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ASSESSMENT OF THE EFFECTIVENESS OF BRAND STRATEGY ON CUSTOMER RETENTION IN THE BANKING SECTOR IN NAIROBI COUNTY:

(BARCLAYS BANK OF KENYA)

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Abstract

The purpose of this study was to examine the effects of brand strategy on customer retention in the Kenyan banking sector. The study used descriptive research design. Secondary data was collected from previous researches and works done by authors on the same subject matter. Primary data was collected from the tar population using a structured questionnaire. The study applied both quantitative and qualitative methods of analysis. The MS Excel spreadsheets were used for the initial tabulation, analysis and drawing of charts based on the respondents responses. The research found that the customers are happy and satisfied with the services offered by the organization, in that they liked the physical appearance and the level of cleanliness of the banking halls in Barclays, which made them want to be associated and to stay with the bank. It also finds that Institutions need to build brand evangelists, not bargain shoppers. If a loyalty program centers on offering customers special deals, it trains them to wait for the discount. The organization needs to shift its loyalty focus to deepening the relationship with the customer and work toward building brand evangelists.

Keywords: *brand strategy, banking sector, brand loyalty and customer retention*.

Introduction

In the banking sector today, customers have become more knowledgeable and demanding and banks can hardly survive the tight competition with the old way of product orientation. They have become market driven by forming strong brands, aimed at maintaining long-term relationships with their customers. A stable customer base is a core business asset. The essence and nature of strong relationships and their business value are encapsulated in the concept of customer loyalty. The importance of brand loyalty is manifold. Surveys show that recruiting new customers is up to six times expensive while compared to retaining the existing customers (Rosenberg and Czepiel, 1993).

The banking division has experienced extreme changes that have led to declining interest margins due to customer pressure, increased demand for non-traditional services including the automation of services and a move towards emphasis on the customer rather than the product, introduction of non-traditional players who now offer financial services products and liberalization and deregulation. This brings about reorganization, mergers and acquisitions in the banking sector and the tendency was categorized by declining profitability and a low customer base (Levesque and McDougall, 1996).

In South Africa, banks have realized that their market environment is rapidly changing and that the quality of the service they render is

one of the few variables that distinguish them from the competition. Customers gain satisfaction from deriving maximum utility from the service rendered to them (Goosen et al., 1999). Brand management is important to marketers today, particularly as organizations attempts to communicate the ever complex and intangible messages as part of brand management strategies. By having a strong brand, companies facilitate the differentiation of their offer from the competitors. With branding, financial companies are able to create customer confidence and loyalty in their performance, exert greater control over promotion and distribution of the brand, as well as commanding a premium price over the competitors; all while impacting the valuation of the business (Omar, 2011).

In spite of the economic slump in Kenya, International Banks like Barclays can still endure as it can ask for backing from its International office. In Kenya, poverty is extensive with 55 percent of the people below the poverty line. Definite challenges of Kenya's economy comprise of: government corruption, an inconsistent judicial system, slow progress on privatization of parastatal companies, lack of budget discipline, a weak banking sector, and poor infrastructure (Country Watch, 2005).

With the current economic recovery taking root in Kenya, business owners have reason to smile. Rising from the effects of the global economic meltdown, company profits are slowly but surely increasing. Due to this, competition among brands is set to increase significantly. In spite of the cut-throat competition, companies need to continually

boost their bottom line. Customers appreciate efforts made by banks to offer them the best service under strained circumstances and remain loyal to them (Karuku, 2010).

Kenyan consumers have over the last few years become accustomed to being rewarded for being loyal to particular brands especially through use of loyalty cards for shopping. Depending on the industry, perks associated with being dedicated customers vary. More than a year after the financial markets crisis began; economic fallout would surely have inspired the closure of some loyalty schemes if they were not considered valuable to the bottom line. Different industries are likely to obtain more positive results from their loyalty initiatives than others (Kinyanjui, 2009).

Statement of the Problem

There are major improvements in the banking sector that are affecting the promotion of their products. The changing customer behavior has been characterized by the various marketing mix strategies employed, product and brand positioning, demographics, competition and the advancing technologies. Customers are more financially informed or educated, more demanding, more price and cost conscious than before. Many companies are now pointing to customer satisfaction levels to differentiate their offerings from the main competitors, and this is acting as a tool for gaining competitive advantage. (Chakrabarty,2006)

Multinational banks such as Barclays Bank

Ltd have moved their focus from retail to corporate clients as a survival tactic. With due respect, technical innovations such as electronic banking such as internet and mobile banking, Automated Teller Machines (ATM) are aiding to broaden the ability and resources of the institutions to contest in this volatile industry (Sharma, 2013).

One of the key challenges of commercial banks has been on starting and maintaining client loyalty. Banks have been experiencing high degree of client switching from one bank to another. Service managers are noticing more regularly a lack of loyalty and retention even among delighted and satisfied customers. This condition has been referred to as “the satisfaction trap” (Ghaziri, 1998).This has gradually led to loss of customers to competitors hence reducing the annual profits of the banks.

Brand loyalty shows that there are several customers who are seriously loyal to products even when they are substandard compared to the alternatives. In fact they are staunchly loyal to the extent that they regularly pay premium prices for these products. This puzzling phenomenon may be credited to lack of understanding of the causes of customer loyalty and retention in several service industries. Therefore, the purpose of this study is to examine the effects of brand loyalty on customer retention in Kenyan banking sector.It will be based onthe Marketing mix which determines how a brand will be accepted in the market hence leading to brand loyalty. The second objective is brand positioning on brand loyalty in Kenyan banking sector, showing

how several banks have repositioned themselves and differentiated products to the market so as to attract and cause brand loyalty? The third is on demographics and how it affects brand loyalty in Kenyan banking sector. The demographic environment is of major interest to marketers because it involves people, and people make up markets.

Literature Review

Much attention has been paid to customer loyalty by practitioners and through literature in recent decades (Nawaz and Usman, 2010). People in the field have used both attitudinal and behavioral measures to define and assess customer loyalty (Zeithaml, 2000). Loyalty, from an attitudinal stand point, implies a specific desire to continue a relationship with supplier and provider (Reza and Rehman, 2012). This means that a customer is loyal to a brand or firm if they have a positive and preferential attitude towards it.

Whereas behavioral loyalty is when a customer repeatedly buys from the same company, (Reza and Rehman, 2012) thus the customer is faithful to the company. Oliver (1997) defined customer loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitivesame-brand purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

According to Ahmed and Moosavi (2013) “brand loyalty is the customer’s willingness to stay with a brand when competitors come

knocking with offers that would be considered equally attractive had not the consumer and brand shared a history."Rahman, et al., (2010) and Deng, Lu, Wei, Zhang (2010), expressed that same notion. Furthermore, Reza and Rehman (2012) note that customer loyalty represents the repeat purchase and referring the company to other customers. They also stated that customer loyalty is a figure that may be measured directly by measuring the actual repeated sales to customers.

Additionally, due to intense competition in the market place, businesses have increased efforts to implement the customer retention strategy in order to maximize the lifetime value of customers (Boshoff and du Plessis, 2009).It is important to note that Cheng et al. (2011) proposed that it is cost-effective to maintain existing customers than obtaining new ones. To this the authors proceeded to state that the cost of developing a new customer is between five and nine times the cost of maintaining existing customers.

By the same token, (Lee, 2012; Kumar and Vandara, 2011;Boshoff and du Plessis, 2009), believe that the benefits of customer loyalty are that loyal customers are cheap to maintain, are price insensitive, spread free positive word-of-mouth, always provide suggestions, and always try the company's new products. Several authors suggested that loyal customers are a competitive asset and that a way of increasing customer retention is through secure and collaborative relationship between customer and service providers (Rajeswari and Pradha, 2011; WichaiandSiriluck, 2010; Shannon, 2010).

Brand loyalty takes precedence in the services sector, especially with regards to those providing services with little differentiations and ones competing in aggressive conditions.

Rahman, et al., (2010) stated that in order to create brand loyalty in customers, companies must help customers acquire new ways of purchasing and reinforce those ways as new habits by reminding them of the value of their purchase while encouraging them to continue purchasing those products in the future.

Customer retention and customer loyalty are dependent variables (effects).Whereas Branding is an independent variable (cause). Customer retention is experienced when customers remain committed to your brand and make repeated purchases regardless of the price offering or convenience on the product or service. According to Kotler (2003), developing a strong and stable brand requires a long term investment as this will be accomplished through regular advertising, promotion and re-launching the product or services. With numerous choices accessible, customers will not be willing to accept anything less than excellent service. Banks have acknowledged the importance of meeting customers' desires as different consumers have different tastes, hence it is vital for banks to know the causes of customer faithfulness in order to improve both customer retention and loyalty. Banks must be unique to play a leading role in the diversifying and expanding of the financial sector, demonstrate commitment to excellence in customer, shareholders and employees' satisfaction and provide world-

class services and maintain high standard (Blachandran, 2009).

Brand loyalty is an extremely important topic for researchers and marketers (Aaker, 1991). The concept of brand loyalty originated in the 1920's (Bennett, 2001). Many definitions of brand loyalty exist, however, the most widely accepted one is provided by Jacoby (1971) "The biased (non-random) behavioral response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes." In recent times this concept has been receiving much attention. It is viewed as an important factor in maintaining and building brand equity (Aaker, 1991).

To create brand loyalty, companies should use their relationship with consumers to assist them to obtain new habits of purchase and reinforce these habits by reminding them of the value of their purchase, while, persuading them to continue purchasing their products in the future (Tepeci, 1999).In this regard, it is worth noting that customers have their own purchasing habits which are influenced by criteria such as price, quality, trends, etc.

Zhang and Feng (2009) suggest that "price is the monetary cost for a customer to buy products or services." Therefore, price is an important determinant that will reflect the customers purchasing decision.

Consumers are more inclined to trust familiar brands. A good brand image perception of the quality of service makes a brand more attractive. Brand image is an important factor

which impacts customer loyalty and is considered a vital factor for creating, building and maintaining relationships (Das, 2012).Ismail (2009) defined brand as "a name, term, sign, symbol, or design, or a combination of these that identifies the maker or seller of a product or service." The definition of image given by (Shahzad and Sobia, 2013) is the perceptions about a brand as reflected by the brand association held in consumer memory. Moreover, brand image usually indicates to the set or bundle of beliefs which a customer holds concerning a particular brand. It conveys the overall image or impression of a brand in a customers' mind developed from diverse sources (Upamannyu and Mathur 2012). That is, brand image reflects the overall brand content which includes brand name, reputation, functionality and overall value. Aaker (1991) adds that brand image creates importance and helps the consumer in collecting information, differentiate the brand, create reason to purchase, and creates constructive feelings extension. Kuusik (2007) stated that brand image is among the most complex factors that influence the brand loyalty. Lazarevic (2011) noted that one of the significant steps to reach brand loyalty is through brand image. Based on the branding theory, brand image must be congruent with the customer's image about themselves. A study by Chen and Myagmarsuren (2011) explored the vital role of brand image which says that when a customer buys a product this leads to becoming faithful to that product. Therefore, positive brand image helps a company convey its brand value to customers. Furthermore, a good brand image is conducive to positive word-of-mouth by

customers, favorable company reputation and marketing communication. On the other hand, negative brand image has the opposite effect on consumers. As for a neutral or unfamiliar image, the effect may be insignificant; moreover, it does not increase the effectiveness of communication and word-of-mouth (Gronroos, 2000). Hence, based on the above arguments, the following hypothesis is offered.

Reena(2012) claims that when it comes to trends, people are most likely to select products/services as a result of marketing efforts and being influenced by the opinions and recommendations of their immediate surroundings, i.e., family, friends, school etc. This is because people are more confident buying something a family member or friend has expressed satisfaction with. A study by Pinki. (2014), noted that reference groups have a direct impact on forming a person trends. The effect of these groups is different across products and brands. Furthermore Hawkins et al. (1998) noted that reference groups include, not only, individuals whom a person has frequent contact with, i.e., classmates, friends, family members and work associates, but can also include ones from a different social group that a person does not have direct contact with but wishes to be part of. This social group is called an aspirational group. The customer, while wishing to be part of this group, will be greatly affected by its members and will buy the same products they buy. It must be noted the level of influence varies depending on individuals and groups. According to Close (2001) and Ayob (2012), people are thought to be brand loyal for a number of reasons as

follows, they are involved in purchase decisions, they are targeted frequently by marketing communications efforts, and they use brands to become influencers and trendsetters. The factors that influence the purchasing decision may be due to increasing knowledge of the marketplace and product alternatives.

The marketing mix is a business tool used in marketing and by marketing professionals (Handlin, 2012). The marketing mix is often crucial when determining a product or brand's offer, and is often synonymous with the four Ps: price, product, promotion, and place. In service marketing, however, the four Ps have been expanded to the Seven Ps or eight Ps to address the different nature of services. In recent times, the concept of four Ps has been introduced as a more customer-driven replacement of four Ps (Needham, 1996).

More and more organizations are competing strategically to differentiate themselves in the area of quality and service within a market. Successful corporations strongly focus on the service model with investment in technology, personnel policy and remuneration systems for their employees and people (Aaker, 1991). This is very vital as the behavior of the workers can have a direct effect on the quality of the service. Workers represent the voice and face of their organization to the customers. They transform the services delivery into services for the customer across all segments.

A business's strategy comprises of the business initiatives and approaches it

undertakes to entice customers and fulfill their anticipations, to strengthen its market position. These strategies offer opportunities for the business to respond to the numerous challenges within its working environment. Corporations also improve strategies to enable them seize tactical initiatives and uphold a competitive advantage in the market (Porter, 1998).

The competitive objective is to do a considerably better job of providing what clients are looking for, thereby aiding the company to outsmart rivals in the market place. The fundamentals of a company's marketing plan consists of its internal initiatives to deliver fulfillment to customers but also includes defensive and offensive moves to counter the maneuvering of competitors, actions to shift resources around to increase the business's long term market position and competitive capabilities, and strategic efforts to respond to dominant market situations. Assuming that there are several providers, consumers will choose which offering to receive on their opinion of value-for-money (Ouma and Munyoki, 2010).

Warucu (2001) in his study, found out that product and focus differentiation are some of the major plans that the banks have engaged in their quest to out-do each other. In the same way Kiptugen (2003) looked at the strategic reactions to a changing competitive atmosphere in the case study of KCB, he noted that proactive rather than reactive plans such as research on varying customer preferences and needs forms the source of its strategic planning.

Product quality refers to the features or characteristics of a product or service that is able to satisfy the stated or implied customer needs (Coldren, 2006). In other words, product quality can be defined as "fitness for use" or „conformance to requirement" which to a great extend determines and measures the loyalty of customers to a stated product on offer to the market (Russell-Bennett, McColl-Kennedy and Coote, 2007).

In case of services, the 'product' is heterogeneous, intangible and perishable. Moreover, its consumption and production are inseparable. Hence, there is a range for modifying the offering as per customer desires and the actual client encounter therefore assumes certain significance (Coldren, 2006). Product significance determines how the consumer will be satisfied with the service or product. If a customer is happy and satisfied about a product or service, they will become loyal to it and even recommend other people to purchase or utilize the product or service. This satisfaction will be realized by repeat purchase and frequency of product orders. On the other hand, too much customization would compromise the recommended delivery of the service and badly affect its worth. Hence precise care has to be engaged in planning the service offering as it will define the customer's loyalty (Beckwith, 1997).

The term product does not just refer to the physical product or intangible service one offers to their consumers or clients. It also

encompasses the packaging, services and the benefit that makes it of value and that will attract the customer which in the end will make the customer offer their full loyalty (McDermott, 2011). The product is the entire package. This component also refers to the expected life cycle of the product and the points of difference between it and its competitors.

Price is probably the most important consideration for the average consumer. Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price. In addition, customers strongly believe in the value and price of their favorite brands so much so that they would compare and evaluate prices with alternative brands (Azevedo and Farhangmehr, 2005).

Consumers' satisfaction can also be built by comparing the perceived costs and values with price. If the costs are greater than the perceived values of the product the consumers will not purchase the product. It is important to note that loyal customers are willing to pay more even if the price increases because they would prefer to pay a higher price to avoid any perceived risks (Swinker and Hines, 2007).

Pricing of services is harder than pricing of goods. While the last one can be estimated easily by taking into account the cost of raw material, in the case of services, attendant costs - such as overhead and labor costs - also need to be included. Therefore, a restaurant not only has to charge for the food served but

also has to compute a price for the setting provided. The price for the service is then attained by including a markup for a suitable profit margin (Beckwith, 1997).

This is the price the client pays for a product or service. Price is the most essential factor for marketing. The price of a service or product is determined by all elements that a business invests during the preparation of the product. For instance material costs, product identity, market share. The price of a product may go up or come down depending on the price and time of a certain product may differ because of market improvements (Vliet, 2013).

Since service delivery is simultaneous with its production and cannot be transported or stored, the scene of the service product is essential. Service providers have to give exceptional thought to where the service will be provided. Hence, a good restaurant is better situated in a busy, upscale market in comparison to the outskirts of a city. Equally, a holiday resort is better positioned in the countryside away from the noise and rush of a city (Beckwith, 1997).This component signifies the place where the product is accessible for the clients. It is possible that the product is not accessible in all places but only in a certain range of locations (Vliet, 2013).

Whether in store, online, by phone or perhaps via social media, place refers to where the customers can purchase their product. Decisions about which distribution channel or channels to use is an important part of the marketing mix because sometimes an item

that sells well online will not be as profitable in a store and vice versa. It's all about finding the right mix of place and product (McDermott, 2011).

Promotion is a marketing mix component which is concerned with information delivery to consumers. Promotion includes the use of personal selling, sales promotions, advertising and publicity. Promotion greatly affects customers' images, beliefs and attitudes towards product brands which consequently influence their purchase behaviors (Russell et al., 2007).

Promotion, especially through advertising, is important in establishing ideas or perceptions in the consumers' minds as well as differentiating brands in a particular product category. Promotion is an important element that is used to communicate the product offerings to consumers. It also encourages purchase or sales of a product or service. Sales promotion tools are also used in support of advertising and public relations activities and they are targeted toward the consumers (Kotler and Armstrong, 1994).

Service offering can be easily duplicated; promotion becomes critical in distinguishing a service offering in the mind of the customer. Consequently, service providers offering indistinguishable services such as banks, airlines and insurance corporations invest heavily in marketing their services. This is crucial in attracting clients in a division where the services providers have almost identical offerings (Beckwith, 1997). This component comprises all the efforts the organization or company makes to encourage

the reputation of their product in the market, for instance by promotional, advertising programmes (Vliet, 2013).

Individuals are outlining factor in a service delivery procedure, since a service is inseparable from the person providing it (Keller, 1993). A restaurant is known as much for its food as for the service provided by its staff. The same is true of department stores and banks. Subsequently, customer service training for employees has become a main concern for many corporations today (Beckwith, 1997).

According to Booms and Bitner's (1981) 7Ps services marketing framework, 'people' include people who are indirectly or directly involved in the trade of the service or product. These are primarily client contact employees (representatives, contact centre employees, account managers), management, personnel and customers. It is mostly the customer contact employees who are the face of the corporations and they translate the quality into a service. They are the "service‟ providers on account of their entrepreneurship or occupation. They include for instance hair dressers, stylists, trainers, coaches, gardeners and contact centre employees and lawyers. They deliver a physical service with a visible result.

Businesses in the service industry are thoroughly aware that it is vital for them to efficiently manage the customer contact personnel in order to monitor the quality of the service with respect to behavior and attitude. This is very essential in service corporations because there might be a big

variable in the performance of the customer contact personnel in relation to the outcomes of the services provided (Kotler and Armstrong, 1994).

The value of a service between service customers and companies (hospital intake, having a meal in a restaurant or management or accountancy or consultancy services) can differ strongly in addition to other essential factors (Lovelock, 1996). The lack of similarity in services creates hitches for service corporations. Delivery of services frequently occurs during an interaction between a contact employees and a customer. Behavior and attitude of a worker creates a perception of the service as encountered by the client (customer perception) (Lovelock and Wirtz, 2011). This opinion may be either negative or positive. It is even more essential because it can influence customer fulfillment and in turn the client's purchase intentions (Booms and Bitner, 1981).

The procedure of service delivery is critical since it makes sure that the same standard of service is constantly delivered to the clients. Consequently, most businesses have a blueprint which offers the information of the service delivery procedure, often going down to even outlining the greeting phrases and service script to be used by the service personnel (Beckwith, 1997).

The element of "Process" represents the activities, protocols, procedures and more by which the service in question is ultimately delivered to the client (Martin, 2007). As services are consequences of actions for or

with clients, a procedure involves a series of steps and actions to get there. The element of „process" is a vital part within the whole marketing strategy. This element comprises all services and activities in which the persons involved play an essential role (Merchant, 2012).

Services are made up of a sequence of actions, it is essential to take the probable waiting period amid the activities into consideration. That is why it is essential that marketers take care of the communication about probable distribution times and by doing so the management of customer anticipations. Managing and creating effective service procedures are for the existence of service corporations. Handling the process factor is mostly due to the perishability of services which means that the services cannot be stored, inventoried for reuse or returned (Szwarc, 2005).

It is therefore essential that the service corporations manage demand as well as possible. Another distinctive characteristic of a procedure in relation to a service is the sign to be provided to the client and this is often a customized or standardized approach based on the client's expectations and needs. The delivery system and the flexibility of the employees are two other key factors in the successful delivery of a service, and customers appreciate efficient and effective processes that are tailored to meet their needs, as they eventually lead to loyalty and retention (Booms and Bitner, 1981).

Since services are intangible in nature as most service providers attempt to incorporate

certain physical elements into their offering to improve client experience. For example, there are hair salons that have well designed waiting areas often with plush sofas and magazines for patrons to relax and read while they await their turn. Equally, restaurants invest greatly in their decorations and interior design and to offer a unique and tangible experience to their guests (Beckwith, 1997). In the banking sector, each bank ensures that they have properly branded their premises and banking hall. The customers are able to identify each bank with its logo and brand colors which distinguish it from the other banks (Lau and Lee, 1999).

The physical indication refers to an atmosphere in which a service comes about from an interaction between a customer and an employee which is combined with a physical commodity. The tangible evidence includes an illustration of a service for instance stationery, brochures, reports, business cards and company website (Zeithaml and Mary, 1996). Since services are intangible, clients are always looking for real clues to aid them understand the nature of the service corporation. The more intangible the service the more essential it is to make the service around it physical. Credit cards are examples of tangible evidence compared to the delivery of (intangible) credit services by credit card banks and companies (Leditschke, 2005).

The tangible evidence serves as a visual representation of what the business represents, what services it simplifies and the relations between employees and customers. Satisfied clients are the best publicity for the

products or services to be delivered. The marketing plan must be effective, in which fulfillment of existing consumers can be communicated to potential clients. Social marketing is a beneficial tool in this respect. It is not physical but it supplies tangible evidence with the aid of, for example a written reference by a user or customer (Booms and Bitner, 1981).

Research Methodology

The study used descriptive research design. The target population in this case was the regular customers of Barclays Bank, Nairobi County, Kenya. The target population in this study was 2050 in number. This target population was selected from the list of loyal customers of the bank. The researcher selected customers that had been with the bank branch for 3 years – 15and above years. Then simple random sampling was applied. The sample used was 10% of the target population which was 205.

The study relied greatly on both primary and secondary data. Secondary data was collected from previous researches and works done by authors on the same subject matter. Questionnaires were administered to the selected respondents. The data collected was classified into meaningful categories (coded), edited and tabulation of the same was done. The MS Excel spreadsheets were used for the initial tabulation, analysis and drawing of charts based on the respondents responses while Statistical Package for Social Science (SPSS) Student Version 16.0 was used to analyze the collected data.

Research Findings and Discussion

This study was to examine the effects of brand loyalty on customer retention in Kenyan banking sector, Nairobi County. The study was guided by the research questions that were aimed at answering how marketing mix strategies affected brand loyalty and customer retention in Kenyan banking sectors; how brand positioning affected brand loyalty and customer retention in Kenyan banking sector; and how demographics affected brand loyalty and customer retention in Kenyan banking sector.

The study used descriptive research design. The design was used to determine the effects of brand loyalty which was the independent variable on customer retention which was the dependent variable in this study. The target population in this study was 2050 in number. This target population was selected from the list of loyal customers of the bank. For this study, the sampling frame came from a list of loyal customers who banked with Barclays. Stratified sampling technique was used to select the respondents from among the list of loyal customers obtained from Barclays Bank. After the population had been divided into different loyalty period strata, each stratum was then sampled as an independent sub-population, out of which individual elements were randomly selected. The sample used was 10% of the target population which was 205 since the target population of 2050 was large.

Secondary data was collected from previous researches and works done by authors on the same subject matter. Primary data was

collected from the study population through the use of questionnaires to meet the study objectives. Questionnaires were administered on a
"Drop and pick" method to the selected respondents. The respondents were given a week to fill in the questionnaires. The study used quantitative method of data analysis. To ensure easy analysis the questionnaire was coded according to each of the research questions to ensure accuracy during the analysis process. The data collected was classified into meaningful categories (coded), edited and tabulation of the same was done. The MS Excel spreadsheets were used for the initial tabulation, analysis and drawing of charts based on the respondents responses while Statistical Package for Social Science (SPSS) Student Version 16.0 which is a unified and comprehensive package was used to analyze the collected data thoroughly and conveniently.

Conclusions

The study showed that customers of Barclays Bank were not sensitive about product and service prices charged and the fee they paid for their accounts was reasonable. They were not likely to leave the bank because of prices. Based on the findings, the study concludes that Barclays Bank has a wide network of service points like branches and ATMs which make it convenient for customers to access services and that the customers are happy and satisfied with the services offered by the organization.

The study shows that customers liked the physical appearance and the level of

cleanliness of the banking halls in Barclays, which made them want to be associated and to stay with the bank and the branding material and the stationery used to do banking was clearly legible and easy to understand. The study also shows that the Bank advertisements were placed in the media and press regularly. The study portrays that the Bank has almost equal ratios of men to women, which leads to the conclusion that both male and female customers are equally targeted by the bank.

The Bank also has a very strong culture that is inclined to meeting customer needs as opposed to employees meeting their performance objectives and the bank does not target the high end customers. The study concludes that Barclays Bank values all its customers and it has segmented its customers depending on income levels.

Recommendations

Barclays Bank needs to take a fresh look at their customer loyalty and retention strategy. With the decline in customers' perceived value of loyalty programs and the new customer sovereignty, they need to ensure that their strategy is relevant and meaningful. The bank needs to differentiate their program by identifying and connecting with the unique characteristics of their customer base as well as align loyalty and retention programs with marketing strategy. If marketing is doing its job by effectively segmenting and targeting to attract the right customers for the business, this makes the job of loyalty and retention that much easier. Zineldine(2006) says that it is important to

give special recognition to long term and the most profitable customers, with differentiation top priority.

The institution needs to build brand evangelists, not bargain shoppers. If a loyalty program centers on offering customers special deals, it trains them to wait for the discount, the organization needs to shift its loyalty focus to deepening the relationship with the customer and building evangelists. Loyal customers are less price-sensitive and more resistant to competitor overtures and they are also a huge marketing asset.Brands delivering unique experiences can generate brand loyalty or even brand evangelism, since the use of emotions and the sensory system will evoke different stimuli from the consumer during the interaction with the brand, whether it is direct or indirect (Iglesias, Singh, & Batista-Fouget 2011). The next level from brand loyalty is brand evangelism (Marzler, Pichler, & Hemetsberger, 2007). With brand evangelism, the consumer is not only engaging in positive word of mouth, but the consumer will furthermore engage in the activity of recruiting new brand loyal consumers, who eventually will become brand evangelists to the consumer (Muñiz & Schau, 2005) Brand evangelists are seen as a benefit to the brand, because the successful brand evangelism creates evangelists who will promote the brand (Future, 2013).

Organizations should be able to launch marketing activities that can reflect social class, using prominent logos to fill their products with more symbolic value of wealth and to meet the psychological needs of consumers. The study also recommends that the bank should develop a strategy to target the youth.

The study recommends a strategy that aims to enhance customer satisfaction levels by enhancing their expectations and overall experience. The organization has to continuously deliver beyond what the consumers have experienced and expected before, not just in terms of products or services but also by paying close attention to various other hidden demographic factors such as the brand image, lifestyle enhancement, esteem enhancement, the marketing mix, sales team feedback, and psychological factors. Successful companies should build systems that enable the corporations to use the customers' information wisely, and deliver what the customer wants on their level (Xu Yen et al. 2002)

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