

Procedural Justice Complaints Resolution Strategies and Customer Satisfaction in Kenya's Insurance Industry

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ABSTRACT

Insurance industry is one of the world's biggest and growing industries in the world and more so a cushion of the economy. Its stability and growth is therefore paramount to economic performance of countries including Kenya. However, with the increasing competition insurance companies have had to refocus on various strategies aimed at maintaining profitability. Maintaining a loyal customer base has seen insurance firms invest in various marketing strategies among them complaint resolution strategies so as to have an ever satisfied clientele. The purpose of this study therefore was to establish the effect of procedural justice customer complaint resolution strategies on customer satisfaction. The study employed an explanatory survey design and targeted 10 insurance companies based in Nakuru Town operating and licensed by the commission of Insurance in Kenya as at December 2014. The study targeted 186 customers of insurance services from a total population of 2400 customers. A self administered questionnaire was used to collect primary data. Descriptive and inferential tests such as Pearson correlation, Exploratory Factor Analysis and Multiple Regression Analysis were performed using SPSS. Exploratory factor analysis was used to validate and test the indicators of the preconceived complaints resolution variables. The study revealed four dimensions of complaint resolution strategies; Procedural justice strategies (Timing Communication, Decision control, and Effort) accounted for 56 % (R) of the total variance hence justice theory on complaint resolution is valid in developing countries including Kenya. Results of the Hypothesis testing via multiple regression analysis indicated that procedural justice factors were significant ($p < 0.05$) and accounted for 33.5% (R^2) of customer satisfaction. The study concludes that customer complaints resolution strategies are an important feedback mechanism to establish customer satisfaction levels and insurance firms are therefore advised to invest in them. Further, the study recommends that Timing, Effort, Decision Control and communication related strategies should be pursued by business firms in the insurance industry. A comparative study with special emphasis on managers' perspectives could as well be undertaken.

Keywords: Customer satisfaction, Procedural Justice, Customer complaints resolution strategies

1.0 INTRODUCTION

Customer satisfaction is a much sought after phenomenon in today's highly competitive and globalized market place. Today's consumers seek more than price bargains and want useful purchasing information, high quality, reliable and safe products, dependable servicing, and fair sales practices. A company's failure to fulfill these expectations can breed dissatisfaction and antipathy, unless that business helps resolve resulting consumer complaints fairly and promptly. Satisfied customers are less price sensitive, buy additional products, are less influenced by competitors and stay loyal longer (Zineldin, 2000). Bejou *et.al.* (1998) propose that customer satisfaction can be enhanced through relationships provided they are developed and managed. Companies are adopting market-driven strategies guided by the logic that all business strategy decisions should start with a clear understanding of markets, customers, and competitors.

Customer satisfaction is an important theoretical as well as practical issue for most marketers and consumer researchers (Dabholkar *et.al.*, 1996; Meuter *et.al.*, 2000). However, despite the importance of customer satisfaction in the performance of the organizations, there exist evidence that all is not well in Kenya's insurance industry. The growth in the economy that took off in 2004 was restrained by a number of both internal and external factors. These factors included the 2008 post election disruptions, the global financial crisis, the high fuel and food prices among others. Combined, these factors slowed the economic growth from 7.1 percent to 1.7 percent in 2008 (Economic Survey of Kenya, 2009). In response, many insurance companies began directing their marketing strategies towards increasing customer satisfaction and loyalty through enhanced customer service. According to Cravens and Piercy (2003), a company can be market-oriented only if it completely understands its markets and the people, and that complaint resolution strategies are important particularly in managing customer relationships in service business.

Despite increased adoption and focus on complaint resolution strategies, little is known about how customers perceive firms responses to customer complaints. While several studies have been conducted on this subject in the Western world (Morgan and Hunt, 1994), non that focuses on the subject has been carried out in the Kenyan set up. This study therefore, sought to establish the effect of procedural complaints resolution strategies on customer satisfaction. The main objective of the study was to determine the effect of organizational procedural justice strategies on customer satisfaction amongst insurance customers within Nakuru town. This study's

hypothesis was:

Ho₁ - There exists no significant effect of organizational procedural justice on the level of customer satisfaction.

2.0 LITERATURE REVIEW

Fairness theories and more particularly justice theory guided the study. Kano's customer satisfaction model was used (Kano *et al.*, 1984). This is a two-dimensional model of the relationship between performance (expressed as performance measures) on the one hand, and value (expressed as customer satisfaction) on the other to be used as a basic tool to establish the relationship between what an organization does and how this is perceived by the customer.

A summary of the various variables under procedural justice theory elements is provided in Table 1 below.

Table 1.1: Definition of Justice Elements and Associated Research

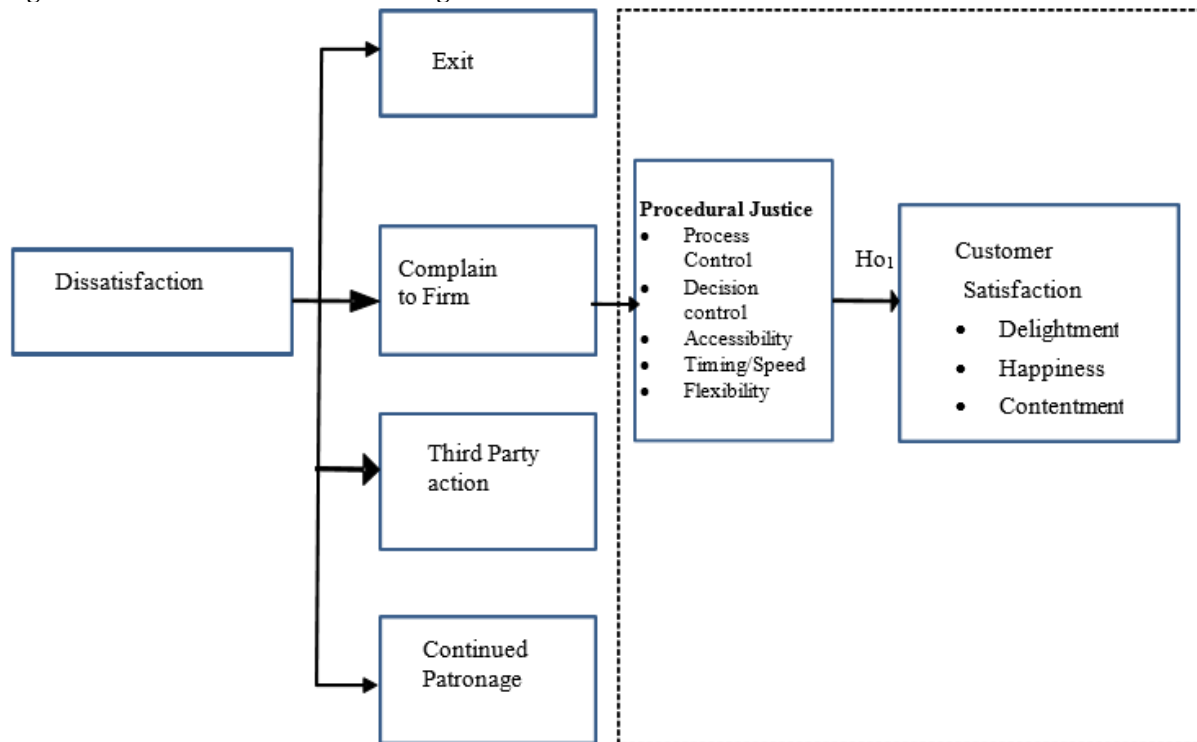
Justice Concept	Definition	Dependent Variable(s)	Representative Research
Procedural Justice			
Process Control	Freedom to communicate views on a decision process	Satisfaction, commitment	Goodwin and Ross (1992) Kanfer et al. (1987) Lind and Tyler (1988)
Decision Control	Extent to which a person is free to accept or reject a decision outcome	Satisfaction, relationship investment	Brett (1986) Heide and John (1992)
Accessibility	Ease of engaging a process	Satisfaction	Bitner, Booms, and Tetreault (1990) Bowen and Lawler (1995)
Timing/Speed	Perceived amount of time taken to complete a procedure	Anger, uncertainty, satisfaction, service quality	Fisk and Coney (1982) Maister (1985) Taylor (1994)
Flexibility	Adaptability of procedures to reflect individual circumstances	Market orientation, satisfaction	Bitner, Booms, and Tetreault (1990) Narver and Slater (1990)

Source: Reis (1986)

One important component in the concept of satisfaction is complaint management. Nyer (2000) investigated the relation between consumer complaints and customer satisfaction and found that encouraging consumers to complain increased their satisfaction. Johnstone (2001) claims that complaints management does not only result in customer satisfaction, but also leads to operational improvement and improved financial performance. Research conducted by Athanassopoulos (2000) indicates that product innovations, staff service, price, convenience and business profile are all determinants of customer satisfaction. Customer satisfaction increases customer retention but is also dependant on the substance of relationship between transacting parties. Erickson and Lofmack Vaghult, (2000) asserts that service failure recovery is critical in determining overall satisfaction and that a company is more likely to retain customers if it encourages its customers to complain then address them

In seeking to establish the effect of procedural complaint resolution strategies on perceived customer satisfaction, the study adopted and modified Tax and Brown's (1998) model as depicted in figure 2.1.

Figure 2.1: Procedural Justice Strategies and Customer Satisfaction



Source: Adapted and modified from Tax and Brown (1998)

3.0 RESEARCH METHODOLOGY

This study adopted an explanatory research design to assess respondents' perceptions of complaint resolution strategies on most recent service-related complaint. The design is also appropriate as it allows for use of questionnaires and also gives an opportunity for gaining insights into the study population and variables being studied. The design also allowed for the use of inferential statistics to establish significance in relationships between dependent and independent variable (Hair *et.al.* 2006) hence test the hypotheses.

The study was undertaken in Nakuru town, Kenya. The study area is a commercial and administrative centre of Nakuru County. The town is cosmopolitan with diverse communities inhabiting it. It has several industries and firms in the municipality which are mainly agro based (CBS, 2005). The town's economic growth is further evidenced by an ever growing Insurance and banking sector, (Korir, 2008). Currently the town has 15 insurance companies from a low of 5 insurance companies in 2005 with an estimated population of 1000,000.

The study's target population was two-pronged; firstly, were 10 selected insurance companies registered, licensed and operating in Nakuru town as at June, 2013. Secondly, the study targeted employees of Egerton University as consumers of insurance services. June' 2014 payroll acted as the frame where 2400 employees were captured. The study's targeted population was 186 employees as this was the number of customers of targeted insurance companies. In view of the small number of customers with insurance policies in targeted insurance companies, a census study of 186 respondents was conducted

A questionnaire was deemed appropriate for the study as it gave an opportunity to carry out an inquiry on specific issues in that it makes the study findings more dependable and reliable (Kothari, 2003). Customer respondents details sought included demographic characteristics as well as questions aimed at discovering how respondents, through personal experiences or perceptions view fairness in complaint resolution situations. The questionnaire contained both structured and unstructured questions. The phrasing and content was based on prior service encounter research such as those of Bitner *et.al.*, (1990) as well as those of Kelley *et.al.*, (1993). Likert Type questions were used to collect data on various procedural strategies as depicted in appendix 1. The items measuring each were summed up for use in regression analysis

Reliability was performed using Cronbach alpha coefficient (α) which allowed for the assessment of consistency of the items in the measurement scales of the variable. According to Hair *et.al.*, (2006) the general agreed upon lower limit for Cronbach's α is ≥ 0.70 but may decrease to ≥ 0.60 in exploratory research and increase up to ≥ 0.80 in studies that require more stringent reliability. Where the coefficient value was found to be lower than the threshold value, further iterations of the procedure was performed eliminating items with total correlation coefficient less than 0.5 at every stage. This was done for all the measurement scales until the Cronbach α

coefficient (α) threshold values were achieved. Two types of validity were addressed by the study: internal validity and external validity. Internal validity comprises four dimensions suggested by Yin (1994; 2003) to include face validity, content validity, construct validity and criterion validity. External validity is the extent to which the findings of a particular study under a given setting can be generalized to individuals in other settings (Engel and Schutt, 2005). In processing and cleaning the data in this study, it was important that inspection and editing to ensure completeness, coding as well as the subject of missing data be addressed. Numeric coding of data was undertaken so as to ensure quick data entry, minimizations of errors in preparation for subsequent analysis and transformation. In order to address the issue of Missing data two steps were undertaken; Completeness and accuracy of responses at the point of data collection and substitution of sampled respondent in the event that he/she was unwilling or not available to respond to the questionnaire. Further accuracy was observed during data coding and entry. In cases where there was missing data albeit in a random manner replacement was done using the mean for the set of data. (Engel and Schutt, 2005; Tabachnick and Fidell, 2007).

Finally, underlying statistical assumptions were taken into account. The most important assumption was that of central limit theorem which states that data should be normally distributed for individuals metric variables (Kothari, 2003). In this study, a test of normality based on skewness and kurtosis values was used with the rule of thumb that if their calculated values exceeded the specified critical values (1.97) then the distribution was considered non-normal (Hair et al, 2006).

In analyzing the data both using descriptive and inferential statistics, statistical analysis was performed using SPSS. Descriptive analysis involved the calculations of frequency distribution, percentages, Mean, Standard deviation and mode. The employment of descriptive statistics allowed for the reduction and summary of data as well as analysis of items or variables so as to provide greater insight as to the characteristics of the census. Descriptive analysis was utilized as a basis for inferential statistical analysis.

Factor analysis was employed in this study in that it allowed for the confirmation of validity of the factors of the various procedural complaint resolution strategies and also to reduce data (factor items) which were subsequently used as constructs of the independent variables. The necessary requirements for factor analysis were fulfilled by the study. Although, factor analysis is recommended for large samples with upto 500 sample size it has also been found to accommodate sample sizes as low as 50 though regarded as poor. Other assumptions of factor analysis observed in the study include use of quantitative data at the interval or ratio level and normality in data distribution.

In performing factor analysis four important steps were taken into account namely: assessing the factorability of data, deriving factors and assessing overall fit, interpreting and factor labeling in subsequent statistical analysis (Hair *et al*,2006). Factorability of data was assessed in three ways. First, was the visual inspection that there were factor loadings greater ≥ 0.30 to make data appropriate for factor analysis. Second way was the use of Bartlett's test of sphericity (significant at 0.05) to ensure that sufficient correlations existed among the variables so as to proceed with factor analysis. Finally, Kaiser-Meyer – Olkin measure of sampling adequacy (KMO MSA) whose values must be ≥ 0.5 for both the overall test and the individual variable were used before proceeding with factor analysis. In the derivation of the factors, principal component Analysis (PCA) methods of extraction were employed. In assessing the overall fit of the PCA, factors with Eigen values greater than 1.0 and giving a percentage variance explanations of 50% or higher was used (Hair *et al.*, 2006). It is further advised by Hair *et.al.* (2006) that more factors should be used with heterogeneous data.

The results of the orthogonal varimax rotation with Keiser Normalization method generated by factor analysis were used as a basis for interpreting factors accordingly. For each factor component extracted, items with a loading of >0.5 were picked and combined to form a factor component as they were deemed to be conceptually valid (Tabachnick and Fidel, 2007). Conceptual framework guided the labeling of the factor components.

Correlation analysis was performed so as to test the degree of Association amongst the independent variables of the study as a prerequisite for Multiple regressions. According to Cooper and Schindler (2001), the simplest and most obvious means of identifying collinearity is an examination of the correlation matrix for independent variables. The presence of high correlations (generally .90 and higher) is the first indication of substantial collinearity. Hence Pearson's product-moment correlation coefficient was used to test the association between variable with the guideline that if the Pearson's correlation coefficient(r) value was ≤ 0.40 at 0.05 level of significance, then the association between variable would be deemed low and hence will be in order to perform a Multiple Analysis using the same variable (Tabachnick and Fidell, 2007). Variable inflation factor (VIF) index was also used. According to Hair *et al* (2006), a common threshold is a tolerance value of 0.10, which corresponds to a VIF value of 10 and hence large values equal to or greater than 10 suggest multi-collinearity.

Multiple Regression Model was employed in the study to test the relationship between customer satisfaction (dependent variable) and complaint resolution strategies (independent variables).

The regression model was specified as follows:

$$Y = \alpha + a_1X_1 + a_2X_2 + a_3X_3 + a_4X_4 + e$$

Where Y-Dependent Variable

X_1, X_2, X_3, X_4 , are the factors of Timing, Communication, Decision control and Effort respectively (Procedural strategy factors)

α is the amount of y not associated with the independent variables

a_1, \dots, a_4 represents increase/decrease in the dependent variable (y) associated with a unit increase in independent variables x_1, x_2, \dots, x_4 respectively.

e are the Error Terms for each model respectively.

4.0 DATA ANALYSIS, PRESENTATION AND INTERPRETATION

The respondents targeted for the study were 186 insurance customers. Out of this, 160 questionnaires were filled and returned thus translating a response rate of 86.7%. The study established that all the indicators of procedural justice were statistically significant ($p < 0.05$) as depicted in table.

In measuring customer satisfaction three indicators of happiness, contentment and delightment were used. As depicted in **appendix iv**, all the indicators of customer satisfaction were significant ($p < 0.05$) amongst the insurance customers.

4.1 Factor Analysis on Procedural Justice Strategies

Eighteen items of 5-point Likert scale type questions were used to capture six variables on procedural justice namely; process control, decision control, accessibility, timing/speed and flexibility. Composite reliability analysis on the eighteen items showed internal consistency result that was above threshold of 0.5 ($\alpha = 0.879$). Exploratory factor analysis using principle component, Varimax rotation method with Kaiser Normalization carried out, helped to achieve construct validity for the variables. The Kaiser-Meyer-Olkin of sampling adequacy ($KMO = 0.722$) indicated that the sample size was adequate for the variables entered into analysis and that factor analysis is useful with the data.

As presented in Table 4.26, rotation converged in seven iterations and four components with Eigenvalues greater than unity extracted accounted for 58.723 of the variance. This is above the threshold of 50% and indicates that the four component factor model derived fits the data appropriately. Items with loadings greater than 0.5 were combined to form four factors; namely, Timing (x_1), Communication (x_2), Decision control (x_3) and Effort (x_4). Concepts within the items guided factor labeling and index construction (see appendix V).

As a prerequisite for regression analysis Pearson's product moment correlation coefficient correlation analysis was used to establish the degree of independence of complaint resolution factors. With the guideline that if Pearson's correlation coefficient value was ≤ 0.40 at 0.05 level of significance, then the association between variables would be deemed low hence in order to perform multiple regression analysis. From the results of correlation analysis it can be concluded that multiple regression analysis (MRA) was tenable and suitable to test the hypotheses of the study. This is in view of the fact that the VIF threshold of 10 was observed. Further, Durbin-Watson statistics were all below the threshold of 2.00 and above 1.30 thus indicative of non existence of collinearity.

4.2 Multiple Regression Analysis

In order to test the effect of procedural justice strategies on customer satisfaction MRA was subjected to the following Null hypothesis formulated thus:-

H_{02} : There exists no significant effect of organizational procedural Justice on the level of customer satisfaction.

$$Y = \alpha + a_1X_1 + a_2X_2 + a_3X_3 + a_4X_4 + \varepsilon$$

From the results of regression of procedural justice strategies (Effort (x_4), Decision control (x_3), Communication (x_2) and Timing (x_1), $R = 0.560$ which indicates that procedural justice factors have a positive effect on customer satisfaction. The model further indicates that these four factors of Effort (x_4), Decision control (x_3), Communication (x_2) and Timing (x_1) explained 33.5% of change in customers satisfaction as depicted by the R^2 (Coefficient of determination). These results are significant ($p < 0.05$) with an F-ratio of 64.587. The t- statistic as depicted in the model depicts the factors of Timing (x_1), Communication (x_2), Decision control (x_3) and Effort (x_4) having a t-statistic of 7.034, 1.598, 1.750 and 4.852 all significant $p < 0.05$.

In capturing the beta coefficients the regression output model of procedural justice strategies is stated as follows:

$$Y = 0.560 + 0.313X_1 + 0.028X_2 + 0.033X_3 + 0.211X_4 + e$$

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings and Discussions

As a first step to hypothesis testing, it was important to establish the validity of the complaint resolution theories and concepts used in the study. The study adopted the use of fairness' theories and particularly justice theory that has largely been used in conflict resolution. However these theories have been developed and largely used in the western world hence little has been done to validate their applicability in developing economies such as Kenya. In an effort to fill this gap exploratory factor analysis was performed as a way of validating procedural justice

strategies (See appendix V). This process yielded four factors underlying procedural complaint handling strategies on customer satisfaction and accounted for 58.723% of total variance with Eigen value greater than unity (See appendix II). These fit indexes shows that the four-factor procedural justice model developed in the study is valid for explaining complaint resolution strategies amongst insurance customers in Nakuru County. These findings, therefore underscores the applicability of justice theory in resolving customer complaints as propounded by (Deutsh 1985) and supported by Tax and Brown (1998). This is above the threshold of 50% and indicates that the four component factor model derived fits the data appropriately. This implies that while the distributive justice theory is a valid model in resolving customer complaints, the factors identified were inadequate

In addition the results of regression analysis of procedural justice strategies (Effort, Decision control, Communication and Timing), had an R of 0.560 indicating that procedural justice factors have a positive effect on customer satisfaction. The results further indicates that these factors explains 33.5.% of change in customers satisfaction as depicted by the R^2 (Coefficient of determination). These results are significant ($F=64.587$, $P < 0.000$) thus implying that procedural justice strategies are important in predicting customer satisfaction. This is in line with the findings of Folger (1987) and further supported by Greenberg (1990a) that procedural justice is meaningful because it aims at resolving conflicts so as to encourage the continuation of a proactive relationship between the parties. This position is further supported by Studies carried out by Bitner et al., (2002) who supports the view that procedural issues has an influence on customer satisfaction. Further, individual factor performance as indicated by the t-statistics depicted in the model shows the factors of Timing (x_1), Communication (x_2), Decision control (x_3) and Effort (x_4) having a t-statistic of 7.034, 1.750 and 4.852 all significant ($p < 0.05$) therefore have an effect on customer satisfaction. The high t- value on the factors of timing (7.034) and effort (4.8252) suggest that bank customers in Nakuru County consider the two factors to be important in resolving their complaints. The results also indicate t-value scores of 1.598 on Decision control (x_3) and 1.750 for communication all statistically significant at $p < 0.05$.

On the overall, the findings of this study suggest that complaint resolution strategies are important in achieving customer satisfaction. This is in line with Levesque and McDougall (1996) who confirmed that service and complaint handling enhances customer satisfaction and that service and complaint handling were the most important customer satisfaction determinants in banks. According to them, satisfaction can be restored, but not enhanced, when a complaint is probably handled, which is why attempts to make it right the first time are preferred. Rust and Subramanian (1992) also suggest that complaint handling also improve satisfaction. Further, the results of this study are in line with those of Nyer (2000) investigated the relationship between customer complaints and customer satisfaction and found out that encouraging consumers to complain increased their satisfaction especially amongst dissatisfied customers. This position is further supported by Johnston (2001) whose finding was that complaint management not only results in customer satisfaction, but also leads to operational improvement and improved financial performance. In an effort to come up with effective complaints resolution strategies, banks' management must identify the source of complaints and subsequent fluctuations in customers' relationship otherwise known as triggers (Roos and Gustafsson, 2007). Tax *et al.*, (1998) have further demonstrated that effective resolution of customer problems can have a positive impact on customers' trust and commitment. The complaint handling, therefore, is a critical "moment of truth" in maintaining and developing customer relationships (Berry and Parasuraman 1991; Dwyer *et al.* 1987). Successful service companies recognize that while attracting new customers is vital, retaining current customers in a closer relationship is perhaps more essential for profitability (Johnson and Selnes 2004).

By understanding the complaint process and the customer complaint behaviour, the service company can learn how to reduce the impact of an unfavorable service experience or complaint. Unhappy customers often voice their displeasure in the form of negative word-of-mouth to other current and potential customers (Ah-Keng and Wan-Yiun Loh 2006; Richins 1983a; Singh 1988; Voorhees et al. 2006). On the other hand, if the complaint is properly handled the customer may engage in positive word of- mouth Helm 2003; Shields 2006). The importance of complaints raised by customers in improving service delivery should not be overlooked. Customer complaints may be useful in many ways: providing marketing intelligence data (Harrison-Walker 2001), identifying common service problems (Harari 1992); Johnston and Mehra 2002; Rickhins and Verhage 1985; Tax and Brown 1998), learning about organisation (Hoch and Deighton 1989; Johnston and Mehra 2002; Tax and Brown 1998), improving service design and delivery (East 2000; Marquis and Filiatrault 2002; Tax and Brown 1998), measuring and enhancing the perception of service quality (Edvardsson 1992; Harrison-Walker 2001; Marquis and Filiatrault 2002), and helping strategic planning (Dröge and Halstead 1991; Johnston and Mehra 2002).

5.2 Conclusions & Recommendations

Insurance service is a central activity in the economic development of society including Kenya. It's central to a functioning and healthy of economy. Customer complaints should therefore be treated as an important opportunity for service providers including insurance to improve their product offerings to the market place in a timely and spontaneous fashion (Barlow and Moller, 1996). Customer complaints should be transformed into knowledge

about the Customer so as to provide a valuable amount of capital for enterprises (Gonzalez, 2001). To exploit this capital, companies must design, build, operate and continuously upgrade systems for managing customer complaints. Therefore, customer centricity in the 21st century in view of competitive market place occasioned by globalization should to be the goal of every insurance company globally and more so in developing countries including Kenya. Complaint handling is a significantly superior investment for a service company and can generate 30- 150 percent return on investment (Brown 2000) .Which insurance firm does not want to improve it's bottom line by this percentage?

Procedural justice strategies towards complaints resolutions are also well documented. However, this study established four factors out of six factors that have been used in other studies particularly in the western world. The factors that were found to be applicable in the study through factor analysis were effort(x_4) decision control(x_3) communication(x_2) and timing(x_1). These factors had Eigen values greater than unity and explained 58.72% of procedural justice strategies. The overall effect of these factors towards customer satisfaction was significant and major. Further, regression analysis yielded a significant positive correlation between procedural justice strategies and customer satisfaction and existed a model fit .This therefore means that procedural justice strategies are important in determining customer satisfaction. Resolving customer conflicts in ways that encourage the continuation of productive relationship as suggested by Folgers (1987) and Greenberg (1990) is therefore critical towards this end. This study makes a contribution in that while there are many complaint resolution models in literature, applied research regarding the same is still scanty in developing countries and Kenya in particular. Further, previous studies on complaint resolution have largely been based on western countries hence their generalizability into the developing countries setting is put to question. This study therefore fills this gap by shading light their applicability towards customer satisfaction.

Procedural justice strategy as originally defined by Deutch (1985) and Reis (1986), encompassed the factors of Process control, Decision control, Accessibility, Timing and Flexibility. However this study establishes four factors; Timing, Communication, Decision control and Effort as measures of procedural justice strategies. This study therefore calls for a review of procedural justice theory components especially in developing countries such as Kenya. On the whole, justice theory provides a solid and grounded framework in resolving conflicts not only in social circles but also in business and more so in the service sector.

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Appendix I: Respondents rating on Procedural Strategies towards Customer Satisfaction

Item Description	Type of Respondent	1		2		3		4		5		Statistic		Skewness	Kurtosis	Test statistics		
		f	%	f	%	f	%	f	%	f	%	M	SD			M	χ^2	df
Banks listens effectively to all customers	C	14	8.5	40	25.3	62	39.1	33	20.6	10	6.5	2.9	1.027	0.063	-0.424	120.44	4	0.00
Bank stimulates customers to register complaints	C	25	15.6	59	36.8	35	22.1	31	19.4	10	6.2	2.64	1.143	0.361	-0.764	84.35	4	0.000
Bank has clear procedure on handling complaint	C	13	8.2	52	32.6	52	32.6	37	23.2	5	3.2	2.81	0.991	0.087	-0.663	127.47	4	0.000
Bank's top management personally handle complaints	C	21	13.2			33	20.9	21	13.2	14	9.1	2.61	1.148	0.629	-0.435	129.94	4	0.000
Bank takes into account customers wishes when taking corrective action	C	30	19.1	57	35.6	40	25.3	28	17.4	4	2.6	2.49	1.068	0.315	-0.727	98.58	4	0.000
Bank uses e-business to communicate with its customers	C	42	26.5	32	20.3	26	16.5	49	30.6	10	6.2	2.7	1.315	0.032	-1.364	60.79	4	0.000
Bank has a customer help desk	C	21	13.2	40	25.3	36	22.6	44	27.4	18	11.5	2.99	1.232	-0.029	-1.047	35.29	4	0.000
Bank has a customer call centre that is operational for 24 hours	C	28	17.4	53	33.5	37	23.6	22	14.1	19	11.8	2.69	1.246	0.421	-0.804	51.51	4	0.000
Bank regularly visits its customers to establish their satisfaction levels	C	57	35.6	62	38.5	24	14.7	9	5.6	9	5.6	2.07	1.108	1.103	0.674	175.05	4	0.000
Bank regularly organize meetings with customer groups to learn about their needs	C	58	36.5	60	37.5	31	19.1	9	5.6	2	1.5	1.198	0.956	0.830	0.260	191.11	4	0.000
Bank has personal contacts with external customers at least once a week	C	63	39.4	47	29.7	25	15.6	15	9.7	9	5.6	2.12	1.196	0.895	-0.157	136.70	4	0.000
Bank's phone is answered within three rings in more than 90% of the cases	C	63	39.4	52	32.6	20	12.6	18	11.5	6	3.5	2.13	1.570	6.309	74.830	256.32	5	0.000
Bank replies to customer complaints within two days	C	44	27.9	58	36.2	39	24.7	10	6.5	8	4.7	2.24	1.075	0.746	0.110	129.85	4	0.000
Bank resolves customer complaints within one week	C	48	29.7	43	26.8	48	30.3	14	8.8	7	4.4	2.31	1.120	0.496	-0.457	104.35	4	0.000
Bank complain procedure is short	C	50	31.5	59	37.1	19	12.4	22	13.8	8	5.3	2.24	1.188	0.781	-0.384	125.02	4	0.000
Bank regularly reviews its customers complaints procedure	C	51	32.4	55	34.7	34	19.7	14	8.5	6	3.8	2.16	1.093	0.793	-0.032	130.70	4	0.000
Bank complaints resolution procedure depends on nature and magnitude of complaints	C	40	25.3	57	35.9	16	10.3	35	22.4	10	6.2	2.48	1.256	0.467	-1.011	97.08	4	0.000
Bank is open to suggestions and ideas of customers on how to address complaints	C M	40	25	62	38.5	36	22.4	11	6.8	4	2.4	2.33	1.141	0.804	0.047	120.52	4	0.000

Key: Measurement Scale range between 1 and 5: 1 = Strongly disagree, 2 = Disagree, 3=Moderately Agree, 4= agree, 5= Strongly Agree

C = Customer M = Manager

Significance : $p \leq 0.05$

Source: Survey Data (2014)

Appendix II: Procedural Strategies Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.102	33.899	33.899	6.102	33.899	33.899	3.616	20.089	20.089
2	2.062	11.457	45.356	2.062	11.457	45.356	3.241	16.008	38.097
3	1.662	9.232	54.588	1.662	9.232	54.588	2.335	11.872	51.069
4	1.104	4.135	58.723	1.104	6.135	58.723	1.738	8.655	58.723
5	.975	4.416	63.139						
6	.890	3.945	67.084						
7	.813	3.416	70.5						
8	.708	2.733	73.233						
9	.647	2.300	75.533						
10	.517	2.220	77.750						
11	.458	1.433	78.736						
12	.447	1.372	80.108						
13	.353	1.762	81.87						
14	.333	1.848	83.718						
15	.252	1.400	85.118						
16	.242	1.200	86.318						
17	.236	1.202	98.889						
18	.200	1.110	100.000						

Extraction Method: Principal Component Analysis.
 NB: Four component factors with Eigenvalues>1.0 were extracted
 Source: Survey Data (2014)
 NB: Items whose loadings were below 0.5 were omitted.
 Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 3 iterations.
 Source: Survey Data (2010)

Appendix III: Organizational Procedural Justice Factors' Effects on Customer Satisfaction

Model Summary						ANOVA Summary		
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	df	F	P
1	.560 ^a	.335	.329	.57071	1.560	4	64.587	0.000

a. Predictors: (Constant), EFFORT, DECISION CONTROL, COMMUNICATION, TIMING
 b. Dependent Variable: CUSTOMER SATISFACTION
 Significance: p≤0.050
 Source: Survey Data (2010)

Coefficients of Regression Model Between Organizational Procedural Justice Factors and Customer Satisfaction

Unstandardized Coefficients		Standardized Coefficients		t	Sig.
B	Std. Error	Beta			
.562	.053			3.327	.000
.330	.054	.313		7.034	.000
.040	.054	.028		1.598	.010
.027	.044	.033		1.750	.004
.213	.042	.211		4.852	.000

a. Dependent Variable: CUSTOMERSATISFACTION

Significance: $p \leq 0.050$

Source: Survey Data (2014)

Table IV: Customer Satisfaction Indicators

Item Description	Respond	1		2		3		4		5		Statistic		Skewness	Kurtosis	Test Statistics		
		f	%	f	%	f	%	f	%	f	%	M	SD			M	χ^2	df
Customers are generally delighted with the bank's C.R.S.	C	34	21.5	57	35.9	35	21.8	29	18.2	3	2.1	2.46	1.177	1.352	6.881	184.59	5	0.000
Customers are generally happy with the bank's C.R.S.	C	17	10.6	55	34.1	54	34.1	31	19.1	3	2.1	2.68	0.969	0.111	-0.595	137.67	4	0.000
Customers are generally contented with the bank's C.R.S.	C	26	16.2	63	39.4	41	25.6	24	15.2	6	3.5	2.51	1.046	0.428	-0.469	121.73	4	0.000

Key: Measurement Scale range between 1 and 5: 1 = Strongly disagree, 2 = Disagree, 3=Moderately Agree, 4= agree, 5= Strongly Agree

C = Customer

M = Manager

Significance : $p \leq 0.05$

Source: Survey Data (2014)

Table V: Procedural Strategies Rotated Component Matrix

	Component			
	1	2	3	4
Bank resolves customer complaints within one week	.837			
Bank complain procedure is short	.685			
Bank regularly reviews its customers complaints procedure	.678			
Bank complaints resolution procedure depends on nature and magnitude of complaints	.664			
Bank's phone is answered within three rings in more than 90% of the case	.651			
Bank is open to suggestion and ideas of customers on how to address complaints	.619			
Bank replies to customers complaints within two days	.568			
Banks stimulate customers to register complains		.790		
Bank has clear procedure on handling complains		.714		
Bank listens effectively to all customers		.709		
Bank has customer help desk		.673		
Bank uses e-business to communicate with its customers		.671		
Bank has a customer call center that is operational for 24 hours		.561		
Bank regularly visits its customers to establish their satisfaction level			.746	
Bank regularly organize meetings with customer groups to learn about their needs			.739	
Bank has personal contacts with external customer at least once a week			.652	
Bank top management personally handle complaints				.849
Bank continuously takes into consideration customers wishes when taking corrective measures				.592
Reliability Test: Cronbach α values (Composites $\alpha=.0.879$)	0.841	0.808	0.729	0.648

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

NB: Items whose loadings were below 0.5 were omitted.