



Strathmore
UNIVERSITY

Strathmore University
SU+ @ Strathmore
University Library

Electronic Theses and Dissertations

2017

Effect of customer satisfaction strategies on customer experience among professionals service firms in Kenya

James Nyamu Maitho
Strathmore Business School (SBS)
Strathmore University

Follow this and additional works at <https://su-plus.strathmore.edu/handle/11071/5826>

Recommended Citation

Maitho, J. N. (2017). *Effect of customer satisfaction strategies on customer experience among*

professionals service firms in Kenya (Thesis). Strathmore University. Retrieved from <http://su->

[plus.strathmore.edu/handle/11071/5826](http://su-plus.strathmore.edu/handle/11071/5826)

**EFFECT OF CUSTOMER SATISFACTION STRATEGIES ON CUSTOMER
EXPERIENCE AMONG PROFESSIONAL SERVICE FIRMS IN KENYA**

JAMES NYAMU MAITHO

**A THESIS SUBMITTED IN PARTIAL FULFILMENT FOR THE REQUIREMENTS OF
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, STRATHMORE
UNIVERSITY**

**SCHOOL OF BUSINESS
STRATHMORE UNIVERSITY
NAIROBI, KENYA**

MARCH, 2017

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

James Nyamu Maitho

Signature.....

Date.....

Approval

The thesis of James Nyamu Maitho was reviewed and approved by the following:



Dr Hazel Gachunga,
School of Business,
Strathmore University

Dr. Joseph Orero

Dean of Faculty

Faculty of Information Technology

Prof. Ruth Kiraka

Dean

School of Graduate Studies

ABSTRACT

In the modern business world, companies are struggling as they try to motivate customers to purchase more and make more frequent visits. There are challenges facing professional service providers like law and audit firms as clients are continuously expressing dissatisfaction. Hence, professional service providers need to be aware of drivers of customer loyalty in order to build effective business strategies for customer retention. The study hence sort to establish the effect of customer satisfaction strategies being implemented by service providers on customer experience. From the findings, various service providers can improve their customer experience. The study is hinged on the Assimilation theory and Resource based view theory. The study specifically examined the effect of Information communication Technology, supplier management, staff management and service strategy on customer experience. The study adopted an explanatory research design . The target population was the top four audit firms in Kenya that is Deloitte Consulting, Ernst & Young , KPMG Consulting and PricewaterhouseCoopers (PwC) . The study also targeted the customers of these firms which are 42 firms listed at the NSE and are audited by the four audit firms. A census was conducted on all the four firms as well as the 42 listed firms which are the customers. The study findings led to the conclusion that ICT, staff mmanagement and service strategy are positively and significantly related to customer experience while supplier management is positively but not significantly related to customer experience. Since the findings indicated that ICT is positively and significantly related to customer experience, the study recommends that audit firms and other service provision firms should invest more in ICT systems that involve having have a well established work flow billing system, staff and sub contractor capacity scheduling system and knowledge and research databases for better service delivery. Another recommendation made based on the study findings is that audit firms and other service firms should aim to improve their customer experience by establishing better staff management practices and investing more in them for instance staff on boarding , staff talent management and on the job training. There should also be fair and undiscriminated staff recruitment as they lead to improved customer experience. The study also recommends that since service strategy positively influences customer experience, audit and other service firms should aim to ensures that there is a clear service definition so as to ensure better service delivery as well as constant revisions of service strategies they employ. Furthermore, market segmentation as well as having a well established and strictly adhered to service delivery system should also be considered. The study tested the applicability of Resource Based view theory concept to the service providers in Kenya. The study proved that a firms unique resources for instance strategies gives it a competitive edge over its competitors and improves its performance. In so doing, it improves its customer satisfaction. The study has indicated that when a firm is capable of formulating strategies for instance staff management , ICT related strategies and service strategies, that will lead to better performance thus improving the customer experience. The study also contributes to the Assimilation theory which argues that customer dissatisfaction is based on expectation and perceived product performance and that if customers are given contrary services to what they expected, they become dissatisfied. The study findings indicated that among customers of service providers in Kenya, consumer post-usage evaluation to establish their satisfaction is key. This is a key argument by the assimilation theory.

ACKNOWLEDGEMENT

I wish to thank my supervisor, Dr. Hazel Gachunga for her guidance, suggestions and discussions in writing this research. I am also grateful to the lecturers and staff of Strathmore Business School for their guidance, support and selflessness. I have benefited from discussions with and comments by various MBA classmates and I thank them for their valuable comments and inputs. Finally, I thank my wife Jessie, my children, Brian, Tasha, Michelle and Ammanda, my entire family and friends for their support in the pursuit of my MBA studies.

TABLE OF CONTENTS

DECLARATION.....	ii
ABSTRACT.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	ix
LIST OF TABLES	x
ABBREVIATIONS AND ACRONYMS.....	xi
CHAPTER ONE	1
INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background of the Study	1
1.2 Research Problem	5
1.3 Objectives of the Study.....	7
1.4 Research Questions.....	7
1.5 Scope of the Study	8
1.6 Significance of the Study	8
1.6 Organization of the dissertation	9

CHAPTER TWO	11
LITERATURE REVIEW	11
2.1 Introduction.....	11
2.2 Theoretical Framework.....	11
2.3 Empirical Review.....	14
2.4 Critic of literature	24
2.5 Research Gaps	25
2.6 Conceptual Framework	26
CHAPTER THREE.....	28
RESEARCH METHODOLOGY	28
3.1 Introduction.....	28
3.2 Research Design.....	28
3.3 Target Population.....	28
3.4 Sample Size and Sampling Procedure	30
3.5 Data Collection Procedure	31
3.6 Data Analysis and Presentation	31
3.7 Pilot Test	32
3.8 Ethical Consideration	34

CHAPTER FOUR.....	36
PRESENTATION OF RESEARCH FINDINGS.....	36
4.1 Introduction	36
4.2 Reliability Results	36
4.3 Response Rate of the Respondents.....	38
4.4 Demographic Characteristics of the Respondents from the Audit firms	38
4.5 Descriptive analysis	39
4.6 Inferential analysis	49
CHAPTER FIVE	57
DISCUSSION OF FINDINGS.....	57
5.1 Introduction	57
5.2 Information communication Technology.....	57
5.3 Supplier management.....	58
5.4 Staff management.....	60
5.5 Service strategy	61
5.6 Theoretical Implication	61
CHAPTER SIX	63
CONCLUSION AND RECOMMENDATIONS.....	63
6.1 Overview	63

6.2	Conclusions	63
6.3	Recommendations of the Study.....	64
6.4	Recommendations for Further Study	65
	REFERENCES.....	66
	APPENDICES.....	76
Appendix 1:	Introduction Letter.....	76
Appendix II:	Questionnaire to the Audit Firms	77
Appendix III:	Questionnaire to the Audit Firms clients (Customers).....	84

LIST OF FIGURES

Figure 2.1:	Conceptual Framework.....	27
Figure 4.1:	Work experience	39

LIST OF TABLES

Table 3.1	Target population of the Audit firms	29
Table 3.2	Target population of the customers.....	30
Table 4.1	Reliability Coefficient.....	37
Table 4.2:	Five point likert rating of Information communication technology statements	40
Table 4.3:	Five point likert rating of Supplier management statements	42
Table 4.4:	Five point likert rating of staff management statements.....	43
Table 4.5:	Five point likert rating of service strategy statements	45
Table 4.6:	Five point likert rating of Customers perceptions on their current audit firms	46
Table 4.7:	Five point likert rating of Customers expectations on audit firms.....	47
Table 4.8 :	An independent sample t-test.....	49
Table 4.9:	Correlation analysis	51
Table 4.10:	Test of Normality(Kolomogorov Smirnova Test).....	53
Table 4.11:	Model Summary.....	54
Table 4.12:	Model Fitness (ANOVA).....	54
Table 4.13:	Model Coefficients.....	55

ABBREVIATIONS AND ACRONYMS

BDO	Binder Dijker Otte & Co
BPR	Business process Reengineering
ICT	Information and communication Technology
IT	Information Technology
KBV	Knowledge Based View
KPMG	Klynveld Peat Marwick Goerdeler
NSE	Nairobi Securities Exchange
PKF	Panel Kerr Forester
PSO	Professional Service Operations
PSOM	Professional Service Operations Management
PwC	PricewaterhouseCoopers
RBV	Resource Based View
SCM	Supply Chain Management
SCOR	Supply Chain Operations Reference
SOM	Service Operations Management
USA	United States of America

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The chapter presents the background of the study, problem statement, objectives of the study and research questions. The chapter also presents the scope of the study as well as the significance of the study.

1.1 Background of the Study

Traditionally, services were regarded as deeds, performances or actions but Lusch, Vargo and O'Brien (2007) articulate a new and broader definition of service as the application of knowledge for another party's benefit. Verma (2000) notes that the service sector has continued to increase in importance with regard to its contribution to the growth of economies and in terms of the percentage of workers employed in the service sector.

Dufalla (2014) argues that in the modern business world, there is need for an effective service operations management so as to effectively solve customer suggestions and increase customer satisfaction. Fundin and Bergman (2003) discussed the usage of complaint information for the improvement of company services. Suggestions offer a window into customer perception, and insights derived from the valuable feedback can be used to make the firm more competitive. Bosch and Enriquez (2005) discuss possible systems for the appropriate collection, management and analysis of the necessary data for this task.

One financial consideration is the value of customer satisfaction and retention. Despite the benefits of proper service operations, Dufalla (2014) argues that not all firms make customer complaint management a priority. In one study, Gulas and Larsen (2012) found that 29.2% of communications (a mixture of complaints and compliments) sent to a variety of companies were left unanswered. However, the same study found that this response rate was unrelated to the companies' returns on investment. The use of ICT has led to an improvement in service delivery and hence customer satisfaction in many organisations.

Companies are struggling as they try to motivate customers to purchase more and make more frequent visits (Arantola, 2003). Hence, professional service providers need to be aware of drivers of customer loyalty in order to build effective business strategies for customer retention. The traditional product-oriented service provider is becoming increasingly customer-oriented in accordance with the basic principles of relational marketing, which focuses on customer loyalty as its main goal. In order to get loyal and new customers, companies need to provide efficient services to meet customer expectation and that ultimately requires better understanding about their behavior.

Samanta, (2012) argues that the development of effective relationships is increasingly recognized as an important component of marketing strategies. In a global economy, firms must satisfy the demands of customers and demonstrate great flexibility if they are to survive the international competition and adapt to change. Obtaining a new customer is not profitable for the first two or three years due to the extra costs of customer acquisition to the organization.

According to Dimitriadis (2006), loyal customers are defined as those customers who hold favorable attitudes toward an organization, recommend the organization to other consumers and exhibit repurchase behavior; all at once customers who remain loyal to service providers are likely to take on in favorable or unfavorable behavioral responses (Hoq & Amin, 2010).

Bowen and Chen (2001) mentioned that loyal customers will help to promote the business, they will provide strong word-of-mouth, create business referrals, provide references, and serve on advisory boards. These loyal customers will also increase sales by purchasing a wider variety of the organization's products and by making more frequent purchases. Despite that, some businesses are only worried about meeting customer's expectations, in achieving high levels of customers' satisfaction. These organizations believe that customer repurchase will increase if they satisfy customers' needs. However, it has been shown that customer repurchase does not necessarily mean that customers are loyal. They might defect at any moment and for different reasons (Bowen & Chen , 2001).

According to Oliver (1999) customer loyalty is a deeply held commitment to rebuy or repurchase a preferred product/service consistently in the future, thereby causing repetitive, same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour. Customer loyalty has been presented as an indicator of successful quality management practices in both the manufacturing and the service sectors.

Due to the rapid growth of the services sector in most economies, there is need to understand how this concept is associated with business practices for supporting quality in the services Sector (Agyei & Kilika, 2013). Many marketers and scholars agree that growth and survival of companies depend on how loyal their customers are in almost all industries (Boohene & Agyepong, 2011).

Mungai (2012) noted that there have been an increase in the number of professional consulting services companies in Kenya . Professional consultants in various fields such as accounting, law, medicine, engineers among others have unique operational challenges which have often been ignored or down played because demand for technical and specialized services continues to outweigh supply. Due to the challenges facing these professional service providers regarding continuous dissatisfaction by the customers, as noted by Lewis and Brown (2012), there is need to investigate the influence of service operations management on customer experience in professional service firms in Kenya.

It is notable that technological progress in information and communication technology (ICT) has increased the pace of change in the service sector. Hence, the impact of ICT especially in industrialized countries has been phenomenal reflecting a tremendous rise in services over the past decades (Roth & Menor, 2003). There has been a need to undertake empirical research on how best to design and manage outstanding services using a production and operations management perspective.

Slack, Chambers, Harland, Harrison and Johnstone (1995) argue that the three main tasks of an operations manager are to design an operation, planning & control and improvement of operation systems in a firm. It is notable that operations managers in service organizations face key issues and challenges that they need to address in their functions. These include: service strategy, service design, service employee management, service marketing & communication, customer behavior, service quality measurement, ICT in services, management of complaints & service failures, service operations efficiency, global service issues and supplier issues (Verma, 2000; Roth & Manor, 2003; Chase & Apte, 2007; Gunawardane, 2008). Therefore, it was critical to test how these challenges affect the customer experience in professional service firms since the findings would inform and highlight the critical concerns of customers as they obtain services from professional service firms.

1.2 Research Problem

The professional service and other knowledge intensive sector face the twin challenges of increased downward pressure on fees and the corresponding need for increased efficiencies as clients are continuously expressing dissatisfaction (Lewis and Brown , 2012). Lewis and Brown (2012) further argue that there are challenges facing professional service providers like law and audit firms as clients are continuously expressing dissatisfaction. For instance in the year 2010, one of the largest law firms in the UK published research highlighting that legal service providers were increasingly facing a buyer's market, with downward pressure on fees and corresponding need for increased efficiencies.

Yet, although becoming more efficient is increasingly seen as the strategic challenge in legal – and other knowledge-intensive (Drucker, 1999) – services, there has been relatively little research done focusing on customer satisfaction in this knowledge sector (Lewis & Brown , 2012).

Arantola (2003) argues that companies are struggling as they try to motivate customers to purchase more and make more frequent visits. Hence, professional service providers need to be aware of drivers of customer loyalty in order to build effective business strategies for customer retention. Essentially, there is an urgent need to undertake a research in this area due to the rapidly growing and evolving service sector in economies globally (Roth & Manor, 2003; Gunawardane, 2008; Santos & Spring, 2013). There has been relatively little research done in the sector of professional service provision despite the existence of customer dissatisfaction in the sector (Lewis & Brown , 2012). This therefore placed this study in a better position.

Furthermore, there has been less empirical studies that have focused on customer experience in the professional service providers sector in the developing economies (Lewis & Brown , 2012). This study was best placed in seeking to investigate the implementation of customer satisfaction strategies among the professional service firms specifically audit firms.

1.3 Objectives of the Study

1.3.1 Main Objective

The general objective of the study was to find out the effect of customer satisfaction strategies on customer experience among professional service firms in Kenya.

1.3.2 Specific Objectives

- i. To establish the influence of ICT systems on customer experience in professional service firms in Kenya.
- ii. To assess the influence of supplier management on customer experience in professional service firms in Kenya.
- iii. To establish the influence of service strategy on customer experience in professional service firms in Kenya.
- iv. To determine the influence of staff management on customer experience in professional service firms in Kenya.

1.4 Research Questions

The study sought to answer the following research questions:

- i. What is the influence of ICT systems on customer experience in professional service firms in Kenya?
- ii. To what extent does supplier management influence customer experience in professional service firms in Kenya?
- iii. How does service strategy influence customer experience in professional service firms in Kenya?
- iv. What is the influence of staff management on customer experience in professional service firms in Kenya?

1.5 Scope of the Study

This study was limited to the effect of customer satisfaction strategies on customer experience among professional service firms in Kenya. Specifically, the study sought to test the influence of ICT, supplier management, staff management and service strategy on customer experience in the context of audit firms in Kenya. The study focused on the big four audit firms in Kenya which are Deloitte Consulting, Ernst & Young , KPMG Consulting and PricewaterhouseCoopers (PwC) . The customers of the audit firm also participated in the study to give their customer experience. The customers were the 42 firms listed at the NSE and are audited by these audit firms. The study was done in the year 2016.

1.6 Significance of the Study

The results of this study are expected to be of importance to the stakeholders and the general public who are resultant beneficiaries of the firm's activities since they are positively affected by the firm's success. Hence they should engage and facilitate the implementation of good service operations practices in professional firms. Stakeholders such as shareholders (partners) get higher returns as a result of the firm's profitability while the government gets higher taxes when firms make profits.

Secondly, professional service firms may obtain the final report on the research findings which can help them to formulate policies and programs that can enable them overcome the various challenges affecting their service operations. The implementation of such policies would lead to the improvement of service operations management of professional firms considering that the service sector is dynamic and flexible.

Consequently this adoption would contribute to the enhancement of growth of the service sector and in effect the economy.

Thirdly, researchers and academia would be interested in the study findings in order to understand and articulate more clearly the selection of issues discussed on the wider discipline of service operations management. This is considering that empirical literature on this area is shallow therefore, the research results would be a basis for undertaking further research and essentially would be a contribution to the wider body of knowledge. In conclusion, the study not only contributes to the service operations management literature but it prompts intellectual pursuit of further research on the service sector within Kenya and other economies.

1.6 Organization of the dissertation

Chapter one presented the background of the study where customer experience and customer satisfaction strategies were discussed. The chapter also presented the statement of the problem, objectives of the study and research questions. The scope of the study was also presented before the significance and organization of the dissertation. The next chapter, Chapter two, presents literature review of the study variables. Both the theoretical and empirical literature is provided. The theories that hinge the study as well as previous studies done on the topic are also presented. From the empirical review, research gaps are identified.

Chapter three discusses the research methodology used. It provides the research design, population, sampling procedure, data collection procedure, ethical considerations, data analysis and reliability and validity. Chapter four presents the analysis, explanations and implications of the results. Lastly, the conclusions, recommendations of the study to policy and recommendations for further study are provided in chapter five.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the literature relevant to this study. The literature review covers a wide discussion of the theoretical underpinning on the study variables. In particular the resource based view of a firm theory and the Assimilation theory hinge to the study. The review of other studies is presented in the empirical literature review. The chapter also presents the conceptual framework to indicate diagrammatically how the independent variables link to the dependent variables. Lastly, the chapter presents the research gaps.

2.2 Theoretical Framework

This section presents the theories that underpins the study. The study focused on the assimilation theory and the resource based view theory.

2.2.1 Assimilation theory

Assimilation theory is based on Festinger's (1957) dissonance theory. Dissonance theory posits that consumers make some kind of cognitive comparison between expectations about the product and the perceived product performance (Peyton, Pitts and Kamery, 2003). This view of the consumer post-usage evaluation was introduced into the satisfaction literature in the form of assimilation theory (Anderson, 1973). According to Anderson (1973), consumers seek to avoid dissonance by adjusting perceptions about a given product to bring it more in line with expectations.

Consumers can also reduce the tension resulting from a discrepancy between expectations and product performance either by distorting expectations so that they coincide with perceived product performance or by raising the level of satisfaction by minimizing the relative importance of the disconfirmation experienced (Olson and Dover, 1979).

Peyton et al (2003) argues that Assimilation theory has a number of shortcomings. First, the approach assumes that there is a relationship between expectation and satisfaction but does not specify how disconfirmation of an expectation leads to either satisfaction or dissatisfaction. Secondly, the theory also assumes that consumers are motivated enough to adjust either their expectations or their perceptions about the performance of the product (Forman, 1986).

A number of researchers have found that controlling for actual product performance can lead to a positive relationship between expectation and satisfaction (Olson and Dover, 1979). Therefore, it would appear that dissatisfaction could never occur unless the evaluative processes were to begin with negative consumer expectations.

This theory is relevant to the study as it informs the dependent variable. The theory explains the concept of customer experience which forms the dependent variable of the study. According to the theory, customer dissatisfaction is based on expectation and perceived product performance . If customers are given contrary services to what they expected, they become dissatisfied. The theory emphasizes on the concept of consumer post-usage evaluation to establish their satisfaction.

2.2.2 Resource Based View theory

The foundations of the resource-based view (RBV) of the firm are based on the work by Penrose (1959). The RBV of the firm focuses specifically on the inside of the firm, its resources and capabilities, to explain the profit and value of the organization (Penrose, 1980; Wernerfelt, 1984; Barney, 1991; Makhija, 2003). Hence this theory is applied to explain differences in performance within an industry. The RBV of the firm states that differences in performance happen when well succeeded organizations possess valuable resources that others do not have, allowing them to obtain a rent in its quasi-monopolist form (Wernerfelt, 1984). The existence of capabilities and resources heterogeneity within a population of firms is one of the principles of the RBV (Helfat & Peteraf, 2003). The organizations are heterogeneous entities characterized by their particular and unique resource bases (Barney, 1991; Marr, 2004).

The RBV of the firm presents an explanation for the heterogeneous competition based upon the premise that close competitors differ in an important and lasting way in their resources and capabilities (Helfat & Peteraf, 2003). This perspective recognizes that the type, magnitude and nature of resources and capabilities are important determinants in their capacity to generate profit (Amit & Schoemaker, 1993). By accumulating resources with rent-yielding potential the firm may increase the amount of rents generated, and subsequent profits. The process of resource accumulation is considered to be a reflection of innovation and entrepreneurship. Peteraf (1993) contends that profits can only be achieved from innovation and entrepreneurship if resource accumulation costs are inferior to the rents that those resources might actually produce.

Therefore, in a strategic perspective of the RBV of the firm, the organization is a collection of unique competencies and capabilities influencing its evolution and its strategic growth options (Barney, 1991; Curado, 2006).

The theory is relevant to the study as it is linked to the independent variables of the study which are ICT, supplier management, staff management and service strategy. The RBV of the firm focuses specifically on the inside of the firm, its resources, strategies and capabilities, to explain the value of the organization and its performance which in turn affects customer experience. Resources are both physical, intellectual and human. The unique strategies which a firm possess enables it to perform better which in turn affects the way customers perceive it. Good performance is ultimately linked to customer satisfaction.

2.3 Empirical Review

This section presents the previous studies conducted on the topic. The review has been conducted on an objective to objective basis. The review has been done globally and locally.

2.3.1 Customer Experience

The achievement of quality in products and services became a pivotal concern of the 1980s. Chase and Apte (2007) outlined that quality in tangible goods had been described and measured by marketers, while quality in services has been mainly operationally undefined.

A study was conducted by Prajogo (2006) to investigate the application of operations management (OM) activities in Australian service firms. The four key areas addressed in this study were the nature or characteristics of services, the level of importance of OM techniques, the level of importance of performance indicators, and the challenges encountered by the management of service firms. The study used empirical data drawn from 190 managers of the Australian service organisations whose primary responsibilities were related to the daily operations of the firms. The study used descriptive analysis. The results indicated that most services are characterized by high customer contact and a low degree of differentiation.

In terms of OM activities, service delivery, customer service and quality control received the highest priority. This result was confirmed by customer retention, on time delivery, and quality which received the highest priority among performance measures. Innovation, on the other hand, surprisingly received the least attention among the surveyed firms. Finally, building service culture appears to be the most challenging issue encountered by managers in dealing with service operations as opposed to managing facilities which raised only little concern from management's point of view. When asked about the challenges facing them, these service managers listed building service culture, understanding customer needs and gaining customer loyalty as the greatest challenges. Prajogo (2006) indicated that service operations managers are faced with various challenges in their application of operations management approaches. These challenges include; customer contact, intangibility, inseparability of production and consumption, heterogeneity, perishability, and labour intensity. The need to study the

application of operations management techniques in service firms is further supported by the fact that service industry itself is fragmented.

A study was conducted by Parasuraman et al. (1985) to report the insights obtained in an exploratory investigation of quality in four service businesses and by developing a model of service quality. The gap model of service quality enables customers to determine the gap between expected service and perceived service delivery. Researchers have proposed that the gap model be measured and managed in order to undertake service quality management.

It is notable that from the 1990s a survey instrument called SERVQUAL was developed and used to measure service quality in the marketing and operational management contexts. A study was conducted by Kandampully and Menguc (2000) examining three groups of strategies (service quality control practices, service measurement practices and service maintaining practices) adopted by service firms in New Zealand as a means to promote a sustainable and superior quality of service. The study also considered the impact of a number of independent variables, in particular, number of years in business, firm size and type of sector (public or private) on the implementation of such strategies. The findings of the study indicated that sustaining service quality is identified by managers of service firms as one of the most important strategic agenda. However, many of the success proven practices are not utilized by smaller firms.

2.3.2 Information Communication Technology (ICT)

Information technology (IT) can be defined as computer-based technology used for information storage, access, processing, and communication is a critical strategic choice for service design and delivery (Lovelock, 1995) and performance (Quinn, 1996). Information Communication Technology (ICT) consist of the hardware, software, networks and media for the collection, storage, processing, transmission and presentation of information (voice, data, text, images) as well as related services.

Both traditional technologies (telephones, radio and TV) and newer technologies (such as computers and the Internet) are usually included in the concept of ICT infrastructure. A study was conducted by Vos et al. (1997) and its findings indicated that the adoption of best practice has a direct link to the attainment of high service performance, which in turn leads to superior business performance (Markland, 1999).

Many studies have been made regarding the role played by ICT in various organizations. In all the studies that the researcher encountered, the main aim of investing in ICT has been the need to improve efficiency, ultimately leading to improved service delivery. Kitur (2006) studied the strategic role of ICT among insurance companies in Kenya. According to the study, over the past few decades, a number of business developments have taken place in business management. They include the transformation of the value chain, influences of the global competition into the way business is done, and the effects of liberalisation of the economy. Arising from these, changing patterns of employment, and changes in the organisation structure due to developments in IT are among the salient developments in business management.

Each of these has led to the need to strategically position IT in an organisation. In this way, Kitur (2006) states that, ICT is permeating the value chain at every point transforming the way value activities are performed and the nature of the linkages among them. ICT is also shaping the way products meet buyer needs.

Wambugu (2010) sought to determine the impact of ICT on commercial banks and found out that it was a crucial tool in service delivery and one which has reduced congestion in banking halls to a great extent.

The study concludes that the efficiency brought about by ICT in banks can be realised in any other areas of easy access to customers and staff records, data on assets of the organisation as well as in the front office operations. Muchiru (2003) studied the enabling role of ICT in BPR. The case study which focused on the Kenya Commercial bank established that at the bank, ICT has been used to develop new processes and new products for the customers. The author asserts that today, ICT is a lever for designing processes and therefore instead of it being constrained to satisfy the requirements of the old procedures and products, it challenges those old procedures and replaces them with new ones and new products to meet the customers ever changing needs.

Nyandimo (2011) studied the extent of ICT adoption in public procurement in Kenya and its impact on procurement management. She further sought to establish the relationship between the level of ICT adoption and the quality of service delivery in public procurement and found out that due to the adoption of ICT, the procurement staff's services are timely, more ethical, and that there is enhanced client satisfaction and a reduction on transaction costs.

Owuor (2004) studied the use of ICT as a facilitator of Business process Reengineering at Bidco Oil Refineries. Like in the case of Muchiru (2003), the study established that ICT has played a major role in changing the way of work. The old procedures that were used in the production and distribution of goods and services have been drastically replaced with new and more efficient ones in line with customer requirements. Waithaka (2006) studied the levels of customer satisfaction with educational services offered by the Kenya Polytechnic.

The study established that service firms have been able to leverage the power of IT to enhance time and place utility in their customer offerings. The study establishes a positive co-relation between the utilization of ICT and enhanced customer satisfaction at the Kenya Polytechnic.

Ougo (2010) studied ICT as a strategic orientation for service delivery in the Office of the Vice President and Ministry of Home affairs and found out that majority of the respondents believe that the use of ICT has improved service delivery in the ministry and that service delivery to the internal customers is much better now than it was during the days of the manual processes. Lelei (2007) carried out a study on ICT as a strategic tool in Micro Finance Institutions in Kenya. The study sought to establish the extent to which ICT is used as a strategic tool in MFIs in order to compete effectively and survive in a dynamic and turbulent environment. From the study, it was established that in a majority of the studied organisations, technology has re-written business rules and transformed a standalone environment into entities.

The researcher found out that IT in MFIs enabled the businesses to address and accommodate global customers, vendors, suppliers, and local customers on a common ground. In this way, access to customers is simplified and service delivery hastened. Mbote (2003) studied the influence of IT on marketing. The study which was a case of commercial banks in Kenya established that revolutionary advances in IT in Kenya had reinforced economic and social changes in the banking industry. From the study, it emerged that industries were using IT to create solid relationships with their customers.

The study further established that IT has brought numerous changes in the consumer behaviour due to the readily available information and as a result, businesses are increasingly serving many of their customers and prospective customers on the internet. This makes business-customer interaction faster, easier and cheaper.

2.3.3 Supplier Management

Van Ark, Mahony and Timmer (2008) contend that despite the importance of services and the growth of the services sector globally, services still lag behind in process excellence and performance when compared to manufacturing. This could be explained by the successful manufacturing organizations as they tend to integrate the supply, production and delivery processes of their core products with the use of effective information systems (Narasimhan & Jayaram, 1998; Bosworth & Triplett, 2004). It is notable that few researchers have been interested in the management of supply chains of services, through the adaptation of existing supply chain management (SCM) models (Ellram et al., 2007; Sengupta et al., 2006).

Studies so far focused on how traditional supply chain functions can be defined in services (Kathawala & Abdou, 2003; Ellram, Tate & Billington, 2004) and investigated the dyadic relationship between the service provider and the end consumer of a service (Sampson, 2000). In the pursuit of developing a service SCM framework, A study was conducted by Ellram et al. (2004) to assess the utility existing SCM models and have adapted six processes of the global supply chain forum framework (Cooper, Lambert & Pagh, 1997) for application to a service supply chain: information flow, capacity and skills management, demand management, customer relationship management, supplier relationship management, service delivery management, and cash flow. Ellram et al. (2004) view capacity management as necessary to understanding the service, by considering the process of providing a service as the transfer of capacity for the purposes of providing value to the customer.

2.3.4 Service Strategy

Edvardsson et al. (2012) sought to investigate the role of key strategic factors in new service development. The study investigated the role of service development strategy, a formalized development process, integrated development teams and customer co-creation. The findings indicated that managers believe that customer co-creation is most important in order to succeed with new service development. However, contrary to management belief, a service development strategy is the “missing link” in improving new service development performance.

Empirical literature has explored various strategic avenues for extending the service business. For instance, Mathieu's (2001) strategy on customer service captures all services enhancing the quality in the customer relationship and supporting companies to augment their product offering. Gebauer et al.'s (2010) strategies on being an after-sales service providers or customer-support service providers are conceptualized through basic services ensuring product functionality and advanced services that optimize the efficiency and effectiveness of products in the customer processes. Davies' (2004) strategies on offering business consulting and integration services capture specific service offerings.

As a result of the conceptualization of service strategies through the service offerings, the service strategies interact with the actual service attributes. For example, services associated with the strategy of an after-sales service provider are argued to be highly standardized, less intensive in the customer relationship, and with the product as the direct recipient of the services. Services relating to the strategy of a customer-support service provider are highly customized, require more intensive customer relationships, and are focused on the user (Mathieu, 2001; Matthyssens and Vandendempt, 2010; Oliva and Kallenberg, 2003).

2.3.5 Staff Management

The operations management empirical literature indicates that the key aspects of a service include; service design, service employee management, service marketing & communication among others (Verma, 2000; Roth & Manor, 2003; Chase & Apte, 2007; Gunawardane, 2008).

Hence in this subsection the key aspects of staff management in an operations management setting are discussed. Slack et al. (1995) argue that the operations manager has three main tasks which include; design of the operation; planning & control and improvement.

The design of service operations entails the customer actively participates in the process of defining the service specification, detailing his/her individual requirements; negotiation of the service specification thus forms part of the service process (Silvestro, 1999). Roth and Menor (2003) argue that one of the initial steps in designing a new service or assessing its effectiveness is to consider all of the elements of the delivered service from the perspective of both the buyer and the seller.

The service planning and control generally entails key features such as the roles of the service provider and customer, the appropriate deployment of service technologies, the size and layout of facilities, the degree and type of customer contacts, and the specification of delivery tasks and treatments to the front and back offices (Chase & Haynes, 2000; Roth & Menor, 2003).

With regard to service employee management, it is notable that the high labour costs pose a challenge especially from an operations management view (Verma, 2000) although the relatively low capital intensity of most professional firms and limited role of external investors allows for adoption of different organizational structures (Lewis & Brown, 2012).

For instance, the partnership structure assists in resolving most of the ancient management issues in professional firms such as focusing more on a system of leveraged

Other studies for instance, Edvardsson et al. (2012) investigated the role of service development strategy, a formalized development process, integrated development teams and customer co-creation revealing a difference in concept with the current study. Some studies portrayed similar concept as the current study but in a different contextual setting for instance a study by Prajogo (2006) which investigated the application of operations management (OM) activities in Australian service firms. Although studies have been conducted on customer experience, there has been little effort directed towards investigation of the combined effects of the four variables on customer experience in one study especially in developing economies and that is why the current study was well suited to investigate the implementation of customer strategies among professional service firms in Kenya.

2.5 Research Gaps

From the literature review, the study established that studies have been conducted globally and regionally on customer experience. The studies have focused on various sectors but little effort has been directed towards professional service providers sector. The review of literature also indicates that little attention on customer experience in professional firms has been given in audit firms. Based on the argument that audit firms globally operate under similar universal audit rules, it is hence important to conduct a study of this nature in the developing economies so as to fill the existing literature gap as a result of few studies in the area. The study hence sought find out the customer satisfaction strategies among professional service providers in Kenya.

The study also sought to fill theoretical research gaps identified in other studies so as to broaden the concept being investigated by linking it to more theories which had previously not been focused on. A study by Kandampully and Menguc (2000) examining three groups of strategies (service quality control practices, service measurement practices and service maintaining practices) adopted by service firms in New Zealand as a means to promote a sustainable and superior quality of service as well as a study by Parasuraman et al. (1985) used the SERVQUAL theory to establish determinants of customer experience. The current study sought to explore broadly by using Assimilation as well as the the Resource Based View theory instead of the SERVQUAL theory. This aimed to fill the theoretical research gaps.

2.6 Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Kombo and Tromp, 2009). This section provides a figurative representation of the link between the independent and the dependent variable. The independent variable entailing customer satisfaction strategies was operationalized by information and communication technology, supplier management, service strategy and staff management. The dependent variable which is customer experience was operationalized using the indicators of SERVQUAL model as measured in a study by Kandampully and Menguc (2000). Below is a figurative representation of the conceptual framework.

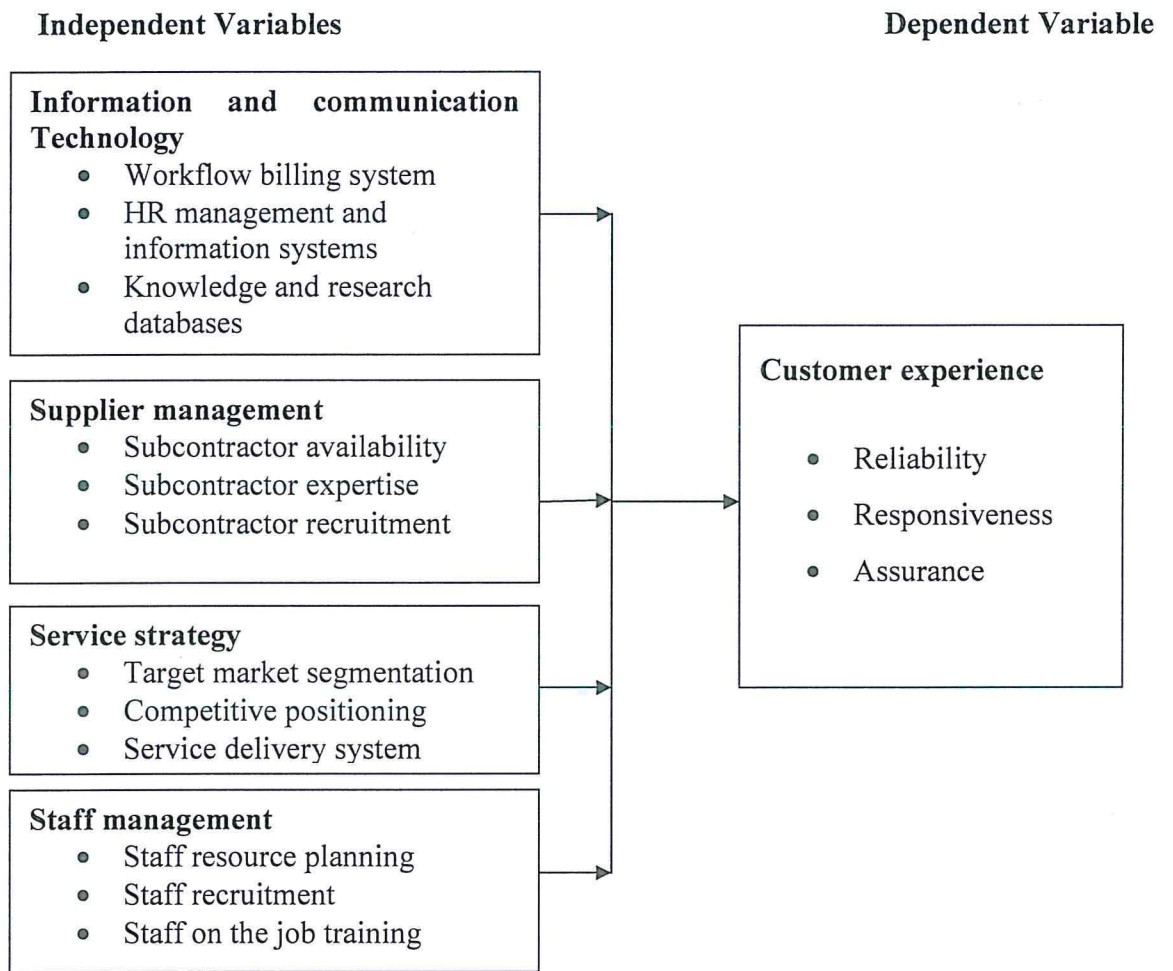


Figure 2.1: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter introduces the research methodology that the study used in order to address the study objectives. It is divided into the following sub topics; research design, population, sampling procedure, data collection procedure, ethical considerations, data analysis and reliability and validity.

3.2 Research Design

The study employed an explanatory study design. Explanatory study designs are important in answering the “how” questions. Such designs seek to explain how one variable affects another. The use of the explanatory research was considered appropriate to use any time there is need to clarify a perceived problem. Whenever there is a problem, it is important to completely understand it before solving it and the use explanatory research to address such a problem is recommended (Johnson, 2006). Explanatory study design was preferred because the study needs to find out the influence of various strategies on customer experience in professional service firms in Kenya.

3.3 Target Population

The study targeted both the top 4 audit firms in Kenya which are Deloitte Consulting, Ernst & Young , KPMG Consulting and PricewaterhouseCoopers (PwC) and their customers who are listed firms at NSE. The respondents were from each level of management that is low level, middle level and top level management.

The target population was from the IT, Operations and Human Resource departments. The respondents targeted were from all the three levels of management in the three departments. Deloitte Consulting has 22 staff in the management position, Ernst and Young has 13 managers, KPMG Consulting has 16 managers and PWC has 21 managers from the three departments. This were targeted. This is indicated in Table 3.1.

Table 3.1 *Target population of the Audit firms*

Firm	Total
Deloitte Consulting	22
Ernst & Young	13
KPMG Consulting	16
PricewaterhouseCoopers (PwC)	21
Total	72

Source: HRM Departments of the FIRMS (2016)

The study also targeted the clients of the top four audit firms listed at the Nairobi securities exchange in the year 2015. The operations managers of those firms were considered for the study. The clients were best suited to give their customer experience regarding the audit firms. According to the NSE handbook (2015), Deloitte Consulting had 13 clients listed at NSE, Ernst and Young had 9 clients listed at NSE, KPMG had 9 clients listed at NSE and PWC had 11. This 42 firms were considered as the customers who were in a better position to give their views on the customer experience. The population is as indicated in Table 3.2.

Table 3.2 *Target population of the customers*

Firm	Clients listed at NSE
Deloitte Consulting	13
Ernst & Young	9
KPMG Consulting	9
PricewaterhouseCoopers (PwC)	11
Total	42

Source: NSE handbook (2015).

3.4 Sample Size and Sampling Procedure

The study conducted a census of the 4 audit firms instead of adopting a sampling methodology. This is justified on the basis that they are few. The study respondents were 72 employees in management positions from the IT department, operations department and Human resource department of the four audit firms as indicated in Table 3.1. The unit of observations were employees in management positions from this four audit firms in the three departments. The customers of the four audit firms were also considered for the study. This made up 42 firms listed at NSE who were customers of the audit firms as indicated in Table 3.2. The unit of observation was operations managers of this firms. A census approach was justified on the basis that the audit firms as well as the firms listed at NSE are few. This is also justified by the fact that they are few.

The firms listed at the NSE were best selected because of their ability to give neutral information regarding their clients, audit firms, without bias. A census was also chosen based on the argument by Israel (1967) that a census is appropriate for a sample size less than 200.

3.5 Data Collection Procedure

Mugenda and Mugenda (2003) acknowledge that there are two types of data: primary and secondary data. Primary data refers to information which is gathered from the field, whereas secondary data refers to information obtained from articles, published works and casual interviews. The data used for this study comprised of primary data. The data was collected by the use of questionnaires. Questionnaires were dropped and picked with oversight from the researcher .

3.6 Data Analysis and Presentation

The study established the association between the study variables by use of correlation. Pearson correlation was used to establish the strength of the association between the variables. Multiple regression analysis was used to investigate the relative importance and relationships in the study variables. Multiple regression analysis involves working out the relationship between several independent variables and their influence on the dependent variable. It is about working on the relationship between one dependent variable (customer experience) and independent variables (customer satisfaction strategies) to explain the change in the dependent variable. The multiple regression model below was used.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = the dependent variable (Customer experience)

X₁ = Information communication Technology

X₂ = Supplier management

X₃ = Staff management

X₄ = Service strategy

β₀ = constant

β₁₋₄ = independent variable coefficients

ε = error term

3.7 Pilot Test

A pilot test is an exercise that involves the administration of the data collection instrument to a smaller number of respondents in order to test for the reliability and validity of the data collection instrument (Kothari, 2004). The subjects participating in the pilot study were not included in the final study to avoid survey fatigue. The study conducted a pilot study in order to establish the validity and reliability of the data collection instruments. The participants in the pilot test were 5% of the target population. That is four respondents from the audit firms and 2 from the customers (listed firms). This indicated 5% of 72 and 42 respectively. Cooper and Schindler (2008) argued that the size of the pilot participants should be between 1% and 5% of the target population.

3.7.1 Validity

Validity is the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda and Mugenda (2003). In other words validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. Validity exists if the data measures what they are supposed to measure.

To ensure content validity, the questionnaire was subjected to thorough examination by two experts including the supervisor. They were asked to evaluate the statements in the questionnaire for relevance and whether they were meaningful, clear, loaded or offensive. On the basis of the evaluation, the instrument was adjusted appropriately before subjecting it to the final data collection exercise. Their review comments were used to ensure that content validity is enhanced.

3.7.2 Reliability

Reliability is the consistency of a set of measurement items (Cronbach, 1951). Reliability is the consistency of measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. In short, it is the repeatability of measurement. A measure is considered reliable if a person's score on the same test given twice is similar. The study conducted reliability analysis to establish the reliability of the data collected. The researcher used the most common internal consistency measure known as Cronbach's Alpha (α). The recommended value of 0.7 was used as a cut-off of reliability for this study.

Cronbach's Alpha is a general form of the Kuder-Richardson (K-R) 20 formulas used to assess internal consistency of an instrument based on split-half reliabilities of data from all possible halves of the instrument (Cronbach, 1951). The Kuder-Richardson (K-R) 20 formula is as below:

$$KR_{20} = \frac{(K) (S^2 - \sum S^2)}{(S^2) (K - 1)}$$

Where

KR₂₀- Reliability Coefficient of internal Consistency

K- Number of items used to measure the concept

S²-Variance of all scores

s² - Variance of individual items

3.8 Ethical Consideration

Due care was given to strict adherence of research procedures particularly those involving human subjects. Since the study involves human participants, care was taken to ensure that they are not affected negatively in any way and the research was not being undertaken for personal gain (Mugenda and Mugenda, 2003). Permission from the university was sought before research study began. The researcher introduced himself to the authority to explain what the study entails, as well as the purpose of the study. It was necessary to make clear that the purpose of the study was purely academic in order to enhance knowledge.

The respondents were assured that their identity and information provided would be confidential, and would be treated with discreet confidence. Rapport was built right

from the start in order to win the confidence of the respondents. The researcher booked appointments and was careful to manage the time availed for any kind of interaction (for example for the interview or questionnaire), properly. Simple and acceptable language was used to reach different levels of people. All respondents and informant were acknowledged for their contribution. The researcher ensured that all research instruments were reliable and would give accurate data. Interpretation of data was as accurate as possible; to ensure the research findings are reliable. Respect was accorded to all participants of the study regardless of their status or creed.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter deals with the analysis and results of the data. The findings were presented based on the four specific objectives of the study. A structured questionnaire was used during the study to collect data. First section addressed the demographic information of the research, while subsequent sections addressed issues relating to descriptive and inferential analysis. A total number of 114 questionnaires were administered to both the audit firms and their clients. Perceptions of the clients regarding the audit firms was sort. The data from the audit firms was used to achieve the study objectives. Results of the study are presented in tables and diagrams. The analyzed data is arranged under themes that reflect the research objectives. The study findings are also compared with the findings of previous studies and the implications are also established.

4.2 Reliability Results

The reliability of an instrument refers to its ability to produce consistent and stable measurements. Reliability of this instrument was evaluated through Cronbach's Alpha which measures the internal consistency. Cronbach's Alpha value is widely used to verify the reliability of the construct. Reliability of the data set was conducted on the whole data set to establish its suitability for use in the study. The results are presented in Table 4.1.

Table 4.1 Reliability Coefficient

Variable	Reccommended cut off Cronbach's Threshold	Cronbach's Alpha	Number of items	Comment
Information communication technology	0.7	0.722	5	Accepted
Supplier management	0.7	0.912	5	Accepted
Staff management	0.7	0.802	5	Accepted
Service strategy	0.7	0.782	5	Accepted
Customer experience	0.7	0.814	5	Accepted
Perceptions on the current audit firms	0.7	0.892	5	Accepted
Expectations on the audit firms	0.7	0.908	11	Accepted

The findings indicate that the data for Information communication technology, Supplier management, Staff management, Service strategy, customer experience , customers perceptions on the current audit firms as well as expectations on the audit firms were reliable. Cronbach's alpha's values of greater than 0.7 indicates reliability (Kothari, 2004).

4.3 Response Rate of the Respondents

The number of questionnaires that were administered was 114. A total of 97 questionnaires were properly filled and returned. This represented an overall successful response rate of 85%. 61 questionnaires were filled by the audit firms while 36 questionnaires were filled by the customers. This confirms an argument by Babbie (2004) that return rates of 50% were acceptable to analyze and publish, 60% was good and 70% was very good. Based on these assertions from renowned scholars, 85% response rate was adequate for the study.

4.4 Demographic Characteristics of the Respondents from the Audit firms

This section analyzes the demographic characteristics of the respondents from the audit firms in terms of their work experience. The study sought to establish how long the respondents had worked in their respective audit firms. Results in Figure 4.1 reveal that majority, 45% of the respondents had worked in their audit firms for a period between 6 and 10 years. 21% had worked for a period less than 5 years while only 14% had worked for a period over 15 years. This implies that there is a low turnover rate at management levels in the audit firms in Kenya since majority of the employees had worked for a period over 6 years.

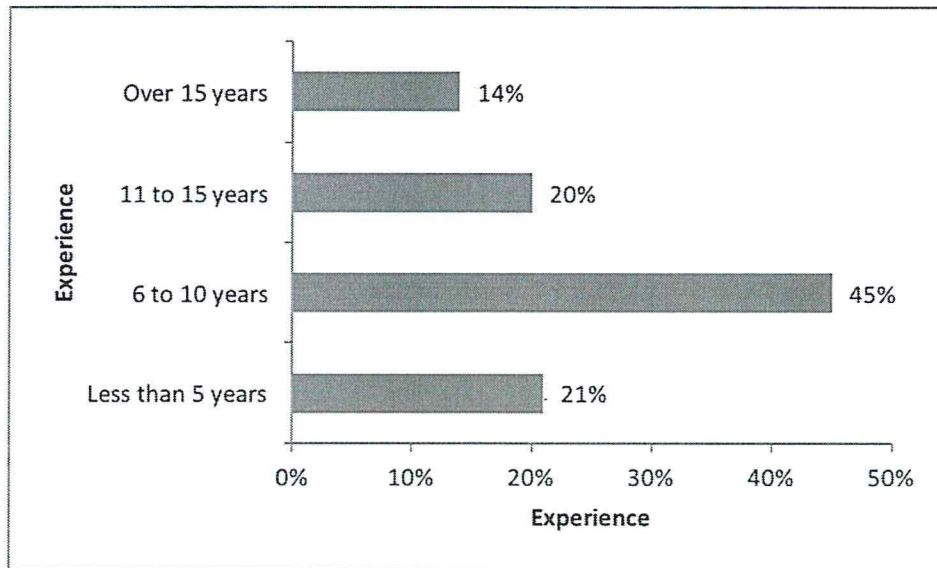


Figure 4.1: Work experience

4.5 Descriptive analysis

The respondents from the audit firms were requested to indicate their agreement or disagreement with statements based on the variables under study. The statements were on a scale of 1 to 5 where 1 was strongly disagree, 2 was disagree, 3 was neutral, 4 was agree and 5 was strongly agree. The descriptive analysis per variable was as presented.

4.5.1 Information Communication Technology

The findings indicate that majority of the respondents neither agreed nor disagreed with the statements concerning ICT as indicated by an overall mean score of 3.20. The respondents were neutral on the statement that the firm has a well established work flow billing system for better service delivery as shown by a mean of 3.25, staff and sub contractor capacity scheduling system for better service delivery as shown by a mean of 3.07 and knowledge and research databases for better service delivery as indicated by

3.25. The respondents disagreed that the firm has a well established customer and relations management system for better service delivery (Mean = 2.30) but agreed that there is a well established HR management and information system for better service delivery as shown by a mean of 4.12.

Table 4.2: Five point likert rating of Information communication technology statements

Statement	1	2	3	4	5	Std	
						Mean	Dev
The firm has a well established work flow billing system for better service delivery	15.40%	15.40%	22.00%	23.10%	24.20%	3.25	1.39
The firm has a well established staff and sub contractor capacity scheduling system for better service delivery	18.70%	15.40%	24.20%	24.20%	17.60%	3.07	1.36
The firm has a well established knowledge and research databases for better service delivery	13.20%	11.00%	31.90%	25.30%	18.70%	3.25	1.26
The firm has a well established customer and relations management system for better service delivery	26.40%	34.10%	26.40%	9.90%	3.30%	2.30	1.07
The firm has a well established Hr management and information system for better service delivery	9.90%	2.20%	12.10%	17.60%	58.20%	4.12	1.30
Average						3.20	1.28

4.5.2 Supplier management

Overall, the results indicate that majority of the respondents agreed with the statements concerning supplier management as shown by a mean score of 3.59. Majority of the respondents neither agreed nor disagreed that the firm considers Subcontractor availability when outsourcing as a key factor for better service provision and that the it has a proper mechanisms to ensure proper performance management of the Subcontractor so as to have better service delivery but disagreed with the statement that the induction of the Subcontractor is always conducted so as to achieve better service delivery as shown by average means of 3.07, 3.19 and 2.90 respectively. Furthermore, there was an agreement with the statement that Subcontractor recruitment is done in a fair and transparent manner by the firm and that the firm management considers the quality and expertise of the Subcontractor when outsourcing as a key factor for better service provision as indicated by means of 4.22 and 4.10 respectively.

Table 4.3: Five point likert rating of Supplier management statements

Statement						Std	
	1	2	3	4	5	Mean	Dev
The firm considers Subcontractor availability when outsourcing as a key factor for better service provision.	18.70%	15.40%	26.40%	19.80%	19.80%	3.07	1.38
Subcontractor recruitment is done in a fair and transparent manner by the firm	5.50%	4.40%	13.20%	16.50%	60.40%	4.22	1.17
The firm management considers the quality and expertise of the Subcontractor when outsourcing as a key factor for better service provision	1.10%	3.30%	25.30%	25.30%	45.10%	4.10	0.97
The induction of the Subcontractor is always conducted so as to achieve better service delivery	16.50%	19.80%	30.80%	23.10%	9.90%	2.90	1.22
The firm has a proper mechanisms to ensure proper performance management of the Subcontractor so as to have better service delivery	16.50%	8.80%	33.00%	23.10%	18.70%	3.19	1.31
Average						3.64	1.21

4.5.3 Staff management

The findings indicated that majority of the respondents agreed with the statements on staff management as indicated by an overall mean score of 3.59. The respondents agreed that Staff on boarding is one of the activities the management engages in so as to have better service delivery, the management engages in staff talent management, on the job training so as to have better service delivery and that staff recruitment by the firm is done in a fair and undiscriminated manner so as to have a qualified staff for better service delivery as indicated by means of 3.71, 3.91 , 3.91and 3.79 respectively. The respondents were however neutral on statements that there is staff resource planning in the firm as one of the ways of enhancing service delivery to clients as indicated by a mean of 2.99.

Table 4.4: *Five point likert rating of staff management statements*

Statement	1	2	3	4	5	Mean	Std Dev
There is staff resource planning in the firm as one of the ways of enhancing service delivery to clients	16.50%	16.50%	30.80%	24.20%	12.10%	2.99	1.25
Staff recruitment by the firm is done in a fair and undiscriminated manner so as to have a qualified staff for better service delivery	3.10%	4.10%	17.60%	38.90%	36.40%	3.79	1.22
Staff on boarding is one of the activities the management engages in so as to	4.40%	9.90%	24.20%	33.00%	28.60%		

Statement	1	2	3	4	5	Mean	Std Dev
have better service delivery						3.71	1.12
The management engages in staff talent management so as to have better service delivery	6.60%	9.90%	16.50%	19.80%	47.30%	3.91	1.28
The management engages in on the job training so as to have better service delivery	6.60%	9.90%	16.50%	19.80%	47.30%	3.91	1.28
Average						3.59	1.26

4.5.4 Service Strategy

The overall results indicated that majority of the respondents neither agreed nor disagreed with the statements concerning service strategy as shown by a mean score of 3.40. Mean scores of 4.31 and 3.70 indicated that majority of the respondents agreed that the firm ensures clear service definition so as to ensure better service delivery as well as constant revisions of service strategy. The results also indicated that majority of the respondents were neutral on the statement that the firm uses target market segmentation as one of the strategies to ensure better service delivery as well as having a well established and strictly adhered to service delivery system in the firm so as to ensure better service delivery as shown by means of 3.35 and 3.36 respectively.

Table 4.5: Five point likert rating of service strategy statements

Statement	1	2	3	4	5	Mean	Std Dev
The firm uses target market segmentation as one of the strategies to ensure better service delivery	12.10%	18.70%	16.50%	27.50%	25.30%	3.35	1.36
The firm uses competitive positioning as one of the strategies to ensure better service delivery	42.90%	17.60%	18.70%	9.90%	11.00%	2.29	1.39
The firm ensures clear service definition so as to ensure better service delivery	0.00%	5.50%	13.20%	26.40%	54.90%	4.31	0.90
There is a well established and strictly adhered to service delivery system in the firm so as to ensure better service delivery	26.40%	5.50%	17.60%	6.60%	44.00%	3.36	1.68
There is constant revisions of service strategy	11.00%	4.40%	19.80%	33.00%	31.90%	3.70	1.27
Average						3.40	1.32

4.5.5 Customers perceptions on their current audit firms

The respondents from the listed firms were requested to indicate their perceptions regarding service delivery by the audit firms. The study findings indicated that majority of the respondents agreed that the tangibility of the service the audit firm provides to them, for instance the appearance of our employees, the reliability of the audit firm, in terms of consistency and accuracy , the audit firm’s responsiveness, in terms of their willingness to promptly and efficiently solve their problems, the audit firm’s assurance, in terms of their knowledge polite and trustworthy and the audit firm’s empathy, in terms of willingness and readiness to provide them with personal service, is satisfactory as indicated by an overall mean score of 3.87.

Table 4.6: *Five point likert rating of Customers perceptions on their current audit firms*

Statement	1	2	3	4	5	Mean	Std Dev
The tangibility of the service the audit firm provides to you, for instance the appearance of our employees is satisfactory	11.40%	12.90%	4.30%	24.30%	47.10%	3.83	1.43
The reliability of the audit firm, in terms of consistency and accuracy is satisfactory	11.40%	12.90%	2.90%	35.70%	37.10%	3.74	1.38
The audit firm’s responsiveness, in terms of their willingness to promptly and efficiently solve your problems is satisfactory	1.40%	4.30%	2.90%	48.60%	42.90%	4.27	0.83
The audit firm’s assurance, in terms of their knowledge polite and	8.60%	8.60%	11.40%	37.10%	34.30%	3.80	1.25

Statement	1	2	3	4	5	Mean	Std Dev
trustworthy is satisfactory							
The audit firm's empathy, in terms of willingness and readiness to provide you with personal service, is satisfactory	12.90%	11.40%	11.40%	22.90%	41.40%	3.69	1.44
Average						3.87	1.27

4.5.6 Customers expectations on audit firms

The study further sought to establish customers expectations regarding the audit firms. All the respondents agreed that among other characteristics, the audit firming companies should have visually appealing physical facilities, neat employees, sincere interest in solving their customers problems, time conscious, insistence on error free records and have the knowledge to answer the customers' questions. This was as indicated by an overall mean score of 3.96.

Table 4.7: Five point likert rating of Customers expectations on audit firms

Statement	1	2	3	4	5	Mean	Std Dev
Excellent Audit firming companies should have visually appealing. physical facilities	8.60%	14.30%	8.60%	28.60%	40.00%	3.77	1.34
Employees at excellent Audit firms should be neat in their appearance.	7.10%	7.10%	10.00%	25.70%	50.00%	4.04	1.24
When a customer has a problem, excellent Audit firms should show a sincere interest in solving it.	14.30%	10.00%	10.00%	25.70%	40.00%	3.67	1.45
Excellent Audit firms will provide the service at the time they promise to do so.	12.90%	15.70%	8.60%	20.00%	42.90%	3.64	1.48
Excellent Audit firms should insist on error free records.	11.40%	12.90%	10.00%	21.40%	44.30%	3.74	1.43

Statement	1	2	3	4	5	Mean	Std Dev
Employees of excellent Audit firms should never be too busy to respond to customers' requests.	1.40%	4.30%	1.40%	47.10%	45.70%	4.31	0.83
The behaviour of employees in excellent Audit firms should instil confidence in customers	12.90%	7.10%	10.00%	30.00%	40.00%	3.77	1.38
Employees of excellent Audit firms should have the knowledge to answer the customers' questions.	15.70%	7.10%	10.00%	28.60%	38.60%	3.67	1.45
Excellent Audit firms should have operating hours convenient to all their customers.	10.00%	11.40%	7.10%	24.30%	47.10%	3.87	1.38
Excellent Audit firms should have employees who give customers personal service.	8.60%	10.00%	14.30%	25.70%	41.40%	3.81	1.31
The employees of excellent Audit firms should understand the specific needs of their customers.	25.70%	7.10%	5.00%	38.60%	28.60%	3.80	1.42
Average						3.96	1.47

A independent sample t-test was also used to establish whether there was a significant difference in the customer's perception of the audit firms compared to the audit firms self assessment of customer experience. The null hypothesis is that there is no significant difference between in the customer's perception of the audit firms compared to the audit firm's own self assessment of customer experience. The results are presented in Table 4.8.

Table 4.8 : An independent sample t-test

		95% Confidence Interval of the Mean-difference					t	df	Sig.
Mean	Std. Dev	Lower	Upper						
Audit firms customer experience (Self Assessment)	3.683	0.865							
Customer's Perception	3.8333	-0.15	1.25812	-0.60449	0.30449	0.67	35	0.507	

The results indicate that the null hypothesis was not rejected since the level of significance was greater than 0.507. This therefore implies that there was no significant difference in the audit firms self assessment of the customers experience and the customers perception of the audit firms.

4.6 Inferential analysis

The study conducted inferential analysis to establish the association and relationship between the study variables. Both Pearson correlation and ordinary least square

regression analysis were conducted. Correlation analysis was used to establish the association between the study variables while regression analysis was used to establish the relationship between the variables.

4.6.1 Correlation analysis

Correlation analysis was conducted to establish the association between the study variables. A correlation matrix was used to indicate the correlation coefficients. Multicollinearity was also tested. The importance of correlation is to determine the extent to which changes in the value of an attribute is associated with changes in another attribute. The measure of correlation coefficient ranges from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all. The strength of the association increases as the Pearson coefficient approaches -ve 1 or +ve 1. The results for correlation analysis are as presented in Table 4.6.

Table 4.9: Correlation analysis

		ICT	Supplier management	Staff management	Service strategy
MeanICT	Pearson Correlation				
	Sig. (2-tailed)				
Supplier management	Pearson Correlation	.494**			
	Sig. (2-tailed)	0.000			
Staff management	Pearson Correlation	.462**	.607**		
	Sig. (2-tailed)	0.000	0.000		
Service strategy	Pearson Correlation	0.043	0.11	.248*	
	Sig. (2-tailed)	0.685	0.297	0.018	
Customer experience	Pearson Correlation	.520**	.529**	.585**	.350**
	Sig. (2-tailed)	0.000	0.000	0.000	0.001

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The findings of the study indicates that ICT was positively and significantly associated with customer experience (R=0.520, P-Value = 0.000). The findings imply that increased use of ICT systems leads to improvement in customer experience.

The findings of the study indicates that supplier management was positively and significantly associated with customer experience ($R=0.529$, $P\text{-Value} = 0.000$).

The findings imply that an increase in supplier management practices for instance consideration of the subcontractor availability when outsourcing and conducting induction of the Subcontractor leads to an improvement in customer experience.

The results indicated that staff management was positively and significantly associated with customer experience ($R=0.585$, $P\text{-Value} = 0.000$). The findings imply that an increase in staff management practices for instance staff on boarding, talent management and resource planning leads to an improvement in customer experience.

The results indicated that service strategy was positively and significantly associated with customer experience ($R=0.350$, $P\text{-Value} = 0.001$). The findings imply that an improvement in service strategy for instance interms of clear service definition and target market segmentation strategies leads to an improvement in customer experience.

4.6.2 Regression analysis

To answer the research questions, a regression model was used. Regression is the determination of a statistical relationship between two or more variables. In simple regression, there are two variables, one variable (defined as independent) is the cause of the behavior of another one (defined as dependent variable). When there are two or more than two independent variables, the analysis concerning relationship is known as multiple regression and the equation describing such relationship as the multiple regression equation. ANOVA was used to test the model significance.

Before running the regression analysis, the assumptions of OLS were observed. The collinearity of the independent variables was tested using a correlation matrix in Table 4.9. The results indicated that there was no case of collinearity. Collinearity occurs when the correlation between the independent variables is greater than 0.8.

Normality of the dependent variable was also tested using Kolmogorov Smirnova test to show whether there was presence of extreme values. The null hypothesis that the dependent variable is normally distributed is not rejected at 5% level of significance since the level of significance that is, 0.03 in (Table 4.10) is significant (less than 0.05). This implies that the data met the statistical requirements to be used in a regression model.

Table 4.10: Test of Normality(Kolomogorov Smirnova Test)

Kolmogorov-Smirnova Test	
Statistic	Sig.
0.118	0.053

After running the regression model, the results for the model summary are presented in Table 4.11.

Table 4.11: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.706	0.499	0.475	0.5401
a	Predictors: (Constant), mean_service_strategy, MeanICT, Mean_supplier_management, mean_staff_management			

The model summary findings reveal that the four variables namely ICT, supplier management, staff management and service strategy are jointly positively associated with customer experience as indicated by an R-coefficient of 0.706. Furthermore, the results indicated that the four variables (ICT, supplier management, staff management and service strategy) jointly account for up to 49.9% of the changes in customer experience as indicated by a coefficient of determination value (R-square value) of 0.499. This indicates that the remaining 51.1% of the changes in customer experience is accounted for by other factors.

Table 4.12: Model Fitness (ANOVA)

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.952	4	6.238	21.383	0.000
	Residual	25.088	56	0.292		
	Total	50.04	60			
b Predictors: (Constant), Service strategy, ICT, Supplier management, Staff management						

The model fitness results presented indicated that the regression model linking the four variables to customer experience was significant. An F-calculated value of 21.383 was greater than the F critical (4,56) value of 2.52 hence the model was significant. This was further tested at 5% and the findings indicated that the F-statistic value of 21.383 was significant at 5% level of significance. This implies that the regression model fit well and was significant in predicting customer experience.

Table 4.13: Model Coefficients

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		Beta	Std. Error	t	Sig.
1	(Constant)	0.913	0.402	2.269	0.026
	ICT	0.204	0.064	3.181	0.002
	Supplier management	0.192	0.1	1.921	0.058
	Staff management	0.203	0.076	2.675	0.009
	Service strategy	0.306	0.097	3.145	0.002

Dependent Variable: Customer experience

The study findings revealed that the four variables (ICT, supplier management, staff management and service strategy) are positively related to customer experience as indicated by positive beta coefficients of 0.204, 0.192, 0.203 and 0.306 respectively.

The findings also revealed that three variables (ICT, staff management and service strategy) are significantly related to customer experience as indicated by p-values of 0.002, 0.009 and 0.002 which are less than 0.05 level of significance while supplier management is not significantly related to customer experience as indicated by a p-value of 0.058 which is above 0.005.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter presents the summary of the findings and discussion. The results in this study are compared to the findings of results in other studies.

5.2 Information communication Technology

The first objective of the study was to establish the influence of ICT systems on customer experience in professional service firms in Kenya. The descriptive findings indicated that there is a well established work flow billing system, staff and sub contractor capacity scheduling system and knowledge and research databases for better service delivery. Few firms have a well established customer and relations management system for better service delivery while majority of the firms have a well established HR management and information system for better service delivery. The findings are consistent with Muchiru (2003) who indicated that ICT is a lever for designing processes and therefore instead of it being constrained to satisfy the requirements of the old procedures and products, it challenges those old procedures and replaces them with new ones and new products to meet the customers ever changing needs.

The findings are consistent with Waithaka (2006) who studied the levels of customer satisfaction with educational services offered by the Kenya Polytechnic and established that service firms have been able to leverage the power of IT to enhance time and place utility in their customer offerings and that there is a positive co-relation between the utilization of ICT and enhanced customer satisfaction.

Inferential findings showed that ICT was positively and significantly associated with customer experience while regression results indicated that ICT was positively and significantly related with customer experience. This implies that ICT positively influences customer experience. The findings are consistent with Vos et al. (1997) who conducted a study and its findings indicated that the adoption of ICT has a direct link to the attainment of high service performance, which in turn leads to superior business performance (Markland, 1999). The findings are also consistent with Wambugu (2010) who established that ICT brings efficiency and improves customer experience. The findings are also consistent with Ougo (2010) who indicated that the use of ICT has improved service delivery in the ministry and that service delivery to the internal customers is much better now than it was during the days of the manual processes.

5.3 Supplier management

The second objective of the study was to assess the influence of supplier management on customer experience in professional service firms in Kenya. The descriptive findings revealed that the audit firms considers Subcontractor availability when outsourcing as a key factor for better service provision , have proper mechanisms to ensure proper performance management of the Subcontractor so as to have better service delivery

while induction of the Subcontractors is not widely practiced by the audit firms. There is however fair and transparent Subcontractor recruitment as well as consideration of the quality and expertise of the Subcontractor when outsourcing.

Correlation results indicated that supplier management was positively and significantly associated with customer experience while regression results indicated that supplier management was positively and but not significantly related with customer experience. This however implies that supplier management positively influences customer experience. The relationship is however not significant. The findings are consistent with Ellram *et al.* (2004) who argue that for supplier relationship management to have a significant impact there should also be other processes like information flow, demand management, service delivery management and cash flow being conducted properly. This might explain the insignificance of supplier management in this study.

One of the explanations as to why supplier management is not significant is that the audit firms rarely outsource audit and tax experts . The main activities of the audit firms are auditing and tax advisory and in that aspect, these firms have adequate numbers of well trained experts in the field hence there is minimum outsourcing through subcontracting of services. This implies that the use supplier management in that line is low and hence the relationship between supplier management and customer experience is not significant.

5.4 Staff management

The third objective of the study was to find out the influence of service strategy on customer experience in professional service firms in Kenya. The descriptive findings indicated that among the staff management practices widely practised by audit firms in Kenya are staff on boarding , staff talent management, on the job training and fair, undiscriminated staff recruitment. The staff management practice not widely practised is staff resource planning. The findings are consistent with Verma, 2000; Roth & Manor, 2003; Chase & Apte, 2007; Gunawardane (2008) who indicated that the key aspects of a service include; service design, service employee management, service marketing & communication.

The inferential findings indicated that staff management was positively and significantly associated with customer experience while regression results indicated that staff management was positively and significantly related with customer experience. This implies that staff management positively influences customer experience. The findings are consistent with Von-Nordenflycht (2010) who contended that all expert or knowledge intensive workers determine their judgments within a particular knowledge system and that is what makes professional employees different is that this body of knowledge is externally (non-government) regulated and controlled in its content and application.

5.5 Service strategy

The fourth objective of the study was to determine the influence of staff management on customer experience in professional service firms in Kenya. The descriptive results indicate that the audit firms ensures clear service definition so as to ensure better service delivery as well as constant revisions of service strategy. Strategies which are not widely practiced are target market segmentation as well as having a well established and strictly adhered to service delivery system.

The inferential findings indicated that service strategy was positively and significantly associated with customer experience while regression results indicated that service strategy was positively and significantly related with customer experience. This implies that service strategy positively influences customer experience. This implies that an improvement in any of the four variables leads to an improvement in customer experience.

The service are consistent with Van Ark, Mahony and Timmer (2008) who contended that despite the importance of services and the growth of the services sector globally, services still lag behind in process excellence and performance when compared to manufacturing.

5.6 Theoretical Implication

The study also adds to the theoretical literature as it builds more on the Resource Based view theory as well as the Assimilation theory. The study tested the applicability of Resource Based view theory concept to the service providers in Kenya.

The study proved that a firm's unique resources for instance strategies gives it a competitive edge over its competitors and improves its performance. In so doing, it improves its customer satisfaction. The study has indicated that when a firm is capable of formulating strategies for instance staff management , ICT related strategies and service strategies, that will lead to better performance thus improving the customer experience. The study also contributes to the Assimilation theory which argues that customer dissatisfaction is based on expectation and perceived product performance and that if customers are given contrary services to what they expected, they become dissatisfied. The study findings indicated that among customers of service providers in Kenya, consumer post-usage evaluation to establish their satisfaction is key. This is a key argument by the assimilation theory.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Overview

This chapter addresses the conclusions and the recommendations. Recommendations of the study as well as recommendations for areas of further study are provided. This is done in line with the objectives of the study. The recommendations are drawn from the conclusions.

6.2 Conclusions

The study concluded that ICT is positively and significantly related to customer experience. This shows that if the service providing companies focus on improving their ICT infrastructure, this will lead to an improvement in their customer experience.

Another conclusion made by the study is that supplier management is positively and but not significantly related with customer experience. This implies that an improvement in supplier management will lead to a positive effect on customer experience but the effect will not be huge to be significant.

The findings also led to the conclusion that staff management practices are positively and significantly related to customer experience. This shows that an improvement in staff management practices will lead to an improvement in customer experience

significantly. There is hence a need to focus on improving the staff management practices as it positively influences customer experience.

Further conclusions were made based on service strategy. It was concluded that service strategy is positively and significantly related to customer experience. Based on this, the service providing companies need to focus on revising their service strategies with an aim of experiencing better customer experience.

6.3 Recommendations of the Study

Since the findings indicated that ICT is positively and significantly related to customer experience, the study recommends that audit firms and other service provision firms should invest more in ICT systems that involve having have a well established work flow billing system, staff and sub contractor capacity scheduling system and knowledge and research databases for better service delivery.

The study also recommends that audit firms in Kenya should consider Subcontractor availability when outsourcing as a key factor for better service provision , have proper mechanisms to ensure proper performance management of the Subcontractor so as to have better service delivery and also embrace induction of the Subcontractors since these supplier management practices are positively related with customer experience.

Another recommendation made based on the study findings is that audit firms and other service firms should aim to improve their customer experience by establishing better staff management practices and investing more in them for instance staff on boarding , staff talent management and on the job training. There should also be fair and undiscriminated staff recruitment as they lead to improved customer experience.

The study also recommends that since service strategy positively influences customer experience, audit and other service firms should aim to ensure that there is a clear service definition so as to ensure better service delivery as well as constant revisions of service strategies they employ. Furthermore, market segmentation as well as having a well established and strictly adhered to service delivery system should also be considered.

6.4 Recommendations for Further Study

The purpose of the study was to find out the implementation of customer satisfaction strategies among professional service firms in Kenya and their influence on customer service. The study recommends that further studies can be conducted to focus on the same variables but in other service firms other than audit firms for instance the law firms. This will aid in establishing comparisons in the findings. Furthermore, a similar study can be conducted with inclusion of more customer customer satisfaction strategies other than the four employed in the current study. A similar study can be conducted to establish other factors as well as strategies which influence customer experience other than the four strategies investigated in this study.

REFERENCES

- Amit, R. & Schoemaker, P. (1993). Strategic assets and organizational rent. *Strategic Management Journal*, 14, 33-46.
- Anderson (1973), "Consumer Dissatisfaction: The Effect of Disconfirmed Expectancy on Perceived Product Performance". *Journal of Marketing Research*: 10 (2), 38-44
- Balogun, J. & Jenkins, M. (2003). Re-conceiving change management: A knowledge-based perspective. *European Management Journal*, 21 (2), 247-257.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*. 17 (1), 99-120.
- Berry-Leonard, L. (1980). Services marketing is different, *Business*, 30, 24 – 29.
- Bosch, V. & Enriquez, F. (2005). Exploiting a customer complaint management system. *International Journal of Quality & Reliability Management*, 22(1):30–37.
- Bosworth, B.P. & Triplett, J.E. (2004). *Productivity in the US services sector: New sources of economic growth*, Brookings Institution Press, Washington, DC.
- Burgess, K. & Singh, P.J. (2006). A proposed integrated framework for analysing supply chains, *Supply Chain Management: An International Journal*, 12 (4), 337- 344.
- Cardozo, R. (1965). An experimental study of customer effort, expectation and satisfaction. *Journal of Marketing Research*, 2 (8), 244-249.
- Carneiro, R. (2003). A Era do Conhecimento. In Silva and Neves (Orgs.) *Gestão de Empresas na Era do Conhecimento*, Lisboa: Edições Sílabo, 33-43.
- Chase, R. B. & Apte, U. M. (2007). A history of research in service operations: What's the big idea? *Journal of Operations Management*, 25 (2), 375-386.

- Chase, R.B. & Dasu, S. (2001). Want to perfect your company's service? Use behavioral science. *Harvard Business Review*, 78–85.
- Chase, R.B. & Haynes, R. M. (2000). Service operations management: A field guide, In T. Swartz and D. Iacobucci (Eds.), *Handbook of Services Marketing and Management*, Sage Publications, Thousand Oaks, CA.
- Conner, K. & Prahalad, C. (2002). A resource-based theory of the firm. In Choo and Bontis (Eds.) *The Strategic Management of Intellectual Capital and Organizational Knowledge*, New York: Oxford University Press, 103-131.
- Cook, S. & Yanow, D. (1995). *Culture and organizational learning*. In Cohen and Sproull (Eds.) *Organizational Learning*, Thousand Oaks, CA: Sage Publications, 430-459.
- Cooper, D. R. & Schindler, P. S. (2008). *Business Research Methods*. McGraw Hill International Edition, New York.
- Cooper, M.C., Lambert, D.M. & Pagh, D. (1997). Supply chain management: more than a new name for logistics? *The International Journal of Logistics Management*, 8 (1), 1-14.
- Curado, C. (2006). The knowledge based-view of the firm: from theoretical origins to future implications, ISEG Technical University of Lisboa, *Working Paper Series*, ISSN 0874 – 8470.
- Dabholkar, P. A. (2000). Technology in service delivery: Implications for self-service and service support, in T.A. Swartz and D. Iacobucci (Eds.), *Handbook of Services Marketing and Management*, Sage Publications, Thousand Oaks, CA.

- De Carolis, D. (2002). The role of social capital and organizational knowledge in enhancing entrepreneurial opportunities in high-technology environments. In Choo and Bontis (Eds.) *The Strategic Management of Intellectual Capital and Organizational Knowledge*, New York: Oxford University Press, 699-709.
- Drucker, P. (1999). Knowledge-worker productivity: The biggest challenge. *California Management Review* 41 (2), 9–94.
- Dufalla, M. (2014). *Essays in Service Operations Management*.
- Ellram, L., Tate, W. & Billington, C. (2004). Understanding and managing the services supply chain. *Journal of Supply Chain Management*, 40 (4), 17-32.
- Ellram, L., Tate, W. & Billington, C. (2007). Services supply management: the next frontier for improved organizational performance. *California Management Review*, 49 (4), 44 – 66.
- Forman (1986), The impact of purchase decision confidence on the process of consumer satisfaction/dissatisfaction. Unpublished Ph.D. Dissertation, Knoxville: The University of Tennessee.
- Foss, N. (1997). *Resources, Firms and Strategies: A Reader in the Resource-Based Perspective*, Oxford: Oxford University Press.
- Froehle, C. M. & Roth, A. V. (2003). New measurement scales for evaluating perceptions of the technology mediated customer service experience, *University of Cincinnati Working Paper*, retrieved on 10/08/2015 from www.ssrn.org
- Fulk, J. & DeSanctis, G. (1995). Electronic communication and changing organizational forms. *Organization Science*, 6 (4), 337-349.

- Fundin,A & Bergman,B. (2003). Exploring the customer feedback process. *Measuring Business Excellence*, 7(2),55–65.
- Giannakis, M. (2011). Management of service supply chains with a service-oriented reference model: The case of management consulting. *Supply Chain Management: An International Journal*, 16 (5), 346 – 361.
- Goodale, J.C., Kuratko, D.F., & Hornsby, J.S., (2008). Influence factors for operational control and compensation in professional service firms. *Journal of Operations Management*, 26 (5), 669–688.
- Grant, R. (1991). A resource-based perspective of competitive advantage. *California Management Review*, 33, 114-135.
- Grant, R. (1996). Towards a knowledge-based view of the firm. *Strategic Management Journal*, 17, 109-122.
- Grant, R. (2002). The knowledge-based view of the firm. In Choo and Bontis (Eds.) *The strategic management of intellectual capital and organizational knowledge*, New York: Oxford University Press, 133-148.
- Gulas,C & Larsen, J.(2012). Silence is not golden: Firm response and nonresponse to consumer correspondence. *Services Marketing Quarterly* 33,261–275.
- Gunawardane, G. (2008). A comparison of service management research in operations management and service management journals, *California Journal of Operations Management*, 6 (1), 79 – 86.
- Helfat, C. & Peteraf, M. (2003). The dynamic resource-based view: Capability lifecycles. *Strategic Management Journal*, 24, 997-1101.

- Hoopes, D., Madsen, T. & Walker, G. (2003). Guest editor's introduction to the special issue: Why is there a resource-based view? Toward a theory of competitive heterogeneity. *Strategic Management Journal*, 24, 889-902.
- Hoskisson, R., Hitt, M., Wan, W. & Yiu, D. (1999). Theory and research in strategic management: Swings of a pendulum. *Journal of Management*, 25 (3), 417-456.
- Hovland, C., Harvey, O., & Sherif, M. (1957). Assimilation and contrast effects in reaction to communication attitude change. *Journal of Abnormal and social Psychology*, 55 (7), 244-252.
- Huan, S.H., Sheoran, S.K. & Wang, G. (2004). A review and analysis of supply chain operations reference (SCOR) model. *Supply Chain Management: An International Journal*, 9 (1), 23-29.
- Johnston, R. (2005). Service operations management: Return to roots, *International Journal of Operations & Production Management*, 25 (12), 1278 – 1297.
- Kandampully, J. & Menguc, B. (2000). Managerial practices to sustain service quality: An empirical investigation of New Zealand service firms. *Marketing Intelligence and Planning*, 18 (4), 175-184.
- Kathawala, Y. & Abdou, K. (2003). Supply chain evaluation in the service industry: a framework development compared with manufacturing. *Managerial Auditing Journal*, 18 (2), 140-149.
- Kitur S. (2006). A Survey of the Strategic Role of Information and Communication Technology among Insurance Companies in Kenya; *An unpublished MBA project*, UoN

- Kogut, B. & Zander, U. (1992). Knowledge of the firm, combinative capabilities and the replication of technology. *Organization Science*, 3, 383-397.
- Lelei G. C. (2007). Information Communication Technology as a strategic tool in Micro-Finance Institutions in Kenya; *An unpublished MBA project*, UoN
- Lewis, M. A., & Brown, A. D. (2012). How different is professional service operations management? *Journal of Operations Management*, 30(1), 1-11.
- Lewis, M.A. & Chambers, S. (1997). Implementing new technology in a service business, in Ribera, J. and Prats, J. (Eds), *Managing Service Operations: Lessons from the Service and Manufacturing Sectors*, IESE, Barcelona, 33-38.
- Lovelock, C.H. (1995). Technology: Service or master in the delivery of services? *Advances in Services Marketing and Management*, 4, 63-90.
- Lusch, R. F., Vargo, S.L. & O'Brien, M. (2007). Competing through service: Insights from service-dominant logic. *Journal of Retailing*, 83 (1), 5 -18.
- Makhija, M. (2003). Comparing the resource-based and the market-based views of the firm: empirical evidence from the Czech privatization. *Strategic Management Journal*, 24, 433-451.
- Malerba, F. & Orsenico, L. (2000). Knowledge, innovative activities and industrial evolution. *Industrial and Corporate Change*, 9 (2), 289-314.
- Malhotra, N., Morris, T., & Hinings, C.R., (2006). Variations in organizational form among professional service organizations. In: Greenwood, R., Suddaby, R. (Eds.), *Research in the Sociology of Organizations: Professional Service Firms*, Vol. 26. Elsevier, Amsterdam, The Netherlands.

- Markland, R. (1999). International service study, *Decision Line*, Dept. of Management Science, College of Business Administration, University of South Carolina, Columbia USA, retrieved on 07/08/2015 from www.google.com
- Marr, B. (2004). Is it impossible to benchmark intellectual capital? In Bart, Bontis and Head (Eds.) *Conference Proceedings of the 25th McMaster World Congress*, Janeiro de 2004, Hamilton, Canada: MWC.
- Mbote J.K. (2003). Influence of IT on Marketing: The case of commercial banks in Kenya; *An unpublished MBA project*, UoN
- Mugenda, O. M. & Mugenda, A. G. (2003). *Research Methods: Qualitative and Quantitative Approaches*. African Centre for Technology Studies, Nairobi, Kenya.
- Mungai, G. W. (2012). *Business consultancy services and performance of KPMG top100 small and medium enterprises in Kenya* (Doctoral dissertation).
- Narasimhan, R. & Jayaram, J. (1998). Causal linkages in supply chain management: an exploratory study of North American manufacturing firms. *Decision Sciences*, 29 (3), 579-605.
- Nelson, R. & Winter, S. (1982). *An Evolutionary Theory of Economic Change*. Cambridge, MA: Belknap Press.
- Nyandimo J. A. (2011). Information and Communication Technology and Public Procurement in Kenya. *An Unpublished MBA Project*, UoN.
- Olson, J. & Dover, P. (1979), "Disconfirmation of consumer expectations through product trial". *Journal of Applied Psychology*: 64,179-189

- Ougo J. (2010). Information and Communication Technology as a Strategic Orientation for Service Delivery in the Office of The Vice President and Ministry of Home Affairs. *An unpublished MBA project*, UoN
- Owuor S. J. O. (2004). The use of Information Technology as a facilitator of Business Process Re-engineering; *An unpublished MBA project*, UoN
- Penrose, E. (1959). *The Theory of the Growth of the firm*. Oxford: Basil Blackwell Publisher.
- Penrose, E. (1980). *The Theory of the Growth of the firm*. Oxford: Basil Blackwell Publisher, 2nd Ed.
- Peteraf, M. (1993). The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal*, 13, 363-380..
- Peyton, R.M., Pitts, S., & Kamery, H.R. (2003). "Consumer Satisfaction/Dissatisfaction (CS/D): A Review of the Literature Prior to the 1990s", *Proceedings of the Academy of Organizational Culture, Communication and Conflict*. 7(2). 42.
- Prajogo, D.I. (2006). The implementation of operations management techniques in service organisations – An Australian perspective, Bowater School of Management & Marketing, Deakin University, Australia, Working Paper retrieved on 9/8/2015 from www.emerald.org
- Quinn, J. B. (1996). The productivity paradox is false: Information technology improves services performance. *Advances in Services Marketing and Management*, 5, 71–84.
- Roos, J. (1998). Exploring the concept of intellectual capital (IC). *Long Range Planning*, 31, 150-153.

- Roth, A.V. & Menor, L.J. (2003). Insights into service operations management: a research agenda. *Production and Operations Management* 12 (2), 145 – 164.
- Roth, A.V., Chase, R.B. & Voss, C. (1997). *Service in the US*, Severn Trent plc.
- Rouse, M. & Daellenbach, U. (2002). More Thinking on Research Methods for the Resource-Based Perspective. *Strategic Management Journal*, 23, 963-967.
- Sampson, S. E. & Froehle, C. M. (2006). Foundations and implications of a proposed unified services theory. *Production and Operations Management*, 15 (2), 329 – 343.
- Schmenner, R.W. (2004). Service businesses and productivity. *Decision Sciences*, 35 (3), 333–347.
- Sengupta, K., Heiser, D. & Koll, L. (2006). Manufacturing and service supply chain performance: a comparative analysis. *Journal of Supply Chain Management*, 42 (4), 4-15.
- Slack, N., Chambers, S., Harland, C., Harrison, A. & Johnston, R. (1995). *Operations Management*. Pitman Publishing, Marshfield, MA.
- Szulanski, G. (2003). *Sticky Knowledge – barriers to knowing in the firm*. London: Sage Publications Ltd.
- Van Ark, B., Mahony, M. & Timmer, M. (2008). The productivity gap between Europe and the United States: trends and causes. *Journal of Economic Perspectives*, 22 (1), 25 – 44.
- Vavra, T.G. (1997). Improving your measurement of customer satisfaction: A guide to creating, conducting, analyzing and reporting customer satisfaction measurement programs. *American Society for Quality*.

- Verma, R. (2000). An empirical analysis of management challenges in service factories, service shops, mass services and professional services, *International Journal of Service Industry Management*, 11 (1), 8–25.
- Vos, C.A., Blackmon, K., Chase, R.B., Rose, E. & Roth, A.V. (1997). Service competitiveness and Anglo US study, *Business Strategy Review*, 8(1), 722.
- Voss, C. A. & Hsuan, J. (2009). Service architecture and modularity, *Decision Sciences*, 40, 541 – 569.
- Wambugu E. N (2010). Impact of Information and Communication Technology on Cost Efficiency of Commercial Banks in Kenya. *An unpublished MBA project*, UoN
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5 (2), 171-180.
- Wiklund, J. & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24, 1307-1314.
- Yau, O.H. & Hanming, Y. (1994). Consumer behavior in China: Customer satisfaction and cultural values. Taylor & Francis, 17.

APPENDICES

Appendix 1: Introduction Letter

Date:

Dear **Respondent**,

I am a graduate student of degree of master of business administration, at Strathmore University. I am carrying out a study on `` *the implementation of customer satisfaction strategies among professional service firms in Kenya*'' .It would be of great value if you could share your wealth of knowledge by completing the attached questionnaire . Your answers will be handled with highest anonymity and confidentiality. The questionnaire is self administered.

Regards

James Nyamu Maitho

Appendix II: Questionnaire to the Audit Firms

This questionnaire is divided into six short sections that should take only a few moments of your time to complete. Please respond appropriately in the blanks provided. This is an academic exercise and all information collected from respondents will be treated with strict confidentiality.

SECTION A: BASIC INFORMATION

1. How long have you worked in the firm?

- a) Less than 5 years
- b) 6 to 10 years
- c) 11 to 15 years
- d) Over 15 years

Section B: Information communication technology

This subsection is concerned with investigation of the use of information communication technology in the firm. Please respond to the questions accordingly.

1. Do you consider ICT as key in enhancing customer experience?

Yes No

Explain your answer in 1 above.

.....
.....

2. In what ways do you use ICT to improve customer experience in your firm?

.....

Please mark (x) in the box which best describes your agreement or disagreement with the statements.

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	The firm has a well established work flow billing system for better service delivery					
2	The firm has a well established staff and sub contractor capacity scheduling system for better service delivery					
3	The firm has a well established knowledge and research databases for better service delivery					
4	The firm has a well established customer and relations management system for better service delivery					
5	The firm has a well established Hr management and information system for better service delivery					

Section C: Supplier management

This subsection is concerned with investigation of supplier management in the firm.

Please respond to the questions accordingly.

- Does the firm have policies describing supplier relationships?

Yes No

- Explain your answer in 1 above.

.....

3. In what ways does the firm use supplier management to enhance customer experience?

.....

.....

4. Please mark (x) in the box which best describes your agreement or disagreement with the statements.

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	The firm considers Subcontractor availability when outsourcing as a key factor for better service provision.					
2	Subcontractor recruitment is done in a fair and transparent manner by the firm					
3	The firm management considers the quality and expertise of the Subcontractor when outsourcing as a key factor for better service provision					
4	The induction of the Subcontractor is always conducted so as to achieve better service delivery					
5	The firm has a proper mechanisms to ensure proper performance management of the Subcontractor so as to have better service delivery					

Section D: Staff management

This subsection is concerned with investigation of staff management in the firm. Please respond to the questions accordingly.

1. Does the firm consider staff management as a key strategy in enhancing customer experience?



Yes

No

2. Explain your answer in 1 above

.....
.....

3. In what ways does the firm use staff management strategies to enhance customer experience?

.....
.....

4. Please mark (x) in the box which best describes your agreement or disagreement with the statements.

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	There is staff resource planning in the firm as one of the ways of enhancing service delivery to clients					
2	Staff recruitment by the firm is done in a fair and undiscriminated manner so as to have a qualified staff for better service delivery					
3	Staff on boarding is one of the activities the management engages in so as to have better service delivery					
4	The management engages in staff talent management so as to have better service delivery					
5	The management engages in on					

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
	the job training so as to have better service delivery					

SECTION D: Service strategy

This subsection is concerned with investigation of service strategy in the firm. Please respond to the questions accordingly.

1. What service strategies are used by the firm to improve customer experience?

.....
.....

2. Explain other customer strategies used by the firm to improve customer experience

.....
.....

3. Please mark (x) in the box which best describes your agreement or disagreement with the statements.

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	The firm uses target market segmentation as one of the strategies to ensure better service delivery					
2	The firm uses competitive positioning as one of the strategies to ensure better service delivery					
3	The firm ensures clear service definition so as to ensure better service delivery					
4	There is a well established and strictly adhered to service delivery system in the firm so as to ensure better service delivery					
5	There is constant revision of service strategy					

Section E: Customer experience

This subsection is concerned with investigation of customer experience. Please respond to the questions accordingly. Please mark (x) in the box which best describes your agreement or disagreement with the statements.

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	The clients feedback regarding tangibility of the service the firm provides to them, for instance the appearance of our employees, is always positive					
2	The clients feedback regarding reliability of the firm, in terms of consistency and accuracy is always positive					
3	The clients feedback regarding the firms responsiveness, in terms of the willingness to promptly and efficiently solve their problem, is always positive					
4	The clients feedback regarding the firms assurance, in terms of our knowledge polite and trustworthy, is always positive					
5	The clients feedback regarding the firms empathy, in terms of willingness and readiness to provide them with personal service, is always positive					

Thank you very much for your cooperation

Appendix III: Questionnaire to the Audit Firms clients (Customers)

This questionnaire is divided into 3 short sections that should take only a few moments of your time to complete. Please respond appropriately in the blanks provided. This is an academic exercise and all information collected from respondents will be treated with strict confidentiality.

Section A: Perceptions on the current audit firm

This subsection is concerned with statements regarding the quality of service as well as other features of audit firms . Please rate your current audit firm with respect to each statement . Please mark (x) in the box which best describes your agreement or disagreement with the statements.

No	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
		1	2	3	4	5
1	The tangibility of the service the audit firm provides to you, for instance the appearance of our employees is satisfactory					
2	The reliability of the audit firm, in terms of consistency and accuracy is satisfactory					
3	The audit firm's responsiveness, in terms of their willingness to promptly and efficiently solve your problems is satisfactory					
4	The audit firm's assurance, in terms of their knowledge polite and trustworthy is satisfactory					
5	The audit firm's empathy, in terms of willingness and readiness to provide you with personal service, is satisfactory					

Section B: Expectations on audit firms

This section deals with opinions of Audit firms. Please show the extent to which you think institutions offering audit firming services should possess the following features. Please rank each statement as depending with your level of agreement or disagreement with the statements.

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Excellent Audit firming companies should have visually appealing physical facilities					
Employees at excellent Audit firms should be neat in their appearance.					
When a customer has a problem, excellent Audit firms should show a sincere interest in solving it.					
Excellent Audit firms will provide the service at the time they promise to do so.					
Excellent Audit firms should insist on error free records.					
Employees of excellent Audit firms should never be too busy to respond to customers' requests.					
The behaviour of employees in excellent Audit firms should instil confidence in customers					
Employees of excellent Audit firms should have the knowledge to answer the customers' questions.					
Excellent Audit firms should have operating hours convenient to all their customers.					
Excellent Audit firms should have employees who give customers personal service.					
The employees of excellent Audit firms should understand the specific needs of their customers.					

Thank you very much for your cooperation