Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2026): 8.748 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 13 | Issue: 5 | May 2026 -Peer-Reviewed Journal

CUSTOMER EXPERIENCE MANAGEMENT STRATEGIES AND CLIENT RETENTION AMONG SELECTED TIER 1 CORPORATE BANKING SEGMENT OF COMMERCIAL BANKS, KENYA

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Article DOI: https://doi.org/10.36713/epra27831
DOI No: 10.36713/epra27831

ABSTRACT

In an increasingly competitive financial sector, retaining high-value corporate clients has become critical, and effective customer experience management is emerging as a key strategic focus for achieving this objective. The general objective of the study was to establish the effect of customer experience management strategies on client retention in Tier 1 corporate banking segment in Kenya. The precise objective was to ascertain how service quality management strategies affect client retention in tier 1 corporate banking segment in Kenya. Research was underpinned by SERVQUAL model theory and Customer loyalty theory. The target population consisted of five tier 1 corporate banks in Kenya. The respondents were 100 corporate relationship managers within these selected five tier 1 corporate banks who were sampled utilizing stratified random methods. Data was gathered utilizing feedback form that was in a structured form. Ten relationship managers from KCB Bank Kenya limited were involved in the pilot study. Expert Opinion Method was used to measure content validity. Cronbach's alpha was adopted to measure instruments' reliability at 0.7 threshold. Data analysis tool was SPSS Ver. 26. The study employed a linear regression model to analyze the connection amongst variables and the results were displayed in form of tables and charts to facilitate easy interpretation and communication of findings. The results show that Service Quality strategy exhibited a positive and statistically significant effect on Customer retention in selected tier 1 banks in Kenya. The study concludes that, adhering to high-quality service will foster customer trust that are essential in bank management for continual improvement. It is recommended that banks should invest in Service Quality strategy by responding to corporate clients' requests and building high level trust through expertise.

KEY WORDS: *Service Quality, Interpersonal Relationships, Personalization, Feedback Mechanisms, Client Retention, Customer Experience Management Strategies.*

INTRODUCTION

Client retention refers to a bank's ability to maintain long-term relationships with its existing customers, encouraging continued use of its products and services over time, rather than allowing customers to switch to competitors. It highlights satisfaction, trust and loyalty as the cornerstones to minimizing churn and maximizing customer lifetime value (Prabhakar, 2024). The client retention metrics by Munene (2020) include client lifecycle indicators such as recurring interactions, the use of a loyalty programme, and portfolio development. Customer experience management, in its turn, can be defined as a dedicated planning, designing, and implementing interactions that generate positive perceptions, satisfaction, and client loyalty at any touchpoints of the client journey (Gähler, Klein, and Paul, 2023). In the case of corporate banking where the customer relationship is developed over a period and the services are more complex, customer experience is the major factor that is central to the decision-making process and client retention. A successful experience usually turns into a repeat-business, referral and higher customer lifetime value, whereas an unpleasant service may soon result in a loss of clients and a negative image (Annet et al., 2023)

Kenya has tier 1 banks that are fighting over the high value corporate customers who have great influence and control over the market in terms of assets, profitability, and customer base. The presence of heightened competition, disruption by digital, greater client awareness and power has challenged these banks despite their strong market positions. It is a strategic focus of the banks to retain these clients as these clients are valued in the long run to the banks and the

industry as a whole. CEM has become a key differentiator in competitive banking environments in enhancing retention and maintaining long term relationships.

Globally, studies have consistently shown that improved customer experience positively drives client retention. A study by Chai Zhengmeng et al, (2024) on Exploring customer retention dynamics in Pakistan and China commercial banks demonstrated that satisfaction mediates the connection between service quality and retention behavior, reinforcing the critical role of experience quality in retention outcomes in commercial banks. In Zimbabwe, A study by Forbes Makudza, (2021) on Analyzing and evaluating the effect of customer experience management (virtual interaction, physical interaction and service interaction) on customer loyalty in the banking industry, indicated that indicated that there is a positive association between customer experience management and customer loyalty. The highlighted studies point out clearly a positive, considerable connection between robust CEM approaches and corporate client retention in Tier 1 banks.

Statement of the Problem

Tier 1 commercial banks in Kenya are experiencing a decrease in client retention rates even though they have majorly invested in digital innovation and service delivery (KBA, 2024). Although they can provide similar products and they all work in the same regulatory environment, Tier 1 banks still record substantial differences in the client retention rates in the form of low rates of loyalty, repetitive business, switching of brands and less growth in revenue among others. Corporate banks are no exception to the variations in the frequency of the Client referral. This contradiction poses significant doubts concerning the efficiency of their customer experience management (CEM) strategies (PricewaterhouseCoopers, 2022). This casts doubt on whether the existing customer experience management (CEM) initiatives are effective in the face of special needs of corporate clients in Tier 1 banks.

The importance of client retention in corporate banking is a strategy that is anchored on the fact that client acquisition is quite expensive and onboarding is complicated besides the potential lifetime value of a corporate relationship. Nevertheless, most of the Tier 1 banks in Kenya have difficulties in maintaining long-term relationships with their corporate clients (Anthony Robinson, 2023). With the increasing competition and changing client demand and expectations, the conventional models of service are no longer adequate in ensuring loyalty and creating engagement. Ondiek (2022) argues that customer experience management is one of the most vital strategies of improving competitiveness and retention in the banking industry. However, as much as banks are increasingly investing in digital platforms, automation, and service delivery innovation, they still have a challenge of ensuring that the customer experience initiatives are specifically tailored to the needs of corporate clients. This detachment is seen through an increase in customer turnover and reducing customer satisfaction levels. According to a survey by Kenya Bankers Association (KBA) in 2024, 47.3 percent of customers identified poor service quality to be the main factor in changing banks, which explains why it is critical to implement more efficient CEM strategies.

Moreover, the corporate group of clients require more than the mere functional banking services; they want to receive personalized interaction, consultative relations, responsiveness in time and tailored financial systems. In case these expectations are not met, there is a risk of being transferred to more agile and client-oriented institutions.

Scholastica Munene (2020) conducted the study locally, comparing differentiation strategies (service quality, CRM systems, and multichannel delivery) among the Kenyan Tier 1 banks and found that all of them had a positive impact on retention; the aspect of service quality was noted as critical to long-term relationships. In addition, Munene (2020) concentrated on Differentiation strategies and customer retention in Kenyan commercial banks: A survey of Tier One bank, the relationship between service quality and customer retention was found to be positive in the tier one commercial banks in Kenya.

Though there are a number of studies analyzed customer retention and competitive approaches in the banking sector of Kenya very limited studies have entered the area of service quality management strategies in the specific Tier 1 corporate banking environment. This is a major gap in the literature since corporate clients offer special service challenges and opportunities which differ radically with retail clients. Thus, this research aimed to address this gap by establishing the link between service quality management strategies and client retention within selected Tier 1 corporate banks in Kenya.

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General Objective
To establish the effect of customer experience management strategies on client retention in Tier 1 corporate banking segment in Kenya.

Specific Objective
To ascertain the effect of service quality management strategies on client retention in the Tier 1 corporate banking segment in Kenya.

THEORETICAL REVIEW

SERVQUAL Model theory

SERVQUAL model is one of the most popular models used in measuring service quality, which was hypothesized by Parasuraman et al, (1985). It is founded on the assumption that the level of service quality can be measured through an analysis of the difference between customer expectations and their perceptions that represent the actual service provided. Parasuraman et al. (1985) average that service quality is described as the gap between the expectation of the service to consumers and the perceived performance of the service. When the perceived service is above the expectations, it is also rated to be of high quality, and when it is below expectations, then it is rated to be poor service (Chingang et al., 2010).

The model was initially used to describe 10 aspects of service quality: tangibles, reliability, responsiveness, communication, credibility, security, competence, civility, client comprehension, and accessibility. These were then combined into five key dimensions because of redundancies. The enhanced dimensions include tangibles, certainty, reliability, responsiveness and empathy. Tangibles refer to physical characteristics of facilities, equipment, staff and communication media. Reliability refers to the ability to provide the promised service in a constant and accurate manner. Responsiveness refers to the willingness to help clients and provide them with prompt service. Assurance is the professionalism and courtesy of staff, their ability to build trust and confidence. Empathy refers to the provision of emotional understanding and individual concern to the customers.

These dimensions focus on both functional and relational aspects of service provision and therefore the model is mostly relevant in areas where individual interaction is highly valued, like in the case of corporate banking. According to the SERVQUAL model, the quality of service has a direct impact on customer satisfaction, and, therefore retention and loyalty. However, in the context of corporate banking, where client demands are high and dealings are intricate, the presence of consistent high performance in the service delivery in these aspects also plays a vital role in maintaining valuable clients. Banks should make sure that staff is well trained, services are given in a timely manner, environments are professional and customer concerns being dealt with empathetically. The SERVQUAL model has received criticism despite its wide usage. Buttle (1996) also doubted the universality of the five dimensions observing that they do not necessarily appear everywhere in any industry, culture or situation. As Cronin and Taylor (1992) also stated, the model merges service quality and customer satisfaction, and recommended that service quality is an attitude not dependent on the expectations.

Nevertheless, SERVQUAL model is a strong and flexible instrument in measuring the performance of services. In this research, it gives the theoretical basis of how service quality management strategies affects client retention in Tier 1 corporate banking. Better service quality enables the bank to build trust, meet expectations of clients and establish a long-term relationship, which leads to loyalty and repeat engagement (Khan et al., 2023). The variable of the quality of services, the key to the interpretation of the effect of perceptions of banking services on client satisfaction and retention, is directly supported by SERVQUAL. The effectiveness of service delivery is particularly important to measure when it comes to Tier 1 corporate banking, where expectations are high (Zeithaml, et al, 2023).

Customer loyalty theory

The Customer Loyalty Theory is the first theory formulated by Dick and Basu (1994) and then extended by Oliver (1999). It offers a theoretical premise of understanding customer loyalty behavioural and attitudinal factors. According to the theory, loyalty is not merely a consequence of the repeated purchasing behaviour but also includes a favourable emotional attitude toward a brand or a service, along with the trust in its steadiness and worth. This theory states that loyalty to customers occurs when there exists a good rapport between positive attitudes to a service and the desire to make repeated transactions. It lays stress on the psychological and emotional attachments that customers grow to with a brand over time and thus, they are keen to stay involved in a brand even though alternative brands are available.

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Loyalty is thus regarded as behavioral and attitudinal; based on the continued service commitment with the service provider as well as the desire to refer the service to other customers. Incorporated banking, loyal customers tend to continue relationships with their banks over a long period, buy more financial products and recommend the bank to other prospective clients. Corporate banks should consider investing in the value-added services and make them client-specific, and emphasize quality of services, building relationships, and personalized attention in order to develop this type of loyalty.

The Customer Loyalty Theory has come under a number of criticism despite its contributions. According to Kim (2021), the theory is said to simplify too much the customer behavior as it mainly focuses on satisfaction and loyalty without considering other dynamic elements that include changing expectations and technological shocks. Stewart and Akhter (2021) also argue that loyalty programs do not necessarily help in creating a sustainable loyalty, especially when they are not developed in agreement with the wider customer requirements or interests. Also, Chaudhuri and Holbrook (2020) observe that the conventional approaches to loyalty usually do not pay attention to why and the outcomes of disloyalty. With the current competitive and rapidly changing markets, consumers can easily change brands because of a better price or shifting tastes and having more superior alternatives.

However, the theory is still useful in comprehending the manner in which businesses can nurture long term client relationships. It highlights the significance of emotional bond, trust, satisfaction and perceived value as the motivating factors of loyalty. This theory can be used in Tier 1 corporate banking as it is oriented to the creation of trust relations by personalized services and constant and high-quality customer experience. Customer Loyalty Theory is applicable in the present research to explain how mechanisms of personalization and feedback can be used to facilitate client retention. Customer loyalty is directly related to the client retention process and this is why this theory is necessary to analyze the way emotional and behavioral relationships are established based on CEM strategies.

Empirical literature Review

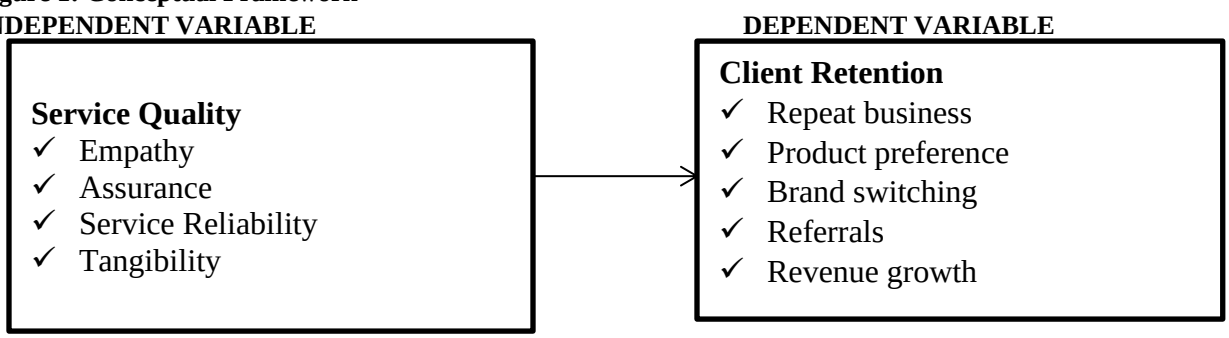
Service Quality and client retention.

Nair et al. (2022) researched the importance of service recovery mechanisms in corporate banking. The study proposed that timely and open management of service failures had a positive impact on customer loyalty and overall service quality perceptions. Although service recovery was demonstrated to be necessary, the study also indicated that additional research on the variation of recovery strategies based on corporate client profile and industry is necessary.

Adebayo et al. (2020) also studied the significance of reliability and responsiveness in service delivery. Their results supported the reading in that corporate client value consistency and efficiency are consistent with the SERVQUAL model, identifying the link amongst service quality and customer satisfaction. Nevertheless, they also noted that there was a knowledge gap on the contribution of each dimension to service quality in various industry sectors of which corporate banks serve.

Shankar et al. (2019) investigated how service quality dimensions affect customer satisfaction in corporate banking and discovered that dependability and responsiveness were the most impactful features. Even though empathy and assurance were observed to be less crucial, they contributed to long-term client loyalty. Nonetheless, the research has identified a gap in knowledge regarding the impact of lesser dimensions, including empathetic dimensions, on the overall perception of service among corporate customers.

Figure 1: Conceptual Framework



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Research Design

This research employed a descriptive research design. The purpose of descriptive study is to provide a clear and accurate description of the phenomena under study. It focuses on understanding the what of a situation rather than the why thus recording the actual conditions without manipulating the research environment. This research approach proves extremely useful in identifying the patterns, trends, and correlations between the variables (Flick, 2020). The descriptive design was appropriate in the study to analyze how Service Quality management practices are related to client retention in the Tier 1 corporate banking industry in Kenya.

Target Population

The target population in this research included banks that had corporate banking divisions. This was the unit of analysis. The unit of observation were corporate relationship managers, who were sampled as five Tier 1 corporate banks in Kenya. These institutions were chosen on the basis of large market shares, large corporate banking books and influence of their contribution to the creation of client experience within the Kenyan banking industry. The population of the study was 100 corporate relationship managers employed by the five tier 1 commercial banks since they directly deal with client relationship management and customer experience implementation within the banks.

Sampling Design

A stratified sampling method was utilized in this study. Stratified sampling entails partitioning the population into homogeneous subgroups (strata) and subsequently conducting random sample from each subgroup. This method guarantees that every pertinent subgroup of Relationship Managers is sufficiently represented in the sample. Stratified sampling reduces sampling error by controlling key characteristics within each stratum, leading to more reliable and valid results (Bryman (2021). The respondents were selected according to the bank of their employment. This method facilitates a thorough comprehension of the variations in customer experience management strategies across the five selected tier 1 commercial banks in Kenya concerning client retention. According to Mugenda and Mugenda (2019) a suitable size of a sample must epitomize a populace greater than 10% of the total populace. Moreover, a satisfactory sample size ought to be greater than 30 respondents. The study used 50 % of the total of relationship managers in each of the selected five tier 1 commercial banks.

Data Collection Instruments.

Questionnaire was exploited to gather primary data. The questionnaire was deemed to be suitable because it is able to elicit both quantitative and qualitative data in a standardized format, which simultaneously renders it consistent among the respondents, as well as allowing the respondent to elaborate on important issues in detail. The questionnaire was divided into three segments: Part A involved demographic and background details of the respondents such as his/her position, experience, and department. Part B was dedicated to the variable of service quality and Part C to client retention information.

Each section of the questionnaire contained closed-ended items but on a five-point Likert scale. The Likert scale offered the following response options: Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. This scale enables the respondents to indicate the degree of their agreement or disagreement status concerning customer experience management strategies and client retention. A questionnaire should be used due to a variety of reasons. It is economical, time saving, and convenient when utilizing a comparatively vast and geographically spread-out group of individuals, like relationship managers in different Tier 1 banks. Anonymity is also guaranteed by questionnaires, and it promotes fair and truthful answers, particularly in workplaces where there may be close relationships with clients.

Questionnaires have been used in earlier studies in the banking industry. As an example, Kemunto et al. (2022) used them to study customer retention strategies in Kenyan commercial banks, and Njenga et al. (2019) used them to analyze the impact of personalization on bank performance. The structured questionnaires employed by Shankar et al. (2019) to measure service quality dimensions in the context of corporate banking also confirmed that these tools are effective in gathering valid and reliable data. These researches endorse the use of questionnaires as a powerful tool of analyzing customer experience and client retention in the corporate banking setting.

Data Collection Procedure

Data collection was guided by the ethical standards of the research and the institutional regulations. The university and the NACOSTI were initially asked to give their approval and letters of introduction in order to authorize the

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researcher to conduct the study. These letters acted as a means of introducing the researcher to the participating institutions, as well as, reassuring the participants that the research is purely educational.

The top management of the five Tier 1 corporate banks in Kenya, were asked to provide the consent which helped to access the respondents, which are corporate relationship managers in the corporate banking segment.

The questionnaires were distributed utilizing the drop-and- pick method. The participants were allowed one week to complete the physical questionnaires which were dispersed to respondents at work. The researcher engaged in the follow up communication with the respondents to clarify where necessary and to motivate the respondents to give the necessary and prompt responses.

Data Analysis and presentation

SPSS was used as the data analysis tool in this study. Quantitative data was analyzed by using descriptive and inferential statistics. Descriptive statistics were used to provide a succinct summary and present the elementary features of the data in a logical and coherent way. Mean, standard deviation, frequencies, and percentages were used to describe the answers and identify patterns of trends and distributions of the variables. Heeringa, West, and Berglund (2017) indicate that descriptive statistics are crucial in unveiling the nature of data and tendency of clustering, thus making informed strategic and operational suggestions.

Inferential statistics was applied to assess the extent and direction of the correlation between management strategies of service quality strategies and client retention. In particular, the extent of the correspondence amongst the output and input variables was identified through correlation analysis. This was followed by a regression analysis to determine the level at which the service quality forecast the client retention in the Tier 1 corporate banking segment in Kenya.

The regression model used was specified as follows:

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$

Whereby:

- Y = Client retention
- X_1 = Service quality
- β_0 = Constant (intercept)
- β_1, = Regression coefficients
- ε = Error term

The results were conveyed through tables, charts, and graphs to enhance interpretation and communication of findings.

RESEARCH FINDINGS AND DISCUSSIONS

Table 1: Descriptive Statistics of Quality Management

	N	Mean	SD
Response to corporate clients' requests influences their decision to continue business with a particular bank.	72	4.39	.70
Increase frequency and proactivity to address potential issues and offer new services before clients ask for enhanced retention.	72	4.33	.69
The confidence of the banks' ability to meet client needs and maintain secure reliable financial services influences the term the client stays with a specific bank.	72	4.39	.74
Level of trust build through expertise and transparence affects the decision of a client to retain banking services with the bank	72	4.50	.65
Physical appearance of the branch and staff professionalism has impact on the likelihood of the client to continue banking in particular bank	72	4.25	.82
Valid N (listwise)	72		

In Table 1, regarding whether response to corporate clients' requests influences their decision to continue business with a particular bank, the mean was 4.3889 with std. dev. of 0.70322. Increase frequency and proactivity to address potential issues the mean was 4.3333 with std. dev. of 0.69201. The confidence of the banks' ability to meet client needs and maintain secure reliable financial services influences the term the client stays with a specific bank the mean was 4.3889 with std. dev. of 0.74220. Level of trust build through expertise and transparence affects the decision of a client to retain banking services with the bank the mean was 4.5000 with std. dev. of 0.65003. Finally, physical

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appearance of the branch and staff professionalism partakers strongly agree with the claim at a mean of 4.2500 with a std. dev. of 0.81793.

Customer Reteintion

The participants were requested to provide their response regarding the extent to which they perceive Client Retention in selected tier 1 corporate banking segment based on:

1. **Transfer of Customers**

The respondents' transfer of customers from the bank was analyzed and presented in figure 2 that show that 94.44% of respondents confirmed that customers had transferred before and 5.56% had not transferred before. This concludes that majority of customers keep on transferring. This is ascribed to the fact that many customers prefer exploring the opportunities from different entities.

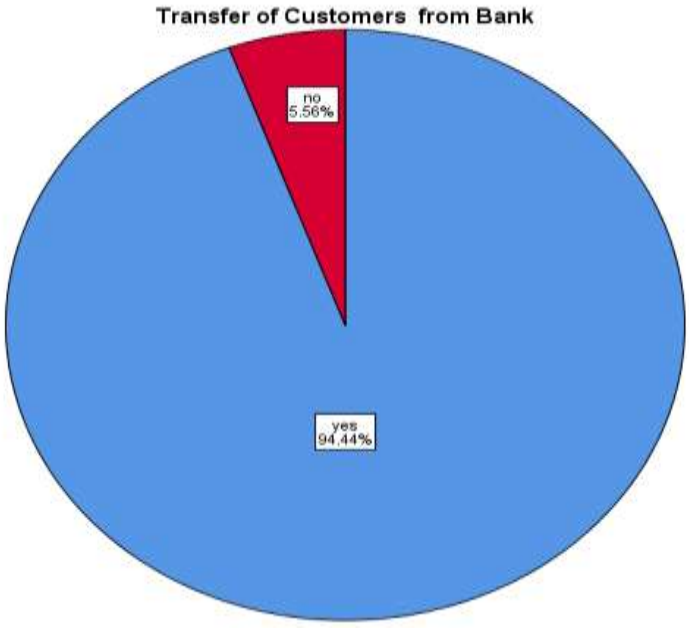


Figure 2: Transfer of Customers

2. **Factors for Transfer of Customers**

The respondents' factors for transfer of customers from the bank were analyzed and presented in figure 3 that show that 31.94% were caused by internal matters like policies, restructuring, 33.33% were caused by poor services, 13.89% were caused by pricing, 15.28% could not attribute to anything and 5.96% due to misunderstanding. This concludes that majority of customers transferred due to poor services from a given bank. This is ascribed to the fact that this is the core mandate of the bank, to provide service and therefore better services should be compromised.

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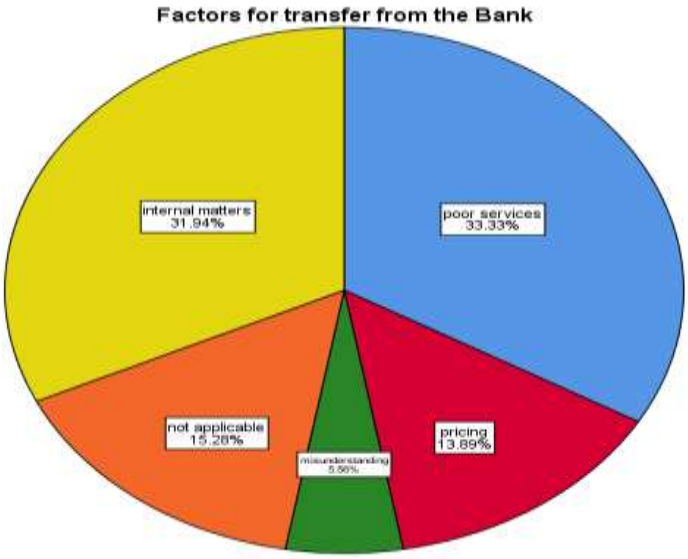


Figure 3: Factors for Transfer of Customers

3. Customers' retention in the bank

The customers' retention in the bank was analyzed and presented in figure 4 that show that 52.78% believe that retention improved, 23.61% believe it greatly improved, 22.22% believe that retention was constant and 1.39% believe that customer retention decreased. This concludes that majority of the respondents believe that customer retention by the bank has been improving.

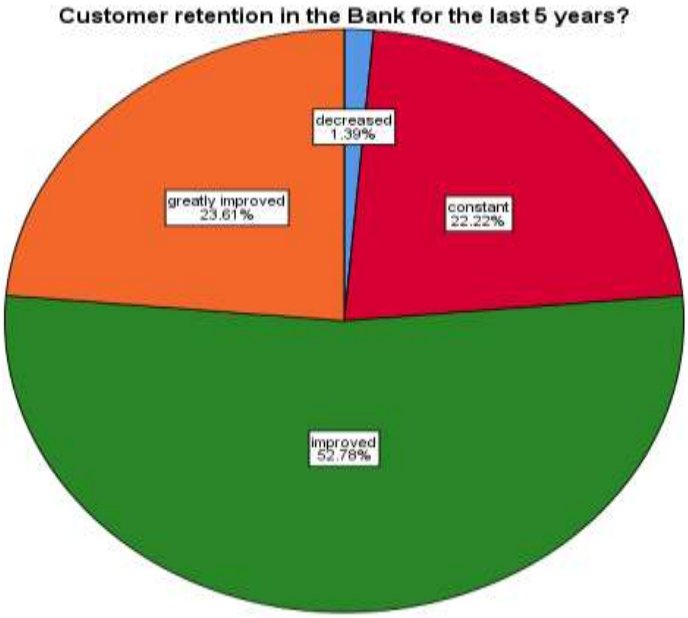


Figure 4: Customers' retention in the bank

4. Reason for dissatisfaction

The reasons for dissatisfaction by customers was analyzed and presented in figure 5 that show that 63.89% was due to poor services and pricing, 2222% was due to internal issues, 6.94% was due to external issues like interest rates, inflation, and 6.94% could not attribute to anything. This concludes that majority of the respondents believe that customer dissatisfaction is caused by poor services and pricing and this could be ascribed to the fact that this the main mandate of the bank and therefore slight compromise will lead customer dissatisfaction.

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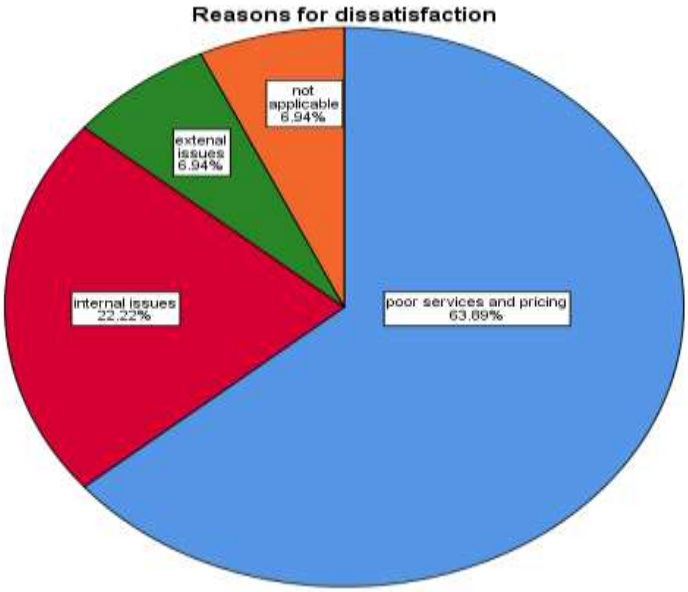


Figure 5: Reason for dissatisfaction

5. Strategies to achieve customer satisfaction and retention

The Strategies to achieve customer satisfaction and retention was analyzed and presented in figure 6 that show that 68.06% believe the strategy should aim at improving and utilizing personal services, 26.39% believe it should aim at having bank turnaround and 5.50% should aim at utilizing customer experience. This concludes that bulk of the respondents believe that applying the strategy of enriched personalized service would lead to customers satisfied and therefore retained for long.

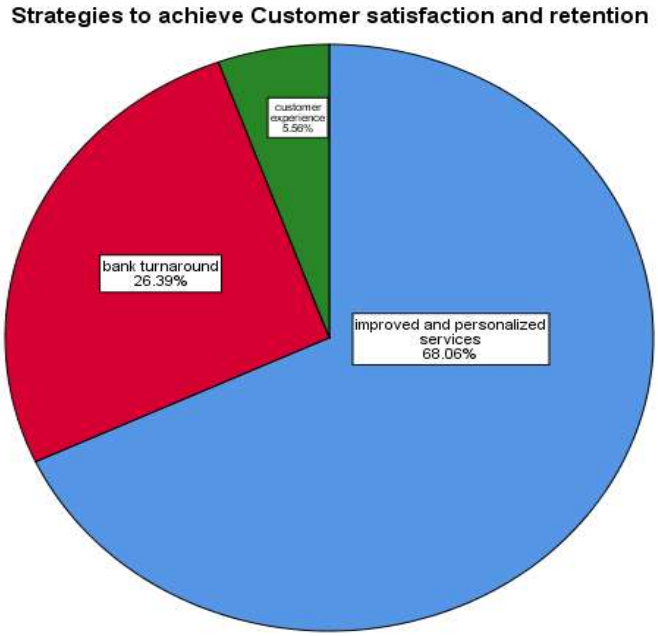


Figure 6: Strategies to achieve customer satisfaction and retention

Correlation Analysis

The researcher created a correlation matrix between the variables utilizing the SPSS software. The results are summarized in Table 2.

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Table 2: Correlations Analysis Test

		Service Quality	Client retention
Service Quality	Pearson Correlation	1	.725**
	Sig. (2-tailed)		.000
	N	72	72
Client retention	Pearson Correlation	.725**	1
	Sig. (2-tailed)	.000	
	N	72	72

The link between service quality strategies against customer retention in selected tier one banks in Kenya was positive and very strong at 0.725 but significant at 0.000 ($p<0.05$). These implied that as corporate banking segment of commercial banks employ more service quality strategies, customer retention improves. These results are congruent with those of Adebayo et al. (2020) who suggested that corporate clients value consistency and efficiency, aligning with the SERVQUAL model, which links service quality to customer satisfaction.

Regression Analysis

Regressing analysis was computed to derive the relationship between the variables.

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.990[a]	.981	.980	.02929

a. Predictors: (Constant), Interpersonal relationship, feedback mechanism, personalization, Service Quality

The regression output findings, as detailed in Table 3, demonstrate an R square of 0.981, signifying that 98.1% of the variance in customer retention is attributable to variations in service quality, feedback mechanism, personalization and interpersonal relationship. The remaining changes, 1.9%, were ascribed to factors not included in this model.

Analysis of Variance (ANOVA)

The ANOVA test was done and the results shown in Table 4.

Table 4 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.969	4	.742	864.973	.000[b]
	Residual	.057	67	.001		
	Total	3.026	71			

a. Dependent Variable: Client retention

b. Predictors: (Constant), Service Quality

The ANOVA results in table 4 demonstrate a p-value of 0.000, signifying that the regression model was statistically substantial in predicting the connection between of customer experience management strategies and client retention, as the p-value was below 5%.

Regression Coefficients

The regression output was done and represented in Table 5.

Table 5 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.525	.105		4.977	.000
	Service Quality	.411	.012	.720	33.962	.000

a. Dependent Variable: Client retention

The researcher performed regression analysis to ascertain the link between Service Quality and client retention. A regression equation was formulated as follows.

Y (Customer Retention) = 0.525 + 0.411X1

Based on the findings, in the absence of the Service Quality variable, customer retention results to 0.525 which is statistically significant at p-value of $0.000<0.05$.

The results demonstrates that a unitary boost in service quality strategies could translate to a 0.411 increase in customer retention. The results further suggests that the p-value fell below the significance threshold (0.000 < 0.05), signifying a favorable and statistically significant predictor of customer retention. Based on this, the null proposition one was overruled. This is due to the fact that excellent service breeds consumer trust and creates positive word-of-mouth and these are very much needed in highly competitive market places. Moreover, it helps banks to simplify their processes, reduce mistakes, and use their resources wiser, which means that they will save money and increase their productivity. Such outcomes support the results of Shankar et al. (2019), who analyzed customer satisfaction in the context of corporate banking depending on the qualities of service quality and found that reliability and responsiveness were the strongest variables affecting it. This observation also coincides with the works of Nair et al. (2022) who investigated the importance of service recovery mechanisms within the corporate banking industry and concluded that the timely and clear management of service failures had a positive impact on customer loyalty and service quality perception as a whole.

CONCLUSION AND RECOMMENDATIONS

Conclusion

Regarding the objective of establishing the linkage amongst Service Quality strategy and Customer retention in selected tier 1 corporate banking segment of Kenya's' commercial banks, it was resolved that Service Quality strategy demonstrated a positive and statistically significant effect on Customer retention in selected tier 1 banks in Kenya indicating that Service Quality strategies is a significant predictor of Customer retention among banks and must be considered account for organizational customer satisfaction and retention.

Recommendations

The objective revealed that Service Quality strategy greatly affect Customer retention in selected tier 1 corporate banking segment of commercial banks in Kenya. Adhering to high-quality service fosters consumer trust and promotes positive word-of-mouth, both of which are essential in competitive markets. Furthermore, it assists banks in streamlining procedures, minimizing errors, and optimizing resources, resulting in cost savings and enhanced efficiency. Therefore, it is recommended that that banks should invest deeply in building and maintaining Service Quality strategy by responding to corporate clients' requests, building high level of trust through expertise and transparence, ensuring staff professionalism and developing confidence of the banks' ability to meet client needs.

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