was accepted.

The service quality variables that were under study include service architecture, employee service orientation, customer focus, convenient service encounters, and empathy. All the variables jointly explain a significant portion of the total variation in customer satisfaction. The results are in tandem with the study by Cantele and Zardini (2018), which found that delivering high-quality service is the key to a sustainable competitive advantage in the current competitive environment.

Similarly, Makanyeza and Chikazhe (2017) established that service quality and all its dimensions have significant and positive associations with customer satisfaction and customer loyalty in the banking sector in Zimbabwe. The same findings also concur with the study of Wang and Shieh (2016), who found that in Taiwan, the overall service quality significantly contributes to overall user satisfaction. However, the results contradict the study by Subiyantoro (2021) who found that service quality had no significant effect on customer satisfaction of banks in Surabaya.

From the results, service quality recorded a positive and significant relationship with customer satisfaction. Service quality involves the use of modern equipment in banking. It also entailed the use of modern banking materials and banking halls that were appealing to customers. Banks were able to deliver their services efficiently and effectively. The study recommended that the commercial banks in Kenya participate in community activities, reward customers, adopt biometric security mechanisms, enhance mobile banking, use modern banking equipment and appealing banking facilities, hire competent employees, and hold regular exhibitions of their products and services.

## REFERECES


[1]. Afroz, N. N. (2019). Effect of service quality on customer satisfaction evidence from banks in Tangail. *Management studies and economic systems,* 4(2), 145-159.

[2]. Aka, D., Kehinde, O., &Ogunnaike, O. (2016). Relationship marketing and customer satisfaction: A conceptual perspective. *Binus Business Review*, 7(2), 185-190.

[3]. Ali, M., & Raza, S. A. (2017). Service quality perception and customer satisfaction in Islamic banks of Pakistan: the modified SERVQUAL model. *Total Quality Management & Business Excellence,* 28(5-6), 559-577.

[4]. Aliata, V. L., Ojera, P. B., &Mise, J. K. (2016). Relationship between Service quality and customer satisfaction of commercial bank customers, Nairobi Kenya. *IJARS International Journal of Management & Corporate Affairs*, 2(5), 27-47.

[5]. Apondi, C. (2016). S*ervice Quality, Customer Satisfaction and loyalty in commercial banks in Kenya* (Doctoral dissertation, University of Nairobi).

[6]. Bitta, M. A. (2014). *Service quality and customer satisfaction in the banking sector in Kenya* (Doctoral dissertation, University of Nairobi).

[7]. Byrne, J., Fattoum, S., & Diaz Garcia, M. C. (2019). Role models and women entrepreneurs: Entrepreneurial superwoman has her say. *Journal of Small Business Management,* 57(1), 154-184.

[8]. Cantele, S., &Zardini, A. (2018). Is sustainability a competitive advantage for small businesses? An empirical analysis of possible mediators in the sustainability–financial performance relationship. *Journal of Cleaner Production*, 182, 166-176.

[9]. Delińska, L., &Sliż, P. (2019). Customer Satisfaction with After-Sales Services in the Automotive Sector in Relation to the Level of Process Maturity of the Organization. *PrzedsiębiorczośćiZarządzanie*, *20*(6, cz. 2 Zmiany w myśleniumarketingowym), 25-40.

[10]. Evert, G. (2021). Total relationship marketing.

[11]. Ezzat, O. A. M. (2021). *Product and service modularization for variety management in the context of mass customization* (Doctoral dissertation, Université de Lyon).

[12]. Fida, B. A., Ahmed, U., Al-Balushi, Y., & Singh, D. (2020). *Impact of service quality on customer loyalty and customer satisfaction in islamic banks in the Sultanate of Oman.* Sage Open, 10(2), 2158244020919517.

[13]. Heider, F. (1946). Attitudes and Cognitive Organization. *Journal of Psychology* 21, 107-112

[14]. Kant, R., &Jaiswal, D. (2017). The impact of perceived service quality dimensions on customer satisfaction: An empirical study on public sector banks in India. *International Journal of Bank Marketing.*

[15]. Kasiri, L. A., Liat et al. (2017), K. T. G., Sambasivan, M., &Sidin, S. M. (2017). Integration of standardization and customization: Impact on service quality, customer satisfaction, and loyalty. *Journal of Retailing and Consumer Services*, 35, 91-97.

[16]. Kimani, S., Atiti, F., &Agung, R. (2021). *Competition and Credit Allocation in Kenya*. Kenya Bankers Association, WPS/04/21

[17]. Kombo, F. (2015). Customer satisfaction in the Kenyan banking industry. *Journal of International Studies,* 8(2), 174-186.

[18]. Konovalov, N., Gromoff, A., Vladimirova, A. V., & Gorchakov, Y. (2020). Can CRM Flexibility Raise Bank Efficiency? *Global Journal of Flexible Systems Management*, 1-12.

[19]. Liat, C. B., Mansori, S., Chuan, G. C., &Imrie, B. C. (2017). Hotel service recovery and service quality: Influences of corporate image and generational differences in the relationship between customer satisfaction and loyalty. *Journal of Global Marketing,* 30(1), 42-51.

[20]. Makanyeza, C., &Chikazhe, L. (2017). Mediators of the relationship between service quality and customer loyalty: Evidence from the banking sector in Zimbabwe. *International Journal of Bank Marketing.*

[21]. Mjaku, G. (2020). The impact of service quality and customer satisfaction on banking services - an overview. *International Journal of Scientific and Research Publications,* 10(9), 811-814.

[22]. Mohamed, O. A. (2020). *The Role of Commercial Banks in Economic Development in Kenya* (Doctoral dissertation, University of Nairobi).

[23]. Moyo, B., &Sibindi, A. B. (2020). Does Bank Competition Affect Credit Access in Sub-Saharan Africa? Evidence from World Bank Informal Firms Surveys. *Journal of African Business,* 1-19.

[24]. Mutinda, J. M. (2020). *The Effect of service quality on customer satisfaction among hotels in Nairobi County, Kenya* (Doctoral dissertation, Strathmore University).

[25]. Nyan, L. M., Rockson, S. B., &Addo, P. K. (2020). The Mediation Effect of Customer Satisfaction on the Relationship Between Service Quality and Customer Loyalty. *Journal of Management and Strategy*, 11(3), 13-27.

[26]. Packin, N. G., &Nippani, S. (2021). Ranking Season: Banking, ESG and DEI. *The American Business Law Journal* (ABLJ) (Forthcoming 2022).

[27]. Ramya, N., Kowsalya, A., &Dharanipriya, K. (2019). Service quality and its dimensions. *EPRA International Journal of Research & Development,* 4, 38-41.

[28]. Raza, S. A., Umer, A., Qureshi, M. A., &Dahri, A. S. (2020). Internet banking service quality, e-customer satisfaction and loyalty: the modified e-SERVQUAL model. *The TQM Journal*, 32(6), 1443-1466.

*[29].* Subiyantoro, A. T. (2021). The Effect of Service Quality, Convenience, Price, Product Quality, On Satisfaction and Customer Loyalty Funding Pt Bank Mandiri in Surabaya. *International Journal of Economics, Business and Management Research, 5(9), 177-194.*

[30]. Sujay, M. J., &Afza, N. (2019). Perceived service quality and customer satisfaction: A study of midscale hotel industry in Mysuru. *Journal of Management Research and Analysis,* 6(1), 54-59

[31]. Sultan, A. (2019). Identifying brand touchpoints to increase switching costs in the banking industry. *International Journal of Bank Marketing*.

[32]. Ulaya, A. Y. (2017). *The Effect of Service Quality to Customer Satisfaction in Tanzania Banking Industry: The Case of Akiba Commercial Bank* (Doctoral dissertation, The Open University of Tanzania).

[33]. Wafula, P. N. (2019). *Service quality and customer satisfaction: a comparative analysis of conventional and Islamic bank customers in Kenya* (Doctoral dissertation, Strathmore University).

[34]. Wang, I. M., & Shieh, C. J. (2016). The relationship between service quality and customer satisfaction: the example of CJCU library. *Journal of Information and optimization Sciences*, 27(1), 193-209.