FACTORS AFFECTING CUSTOMER CONFIDENCE IN FINANCIAL SERVICE INSTITUTIONS IN KENYA: A CASE OF MINET INSURANCE BROKERS LIMITED

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OCTOBER, 2018
DECLARATION

Declaration by the Student

This project is my original work and has not been presented for a degree in any other University.

Signature………………………………….. Date ………………………………………

Tobias Mugendi Gitonga

MBA/2/00013/3/2014

Declaration by Supervisor

This project has been submitted for examination with my approval as University Supervisor.

Signature………………………………….. Date ………………………………………

Isabella Sile
The Management University of Africa
DEDICATION

The study is dedicated to my family members, for the easy time, their support and also for understanding they accorded to me during the time of my studies and preparations of this project.
ACKNOWLEDGEMENT

I'm thankful to God for his grace, wisdom and guidance throughout the process of this research. I acknowledge the professional effort of my supervisor Isabella Sile for her assistance all through in the preparation of this project and even for her review of the document, and who ensured all content of the document was effectively understood. The management university of Africa (MUA) lecturers I am grateful for your participation in moulding me and ensuring that you placed me in a knowledgeable and in a able position which enhanced the carrying of study out successfully. I finally acknowledge Minet Kenya for the co-operation they accorded me during the research project.
ABSTRACT

The study investigation was on factors affecting customer confidence in financial service institutions in Kenya, with specific reference to Minet Kenya Insurance Brokers Limited. Customer confidence remains a major factor in the success of any business especially financial services. Various ways to attain that confidence have been tried by different institutions without success. No studies have been carried out to address this matter in the insurance industry. This remains as a problem which has not had a solution and therefore the study was carried out to establish the factors which affect customer confidence realization in the insurance industry. The following specific objectives guided the study: to evaluate the effect of service reliability on customer confidence in financial service institutions in Kenya, to establish the impact of communication on customer confidence in financial service institutions in Kenya, to determine the result of availability of the service on customer confidence in financial service institutions in Kenya and to examine the implications of transparency on customer confidence in financial service institutions in Kenya. The study is of benefit to the Management of Minet Kenya, the insurance industry at large, potential investors, academicians among others. To ensure the success of the research study, descriptive research study was utilized in this area of investigation. The study target population involve the permanent employees, contractual employees and the customers who visited the company during the data collection period, which totalled to 500 respondents. Stratified Random sampling was incorporated within the study to bring about a study sample of 150 employees. A pilot study was conducted to test the accuracy of the research instruments to ensure reliability and validity of research data. Data was processed and analysed qualitatively and quantitatively. Independent and dependent variables relationship was determined by use of multiple regression model using Statistical Package for Social Sciences (SPSS) version 20. Research findings were presented using graphs, pie charts and frequency tables. The four factors under study greatly affect customer confidence as presented by the respondents. To support this fact as evident through the percentage of response as follows: service reliability had 95% response, communication had 91% response, and service availability had 74% while the majority response for transparency was 73%. In summary the four factors contribute greatly to the customer confidence in financial service sector in Kenya since majority were found to support the matter. The customers are able to be confident if the service is made reliable to them in the right manner in which they expect. Good communication creates a room for better understanding between the customer and the company which determines customer confidence in relation to how the process is conducted. The level of service availability to customers enhances how the customer finds it easy to buy the service. The level of transparency among customers is very important, since it has been realized that if the company operates in a transparent manner that consumes will gain confidence and remain loyal to the company. In conclusion it is therefore recommended that the company should ensure that the services being provided are reliable enough to win the customer confidence. It is important to have good communication system that can present information in a good manner, should be flexible enough, and present information which is complete to enable proper response to customers as expected. Services should be made available to the customers where necessary as agreed between management and the customer. The recommendation is that the company should operate in a transparent manner to customers with clear information and proper record of every transaction done. In accordance to the study findings, it is true that customer confidence will only be effective if the four factors are considered vital and right measures to deal with them put in place.
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## LIST OF ABBREVIATIONS AND ACRONYMS

<table>
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication Technology</td>
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<tr>
<td>IRA</td>
<td>Insurance Regulatory Authority</td>
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<tr>
<td>MUA</td>
<td>Management University of Africa</td>
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<td>USA</td>
<td>United States of America</td>
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OPERATIONAL DEFINITION OF TERMS

**Availability**
This is characteristic of a resource that is committable, operable, or usable upon demand to perform its designated or required function. It is the aggregate of the resource's accessibility, reliability, maintainability, serviceability, and sociability.

**Communication**
This is information sharing between people within and outside an organization that is performed for the commercial benefit of the organization. It can also be defined as relaying of information within a business by its people.

**Insurance Industry**
Contract between the policy holder and the insurer such that the insurer company guarantees any event in the insurance range and in return, the policy holder should continuously pay a fee/premium for the so-called insurance.

**Reliability**
The quality of being trustworthy or of performing consistently well.

**Transparency**
This is a way of operating in such a way that it is easy for others to see what actions are performed. Transparency implies openness, communication, and accountability.
1.0 Introduction

This chapter contains the background, statement of the problem the area of importance of the study or significance, the scope of the study and the summary of the chapter.

1.1 Background of Study

The insurance is a contract that is made between the policy holder and the insurance such that the insurance company gives or provides a guarantee to any event in the insurance range and in return, the policy holder should pay a premium for the service. Those who provide different services in the world, majority of them tent to believe that the most effective solution to keep customer confident, loyal and even satisfied is by way of service quality that enhances reduction of the cost of attracting the new customers to the organization (Tsoukatos, 2007).

According to Jones (2015), in the United States of America, one of the reasons for the development of the binder holder model was that some insurers and intermediaries believed that brokers were in a better position to service customers. In reference to this area, majority of traditional insurers approved acquisition of the system, but the customers’ expectations of quick turnaround most of times were not adequately met by insurers. In relation to the above many insurers within USA were willing to pay fees to brokers to facilitate in service delivery to avoid delays. This whole process of outsourcing the service brought about its own cost to the industry. However the many of the fees paid in terms of the binder agreement for binder service have been for comprehensive legitimacy service rendered by the intermediaries. The true and quality servicing of clients is not only about ensuring a claim is paid but, it is about having the client satisfied and the product taken up is in a better position to perform effectively at the point in time when it will be required.

It should be realized and well understood that the development of the economy in any country depends mostly on its financial position in the insurance industry being one of
the major players in the financial system. The sector in Kenya is growing a very fast pace. In accordance to results of liberalization of Kenyan economy, new private insurance companies had emerged which are competed with both foreign insurance companies and Kenyan companies investors for market share. Insurance companies are both competing with themselves and even other financial institutions like banks and large pension funds which opt to self-insure. Having the entry of private industry insurance companies, the number of insurance companies has gone higher. The high level of competition has been the most important element in influencing the structure and the activities of insurance system around the world. More and more insurance amenities are being made accessible in most world part especially in the most accessible and elementary form. With the growing awareness among the people about insurance, various services provided by the companies and availability of insurance facilities across the globe, the insurance sector is emerging very rapidly and there is a need to identify the main factors that affect customer’s confidence for an insurance company (Kelvin, 2013).

According to Lyyn (2017), pressure on insurance rates is most pronounced among Africa’s commoditized commercial lines of business, where barriers to entry are low and customers are insurance-savvy, opportunistic and fight for the best price. Evidently, non commoditized lines, that require specialization, are capable of escaping from the pricing pressure. At the end of it all, interviewees perceive that rates will remain subdued over the next one year. Profit level also fares better than in commercial lines, even if there are some claims that inflation and also the depression of economy can negatively affect bottom line for anything, going the forward way, its realized that 80% of the interviewees predicts stable or even the rising profits, in which personal lines can be viewed as being less volatile and even exposed to cutthroat competition states. This is considered a more traditional line of business and predictable for business planning.

Administrative access to the local knowledge, skills and talent remains a challenge to the African insurers, which makes it hard for expertise to come by in small markets specialized such as actuaries, of which are even scarce in more popular markets. As know-how is missing to develop and enhance introduction of new products, capital is
invested in the main stream solutions, to a further extent to the heightened level of competition within those departments. The interviewees usually expect a more concentration to Africa’s insurance industry, should be driven by increasing competition, regulatory pressure, market protectionism and the economic downturn. While the regional insurance happens to increase their track by acquisition, the small insurance businesses are forced to exit the market. Mergers and accusations have become the order of the day. As regulators force them to strengthen their capital base, they struggle to survive in an environment of anaemic top line growth, high claims, currency devaluation and inflationary pressure (Lyyn, 2017).

Jogaratnam (2017) found that, the insurance sector in Kenya is lagging behind as other financial institutions ride on the back of mobile innovation to meet and satisfy client needs. With over 50 licensed companies providing insurance services, the industry only contributes 2.9% of the GDP to the country. This portrays a gap that must be filled in the industry through entrepreneurial innovation, sustained public education and awareness campaign. The insurance industry in Kenya is faced with other challenges making their operation in the market cumbersome. These challenges include the level of insurance knowledge by the people, status of the market, laws governing insurance and generally and lack of appreciation about insurance products and services. But one key problem that the industry seems to have brought upon itself is the lack of creativity. Whilst the banking industry rides on the back of ICT, especially mobile innovation to deepen the penetration of its services and products, the insurance sector has shied off for such technology. This poses a major challenge, especially in creating customer confidence that is hugely needed for the uptake of insurance products and services. The insurance market is still not well versed with the diversity in the sector as most people are less or are not used to paying premiums in order to lessen the risks.

In fact most Kenyans do not understand the seriousness of these risks until it’s too late. This ignorance on the client part is brought upon by the now legendary reluctance of the industry to embrace education of its products and services to help clients understand and create the needed customer confidence for insurance product uptake. The other challenge
is the bad reputation most insurance firms have of paying claims with a lot of dispute and court challenges. This practice of avoiding claim settlement has played a key role in frightening the potential clients from taking any of the insurance products and services. This has been compounded by the endemic collapse of various key insurance firms, most of which have sunk with client’s premiums (Zilani, 2015).

The following four variables were developed in this study Reliability, Communication, Availability, and Transparency. Each was expounded further to establish if it has implications on the service and to what extent. Implications and recommendations of each of the variables were given in summary and conclusion. The study variable impact onto the main dependent variable was studied and to what extent it affects. On reliability, it was looked at in terms of reliability of the service and its impact onto the dependant variable of customer satisfaction. The study modelled around communication from the service provider to the customer and the implications/impact of such communication onto the service delivery. Availability of any product is considered important and thus expound on the availability of the services and the eventual result of availability onto the main variable of customer satisfaction. The study took concern around the result of transparency on the customer confidence in financial services.

1.1.2 Profile of Minet Kenya Insurance
Minet Kenya is a leading provider of insurance broking, risk management and human capital consulting solutions. It is part of Aon plc (NYSE: AON), a global giant in the insurance arena with more than 60,000 colleagues worldwide across 600 offices, in over 120 countries. This comes together with an aim of providing the customers with a distinctive client value through the innovative and the effective risk management process and the solution to work force productivity level. It stands ready to draw on its international network and the knowledge of local experts to provide the best idea, the confirmed solution and also the alternative service. The company gives seamless workers benefits and the risk solutions which are much backed by the world of resources. The institution service and product solution department gives the full range of the world standard, the cost effective personal and the business insurance cover which is related to
service. Many years of experience, local alliances, local and global links, expertise and buying power in the market are unmatched (Minet Insurance Brokers Limited Website, 2018). Minet was formed in November 2017 after the sale of equity by Aon to South African Private Equity Fund Known as Capital Works. The buyers bought the business as is and opted to retain a name that had previously been used in the African markets to ensure continuity and non-disruption of customer experiences.

The company is well known to have been providing a broad range of services and products and solutions which are ranging from an individual’s, whether locally or internationally cooperation’s. In order to empower the business customers, it is wise to improve their productivity which can be done by providing superior risk and human capital solution, which can be achieved through integrity and even professionalism, backed by highly engaged employees. The company has the idea that all its customers remain with a vision which they have set in their minds to achieve. In order for the customers to be in a position to achieve those visions, the company works close to them in order to help them in all means possible and even by requesting them to give views on whether the company is meeting their demands in relation to the services the company is providing them. In addition to this, the company staffs are encouraged to obtain the highest insurance qualifications to give company the leading edge in technical insurance expertise for the benefit of our clients (Minet Insurance Brokers Limited Website, 2018).

1.2 Statement of the Problem
As known for many years, the insurance market had remained a government monopoly. Creativity and innovation were shown less and the insurance companies were faced with problems such as customer relationship that is, not providing complete customer satisfaction in this area (Karimi, 2005). Currently, competitive market, service plays an important role in the economy and quality of delivery. As a strategic tool, the successful service companies are used (Kony and Jogaratnam, 2007). Insurance companies, especially because of their intangible products should be able to forecast coherent programs to identify customer needs (Sedighiyan, 2012). The newly form of competition that has been witnessed currently in the insurance industry, has been realized where
companies are doing their best to consider new ways to build customer confidence and loyalty to increase their competitive power which has not been achieved and strategies to achieve it are very necessary like building customer confidence on the products.

However, Mike (2017) indicated that, the insurance industry did not fair very well in the recent 2014 Edelman Trust Barometer, which is an annual survey that measures trust across various sectors. In general, the industry is best position to perform better if that good financial advice is provided, with products being solid, with claims being processed and paid timorously and customer’s service is excellent. The concern for the failure to be performing well within the insurance industry brought about some concerns to establish whether insurance sector is receiving high scores, the reason as to why customer trust levels so low and whether it could be a case of a bad eruption or what could be the key reason for failure to build good customer confidence which is the key to successful performance. Minet has not been exempt from this observed since the financial report of 2014-2015 indicated a large percentage of profit reduction since it moved down from 24.5% to 18.4%, which was expected to rise higher as per the business efforts that had been put to improve sales. This indicted that within Minet Insurance Limited among other insurance industries there is a problem, which had not clearly been identified but with realization of decrease on sales.

Since then, there has been a movement of the customers who come for the services but all over a short period of time they quite the company services as it was indicated from the company report issued in 2017, which showed a high drop of customer with 16% in the year 2016, which remained a concern for customer confidence. By close of the year in June 2017, there was a drop of customers by 25%, which was a more worrying situation(Mike, 2017). With consideration that the company has been investing a lot in conducting marketing and analysis, whereby large number of people are visited by markets, who usually come to the company for more details but once they promise to come and buy the services, they leave without buying the services with only less than a eighth turning back to buy the services, of which to start they do it with divided mind and without clear indication of what could be the problem. This has been realized in
according to the company report of 2017 which indicated poor payment of premiums by the new customers. This concern in mind brought the researcher to the need to carry out investigation to understand the factors affecting customer confidence in insurance industry in Kenya in order to create room for company better performance.

1.3 Research Objectives

1.3.1 Main Objective
The general objective was to investigate the factors affecting customer confidence in financial service institutions in Kenya with specific reference to Minet Kenya Insurance Brokers Ltd.

1.3.2 Specific Objective
The study was guide by the following specific objectives;

i. To assess the effect of service reliability on customer confidence in financial service institutions in Kenya.

ii. To establish the effect of communication on customer confidence in financial service institutions in Kenya.

iii. To determine the effect of availability of the service on customer confidence in financial service institutions in Kenya.

iv. To examine the effect of transparency on customer confidence in financial service institutions in Kenya.

1.4 Research Questions
In order to achieve the above objectives, the study utilized the following questions;

i. What’s the effect of service reliability on customer confidence in financial service institutions in Kenya?

ii. What effect does communication have on customer confidence in financial service institutions in Kenya?

iii. How does the availability of the service affect customer confidence in financial service institutions in Kenya?
iv. What is the effect of transparency on customer confidence in financial service institutions in Kenya?

1.5 Significance of the Study

This study is of assistant to Minet Kenya to help the company have a broader understanding of the factors affecting customer confidence in financial service institutions in Kenya. The study has come up with the factors and, thus advice on the best mechanism to utilize on implementing it to its operations. It is therefore important in assisting the management to know the level by which to invest appropriate concerns relating to customer confidence through staff training within the marketing department among other concerns.

Over recent years the industry of insurance discovery pipeline has remained an issue of concern among many people. The rise of costs, the increasing complexity and even the dwindling level of population of the insurance candidates have suggested that the traditional studies and development methods are more likely to produce enough financial breakthrough insurance services which will aim at increasing growth of the sector. The insurance industry regulators would put regulations to eliminate non-performing firms to ensure that they do not affect the confidence that has been put in place by other insurance firms to their customers.

The findings are to be utilized as a reference to other researchers on the same area of study to facilitating their studies. To academicians and scholars, the results remain helpful to forming the major base for the future study on the subject, which will enable provision of very critical examination of the insurance field among other fields of study. It gives future researchers a given level of interest in this reference area and the relevant literature to enable them to accomplish their investigations in research. It creates a deeper understanding and training for insurance employees aimed at improving their performance.
1.6 Scope of study
The focus of this study was to assess the factors influencing customer confidence in the financial service institutions in Kenya. The study was carried out in Minet Kenya which is located at Minet House, Processional Way Off Nyerere Road, Nairobi. The target group was within technical department narrowed down to the marketing department. The target population was the sales and marketing officials, the marketing representatives and the customers. Investigation process was conducted in between July to September 2018.

1.7 Chapter Summary
The space of marketing in the insurance realm was introduced in this chapter one and how to measure their impact in enhancing customer confidence in the industry. The problem the researcher wants to study has been presented in the chapter, the research objectives, questions to be used and the scope of study.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
The chapter presents theoretical framework in accordance to where the study was based. Theoretical and empirical foundations of the study and have been discussed. The chapter also gives a brief summary of literature review as well as identifies gaps that the study hopes to fill.

2.1 Theoretical Literature Review
This section reviews theories and hypothesis that support the study. The study identified two theories which included disconfirmation Paradigm and Expectancy-Value Theory that explain factors that affect customer confidence in the financial service industry. There are theories that best explain customer satisfaction is disconfirmation paradigm and expectancy-value concept (Barsky 2012) not forgetting organization information theory. Both are widely accepted theories of customer behaviour though neither addresses the relationship between customer satisfaction and actual purchase behaviour.

2.1.1 Disconfirmation Paradigm
Disconfirmation paradigm remains to be a theory which indicates that the customers, who are existing in the market, try to compare the new service experience with a standard in which they have developed for sometimes. The customer believe about a given service is determined by how well it measures to their level of standard. The theory presumes that customers make purchases based on their expectations, attitudes, and intentions (Oliver 2010). Before, during and after consumption, a perception of performance comes to being, as customers evaluate the experience. The process is completed when customers compare the actual service performance with their pre-experience standard (Beardon& Teel, 2013). Therefore, the results of the service experience is confirmed whether its satisfaction or dissatisfaction. In accordance to this paradigm, there are four components which include expectations, perceived performance, disconfirmation and satisfaction. The expectations level presents pre-consumption expectations. Again performance refers to the customers’ expectations of service. The area of disconfirmation results if there is a
discrepancy in between expectations and performance. The satisfaction is hereby determined by combining the satisfaction outcome for the various attributions of the service. First three components affect satisfaction but it is not determined whether or not these lead to satisfaction or dissatisfaction. Neither is there consensus on how the variables interrelate (Barsky, 2012). In this conclusion it is true that the customer confidence in the financial institutions will only be won if the organization level of reliability of service to customers, and availability expectations by the customer will be met in terms of their expectations standards, which will enhance satisfaction of the customer as they require it to be. This will build confidence among the company customer and help them to remain loyal to customer services.

2.1.2 Theory of Reasoned Action
Martin Fishbein and Icek Ajzen in the late 1960s, created a theory called reasoned action, which was centered its analysis on the benefits of the pre-existing attitudes in the process of making decision. This theory core is that, the customers react in a manner that is able to indicate his or her intention to receive particular result or outcome. In this accord the customers are rationale actions who make the decision to act in their best way of interest. In relation to this theory, specifying remains very critical in the process of making decision. The business customer takes specific act whenever there happens to be an equally specific result as expected. Between the times the customer makes the decision to take action until the time when the action is completed, the customer always remains the ability to make adjustments and decide to act on the main course of action. In accordance to this theory, marketers can learn several lessons from the theory of reasoned action. The first lesson is that, when marketing a product or service, customers, marketers must associate a purchase with a positive result, and that result must be specific. Secondly, the theory highlights the benefits of moving the customers through the sales pipeline. Marketers must understand that long lags between initial intention and the completion of the action allows customers plenty of time to talk themselves out of a purchase or question the outcome of the purchase which is very vital in building confidence within them. In accordance to the theory, the customers will have full confidence if the financial institution services management will commit them to provide the customers with desired
benefit in regard to the investment they make with the company. This management commitment to provide customers with their exportations will be true to win customer confidence in regard to this theory of Reasoned Action.

2.1.3 Organization Information Theory
According to Karl Weick theory of 1995, Organizations are marked by the process by which they collect, manage, and use information. This goes through stages of having the information, then to sense making, coordination of it and finally the decision making. Organizations that adapt to change survive those that do not, die. For a successful organization, it remains very vital to have all the important information, which is needed to attain a given goal. This theory proposes that the behavior of persons and productivity are highly affected by organizational communication. The most important of it all is to minimize doubts to enhance extraction of relevant information from the extra ones. Customer confidence is easily build through communication depending on the way it is huddled between the business itself and the customer. Good communication system according to the theory is very critical to enhance customer confidence building among customers in the financial institutions in Kenya. To win customer confidence, there should be room for proper communication between the management and the customers to enhance understanding between each other and service expectations in the right way. With this fact, organization information theory is very important to consider in enhancing customer confidence through proper planning and execution of good communication process within the financial service institutions in Kenya.

2.2. Empirical Literature Review
This section reviews empirical literature on independent variable that supports the study. This section discusses in detail factors that affect customer confidence in financial service institutions.
2.2.1 Service Reliability and Customer Confidence

In reference to Berry (2010), customer confidence is the ultimate goal in providing reliable and consistent customer service. Customer service is defined as, “the level of help and courtsey given to the people who support the business.” Consistent customer service means that customers can access the same services whenever they visit the company for the service which results to reliability. The business customers depend on business to provide excellent customer service after it has proven to do so consistently. Khurana (2013) indicates that, consistent and reliable customer service will hook customers and keep them returning for more business. Customer confidence enhances a company’s profitability, so providing consistent and reliable customer service is good for the bottom line. Whenever customers are not satisfied, the business stands a better chance of losing a lot of money. By paying attention to a company’s provision of consistent and reliable customer service, businesses can create a positive public image for themselves.

Confidence is a major determinant of relationship commitment (Morgan and Hunt, 2014), and exists when there is confidence in a partner’s reliability and integrity. Moorman et al. (2013) defines trust as willingness to rely on an exchange partner in whom one has confidence. According to Morgan and Hunt (2014) trust goes beyond confidence and includes the perception of confidence in the exchange partner’s reliability and integrity. As such, trust is critical when services are intangible, difficult to evaluate, complex and technical (N’Goala, 2006). Morgan and Hunt (2014) point that according to the commitment-trust theory; trust is a key variable in the development of an enduring desire to maintain a relationship with a brand in the long term. Individual ways in which he or she gains trust to a given brand is based on experience with the brand. Attribute is influenced by customer’s evaluation of product trial, usage and confidence as well as advertising, word of mouth and brand reputation (Krishnan, 2016).

Well, a customer experience as indicated by Tsoukatos, and Rand, (2017) is reliable in the eyes of the customer if it directly and efficiently solves the customer’s problem without introducing a host of other hassles, problems, or issues. One could think of reliability as a form of service fitness or competences, since the word clarifies that the
customers to a given company can rely mostly on depend on product to effectively meet their desires. Reliability is based on not only quality of physical products whatever they can be but still the issue efficiency of the service that surrounds the product which may involve things like handling inquiries and requests in the timely fashion, the proficiency during the making and repairing or even service improvement not forgetting maintenance of company customers privacy of data.

Business customers do not think based on the departments or storage towers, to an extent that company customers experience can be delivered through the separate, uncoordinated activities of about two or three or even a dozen of different operating departments, it is not easy to appear as if it is very reliable to the customer the customers prospects gives the definition to the experience. Regardless to whatever the internal element are being taken to use or involved in the company running, a reliable customer experience will only be delivered through by removing internal focus and the division between customer facing and non customer facing group and the processes to use to deliver single, unified experience of each customer. From billing and invoicing to technology implementations and employee training programs, all parts of a company should consider their role in influencing the customer experience (Liechty, 2009)

When an organization realized the critical role played by reliability in every element of business operational success, company is eager to improve its customer confidence to be the only dependable business or company. It is wise to beginning with the effective communication and keep customers in loop, starting with the complete transparency as the company embarks to organization client relationship. It is wise to make the customers remain informed of the progress of things and keep them updated and in case of changes to the project at hand it is very important for the institution to communication and hold truth to values of the company; these given simple priorities are able to give pay to dividends down the road. Business reliability is beneficial to the business at every area or step of the sales funnel form initial customer interactions to attracting repeat business. Company can best achieve a reputation for reliability by consistently delivering
exceptional service and by working with reliable internet and telephone service providers (Saiful, 2011).

According to Jones (2015), it is a reality that the concept of reliably or dependability is used in a variety of business and industrial settings. Generally the concept of reliability is much more applicable whenever it is vital or critical to achieve equal results time to the other without failing to the customer’s desires and promises. Financial service sector or industry is said to be reliably when it is able to attain the same results in a defined time limits every time it occurs. An industry can be said to be reliable if its in a position to consistently perform to the expectations of clients or customers desires and demands. Data reliability in the financial institution is mainly determined by how well it has been compiled and even by how it has been prepared. Company employees remain reliable if only they are able to perform consistently and achieve a given objective or goal for the business which brings customer confidence. Rosemann (2010) continues to argue that, the company reliability is mostly measures by the given results of the service. This is found to be the yard stick which is against performance in which it is measured and even evaluated. Business reliability is used or applied to individual performance, service delivery, processes of delivering that service and the data among other things that may related to the customer service. Reliable customer service delivery in all these areas is critical to successful business planning and results towards build-up of customer confidence. To enhance the business success, all of its components are said to be a must to be reliable to the customers’ demands.

Paladino, (2017) indicates that, on the business area of finance and accounting, data is reliable when an independent audit has confirmed that the financial statements have been prepared in accordance to the rules to generally accepted accounting principles. The annual company reports in relation to customer service among other financial disclosure resulting from publicly held companies generally include statement from the audit in relation to the reliability of data contained in there. The reliability statement affirms that, the information contained in the report of finance is free away from errors which may result and bias and may reasonably reflect the facts of the business operations which
builds up the confidence in a customer. In the financial sector, the accounting data is able to be reliable without necessarily being verified. For such data to get verified, it is a must to be possible to reconstruct the financial company data and then be able to achieve the same results whenever possible. In addition to this fact, the two more accounts working independently should be able to attain equal results for financial data to be verified. Whenever this is achieved in a company, customers develop a heart of trust to the company and thus their confidence is build on the company services. In addition to this case, two or more accounts working independently within the company must be able to achieve the same results for financial data to be verifiable by the management (Jones, 2015).

Lyyn (2017) indicated that, in the financial sector according to this argument it can be realized that, reliability is also an important concept. All the steps involved in the service delivery are a key factor to the successful reliability service effectiveness which enhances the effectiveness of building customer confidence. In this regard, because reliability does not replicate perfect, serious attention is given in to improve reliability of the wide range of manifesting functions where necessary. The reliability of such process directly affects the profitability of the industry as well as the reliability of the business services to customers.

In accordance to Cokins (2014), the service reliability remains very important to the producer of the service but also to the client of the service. Whenever the clients or customer buys products, they always have many expectations as to how well those products will perform to them and even the duration it will take. Whenever the business offer products warranties to their customers they stand behind the reliability of their service. a digital system that has a three year of warrant can be expected to have more reliable concerns than the one that has only two years of warrant. In accordance to the warrant period, the producer of the service will assume the costs of repairs among other issues, may replace the product without an additional cost. Variety of legislations always exists at state and federal levels aimed at protecting customers from the faulty, effective and even unreliable products. Perhaps the most well known in California’s so called
lemon law, which provides customers with remedies when they make purchase consistently unreliable services. That law also prevents the customer of services from knowingly reselling a lemon without notifying customers of their service history of the product.

The reliability of some services is and should be always regulated by the government to prevent misuse of customers by the management. When it comes to the human resource and the company personnel, the individual reliability looking for employment remain the concern to business success in building confidence to customers. The so called dependability and integrity tests should be developed to screen potential employees. Business gives these tests to the applicants to determine the profitability of them having the expected disciplinary problems, absenteeism, tardiness, and other customer productive traits. The dependability tests actually complement mental and physical ability tests to provide employees with a better evaluation of potential new hires. All this is aimed at enhancing successful service delivery that can ensure customer confidence with the institution service (Dimon, 2013).

In any business, the issue of reliability is all about eliminating the failures modes, and ensuring management resources minimize the frequency of unavoidable failures within the company service. If a service company has opted to introduce the reliability plan, the action agreed on is mainly affected by the definition utilized or used. If no serious definition thoughts are given to a higher degree of concern, the conclusion is likely to happen. Definition can lead site to totally different direction than others. It is therefore very important to challenge and agree on the definition used there off. The definition should be structured in a way that all people in the company understand what they mean and what rule they play in achieving the goals and objectives. To many institutions, this is seen as the customer maintenance. The thinking is in any opinion work against any overall objective, and the only customer that exists in reality is the ones who purchase the final products and enhance delivery of quality products to the customers for survival. Reliability requests a partnership approach if possible, with everyone working towards achievement of a common goal. The senior management must subscribe to and be a part
of this concern in order to ensure that there is confidence building among the customers of the firm (Zilani, 2015).

According to Peters (2015), the business concept of reliability or dependability is used in a variety of business and individual settings. In common occasions, reliability issue is applicable whereby there is need to achieve the same results time to the other in the same level of quality. Business services are said to be reliable when they achieve the same results within definite limits, each time they occur. Business service is reliable to customers only if is able to perform consistently to the expectations. Business reliability and finance among other types of data relies on how well they have been compiled and prepared. The business personnel are considered very reliable whenever they consistently perform and achieve defined objectives.

The business reliability is mostly determined by results. Reliability is utilized or applicable to performance of business individuals, products, process and even the data. Performance reliability to customers is very important to enhance success of the business operations. To get the success of the business, it is always advisable that all of its components must be very much reliable to the demands of customers. The reliability statement affirms that the information contained in the financial report is very free from error and bias and reasonably reflects the facts of the business operations effectively (Ember, 2011).

According to Bwisa (2011) the reliability is also an important concept in business sector in a number of ways which can be determined by number of issues to be successful. Plants to the firm processes, materials and a host of other aspects of the business processes. Service reliability is important to both the company and the customers of the services and products. When customers purchase services, they have certain expectations as to how effective and well those products and services will perform and for how long. When companies offer services and products with warranties, they are standing behind the reliability of their services.
2.2.2 Communication and Customer Confidence

Customer confidence results from high quality of service, and as explained in the gap model (Parasuraman, 2015) this is attained when perceived service exceeds the expected service. Business expected services and the ones perceived are in turn influenced by the way communication is done and many other factors.

Studies on relationship between communication focus, service quality and customer confidence have been investigated earlier. One such study is by Neeru & Patterson (2009) that focused on the impact of communication effectiveness and service quality on customer relationship commitment. It is true that good communication in the organization enhances alignment of customer expectations and perception of customer service quality. Communications, according to Neeru and Patterson (2009) refereeing to formal and information exchange between customers and the company. There are five characteristics necessary for communication to be effective; having realistic information, timely, educative, understandable and meaningful. Relevant information is given to customers concerning services and products, preparing the customers on what they expect. It assists in helping educate and in dispute resolution which would bring negative perception if not well addressed. It creates a mind set and believes concerning company, which is responsible in aligning clients’ expectations. External communication is necessary in impacting customer expectations and perceived service.

Melani (2011), in a study related to that of Neeru and Patterson (2009), concentrated on the impact of internal communication on service quality. Communication of employees in the organization at all levels determines the service quality. Well planned communication within departments can never result to wrong information being provided to clients. Such well managed internal communication system positively supports external processes (Coulson-Thomas, 2016). Successful internal communication is important for external communication since company stands a better chance to provide the customer with what was promised consequently improving level of service quality, customer confidence, retention and loyalty.
According to Nabi, (2012), insurance companies need to improve their communication effectiveness and particularly the three factors regarding unrealistic communication, failure to meet timelines as promised and difficulty in understanding the information communicated. By conducting research, insurer will communicate effectively since the company will have an understanding of the customer desire. This can give company a chance to provide information that is realistic and relevant to customers. The company should communicate information in a simplified language that customers will easily understand and ensue that they are timely all the time.

Any kind of information a company communicates to the customer it is important to remember that it creates an expectation of a service or product. Communication in comparison to perceived performance influences perceived service. Companies should try not to overpromise the customers since it may turn to be a disappointment if expectations do not mach what was communicated. A realizes promise normally promotes a more positive perception of service (Nabi, 2012).

Improving service quality requires minimizing gaps between perceptions, both internal and external, and expectations (Brown & Bond, 2015; Parasuraman et al., 2005). The Gap model by Parasuraman et al. (2005) lists five (5) gaps. The first gap is between what customers do expect from the company and what company thinks customer needs. The other gap is the difference in doing translation of management perception to service quality specifications of the customer. The other gap that may exist is the mismatch between specified quality speculations and actual service delivered to the customer. To the other fourth gap represents difference between actual service delivered and what the customer was promised through communication channels. This is true that there is good link between communication and service quality as given manifestation gap. Finally there is the gap between expected service to be provided and perceived service provided by the company.

Jogaratnam (2017) indicated that, focusing on customer communication is important to the long-term success of any business. In the early stages of the relationship, effective
communication ensures company product or service meets the customer's immediate needs. As time goes on, regular communication with company customer base allows company to adapt and grow so company can continue to meet its requirements. Clarity of communication is important when attempting to understand what the customer truly needs. Attaining clarity often involves asking key questions to gain a better understanding of the customer's situation. Providing the customer with a clear understanding of what actions company intends to take the remedy the situation along with a specific time frame leaves little doubt in her mind of what to expect and eliminates confusion or misunderstandings. Dimon (2013) continues to argue that, communication can serve as a valuable reinforcement tool to solidify the purchase. For example, a salesperson that stays in touch with a customer in the period immediately following the sale can reinforce the benefits of his product or service and how they meet the customer's needs. They can also quickly address any problems the customer may have, such as attempting to figure out how to use a new product. In the process, the salesperson can also lay the foundation for a long-term relationship leading to repeat sales.

Company customers' requirements are likely to change over time and the ability to communicate with them helps company adapt to their changing needs. If company is a distributor of goods, for instance, an increase in a customer's business may require a corresponding increase in the frequency of company deliveries. By maintaining regular communication with the customer, company is better prepared to provide the needed change in delivery schedule quickly and efficiently. In some cases, company may even be able to anticipate the customer's need for change and make helpful suggestions. Failure to communicate with customers for extended periods of can cause them to forget about company or make them think company no longer care about their business. When the time comes where they need company services again, they may decide to look to company competition instead. Even if a customer doesn't have a current need for what company business provides, the simple act of staying in touch with a newsletter, email or even the occasional in-person visit can reassure them company still there to assist them whenever they need company (Beardon and Teel, 2013).
According to Coulson (2016) communication plays a crucially important role in all aspects of a business. Communication in business can be internal or external. Internal communication, the company deals with the staff meetings and written messages such as emails and even other systems like text messages. On the area of external communication, this is where the company deals with suppliers, the clients and the other businesses. Good relationship between employer and employee is only achievable if there is good communication, which results to higher productivity. Lack of good communication brings about some shortfalls like disgruntled customers, failed projects and the diminishing company productivity.

Rosemann (2010) indicates that, communication in business ensures customer has no doubts about the future of the business, since the clients are the lifeblood of the business to survive. Communication especially the external communication enables business to retain customers and even to bring new customers to the business. Marketing plans of the business involve communication in them which can persuade customers to shop the company goods and even to visit the company shops. Communication enables public relationship to be built which enables creation of good company image which is vital for the community to be converted to real customers. Through communication, the business gets to know its clients characteristics which is important in connecting with them. It is important for the management to consider the connection process for both company and the clients. Partnership is also improved through good communication process which should be maintained. Communication should be well applied to deal with suppliers among other external business contacts. Communication should be used to update all the supplies in order to have a realization of the major areas which they need to improve. Communication gives the company a chance to form an alliance with other businesses. Communication can help company to form a good reputation which makes it easy to succeed easily in partnering with other businesses, which still creates a room for formation of other relationships with other entities.

According to Taylor (2011), no business would succeed without customers, and every company exists to serve them. Customer communication is very important as
communication within the workplace. Currently it is easy because of the digital way of communication which assists in keeping in touch with all the customers. Having different communication systems to the customers brings it close to the business to connect well with the customers which makes the customers feel that they are more close to the business, which is very important since they are the ones who buy company products and services. Communication type also ensure customers are always happy with the company and share ideas on what companies can do to improve on the service they renders to them. Whenever customers realize that they are being listened unto, and suggestions taken, this will create good reputation which will result to company gaining more customers which will enhance high profitability.

Communication does not only help in matters of sales alone. However, communication is perhaps more important when it comes to the issue of providing excellent customer service, something which all business should and a must to do. For many reasons, customers may happen to be unhappy with businesses even if company did everything company could, but as long as company are able to communicate company concern for their satisfaction, the company may turn situations to positive experiences. Customers who happen to get displeased with the organization, do not take time hesitating to share their poor experience with other customers, both potential and existing. By communicating clearly with them, company and ensuring company business always delivers the finest customer service possible, and that’s another critical component of building customer relationships (Taylor, 2011).

2.2.3 Availability of the Service and Customer Confidence
According to Khurana (2013), the key to great customer experience is exceeding expectations. This high expectation makes it hard to meet the customers not even exceeding them. The concern for availability of events can bring about everlasting impacts not just the issue of concern expectations but a company bottom line. Such issues have come to take element that used to be a competitive edge for industry leader and turned them down to the bare minimum expected by any serious participant. This makes a
company turn attention on such issues which are affecting business operations and growth. Smith (2012), to enhance growth effectively on the area of customer service, it is very vital first to consider external and customer facing side of the company business no matter what industry is he or she. This change is so broad and tied into many areas of business operations that its can only effectively accomplish a given team leadership level. This in itself can present challenges depending on the way it comes to conduct with the company customers. And there's almost no such thing as being too aware and conscious of that audience's reaction to company

A sound understanding of company customer turns to be very vital to business success, in a sense, the large challenge can croup up from the company itself. Leaders within the department can agree on the end results but suffer from opinion difference, or even coherent strategy about how to get there and remain reliable. Within this context the IT department comes in to its own and enhances support to reliability of company services. For most services deemed critical, there are good tools in place to measure availability, but for non-critical services, it is much more difficult for organizations to justify the expense of monitoring and reporting systems (Williams, 2011).

Oliver (2017) directed that, for any organization that is faced with the issue or challenge of managing service availability with ineffective systems, they may happen to realize that, enlisting their customer help could work for the institution or company. It is very important to request customers to make notes of any time when the service is not available. Once the incident is logged, request customers for their time stamp. With any approach there will be challenges, and enlisting the companies’ customers help requires trust, of course companies will wish to have sufficient monitoring system and reporting system in place, but things have to be realistic. With customer ready to assist in measuring availability of products and services, will make company to be about to make accuracy in all failed services, and its best than company which would rely on guess work and attaining inaccurate information that would fail the company service provision.
Rand, Tsoukatos, and Marwa, (2014) it is noted that a lot of business just like any other business are competing for customers or customers’ dollars and again the customer loyalty. There are good chances of investing in marketing processes and advertising efforts to bring customers through the doors of business. The vital part of it all of customers services is in how to keep the customers once they are brought in. It is true that, it highly costs to attract new customer as it is to take care of the one the company has in place. In this case, it should be noted that customer confidence is once the company builds it, the management of the exiting customers becomes easy. Therefore, the company management should go through all corners and huddles to ensure that the customers have high level of confidence in their services and they can also be involved in the process.

Cokins (2014) indicate that, good customer service availability will always relate to the service the company and its employees provide before during and after purchase. It should be more of how one interacts with its customers. Building of customer confidence, it is very vital to consider the issue of training the service providers to provide consumers with right details and service necessary for them to remain loyal. Despite the business size being operated, business customer service availability should be at the heart of the business model in order to be successful in winning customer confidence. It is vital to give good customer service to all customers both potential, new and the existing ones, to remain a tool for building customer confidence. Although it can cost or make use of extra resources mong other things like commitment, customer service availability leads to customer satisfaction which can generate positive word of mouth for the business thus resulting to confidence among customers.

According to Esty, and Winston (2014), often, availability happens to suffer because it is not well understood by the service providers. This happens to be the final outcome of the complex chain of events, buyers need to forecast and order accurately, supplier has the mandate to delivery reliably as communicate to him by the customer as per the distributing needs to ensure the service reaches the destination at the right time without any delay caused to it. This cross functional complexity should be dealt with accordingly.
When the customers happen to fail to find the products or service they want being available at the right time and place, they react in a number of different ways. In this case the customers feel frustrated and happen to shift to the competitors for alternative services or products, and only around one in eight ends up coming back if they are satisfied by competitors’ services. More costly are cases in which a failure to deliver which is equivalent to making services not available to customers, is the last thing to customers to determine defection to competitors for a long term service. Such behaviour is often impossible to measure but is very important (Esty, and Winston, 2014).

Kapcha (2012) indicated that, in service industry where shoppers visit or conduct to buy one specific service, availability problems can provoke permanent switching by removing a business from a customer’s consideration set for future purchase. It is worth considering that if a few as one in five thousand customers inconvenienced by in availability of service is lost forever, which the cost will remain equal to direct loss of sales. Note in this content that, to achieve better availability is a good target and due to big difference between worse and best performers most retailers have room for improvement.

Correcting service or product availability problem begins by better understanding their root cause in the business operations. While it may sound surprising, few managers have a good grasp of where, when, and why in available stock and services occur. The flow of services from the supplier or distributor centre to the right location of systematic collection may be a challenge. The method that is used in tracking availability remain to be low tech, which is a technique to perform the manual business checks of the quality specified at a given time in every day or weekly, in some cases supplementing these services with other services as agreed with the customers. In addition to ensure service availability, it is important to have additional data getting provided by vendors, though this remains a partial picture with risk remaining to be the subject to the bias. These approach however suffer some very fundamental flaws all of which it the true extent failure of service availability trend to be maintained. First they fail to track availability
for all service, only those with sufficient percentage can justify the cost of manual checks. Again they fail to have a significant position of the service check units. Finally, they do not give out good indication on how long a service in availability will last, making it impossible to quantify the missed sales opportunity with any degree of accuracy (Kapcha, 2012).

According to Castells (2010), the company different types of availability problems require different remedies which should have different associated costs, so the financial impact of better availability happens to depend on how better it is achieved. In this concern, the development of the comprehensive picture of the root cause of the failure to avail the services correctly is therefore the first equipment for tackling them in a way that makes the financial sense of the business. Clearly, there can happen to be other many challenges to delivery of successful availability of services by the organization. As discussed beholding the scope of this thought. Many business organizations adopt simple philosophy to improve the business. It happens to generate a small improvement but it will address availability problem but originate outside the business. Moreover, the cost of labour, finance among other issues needs balancing against sales and profitability; simplistic approach may reduce unavailability. If there is unavailable service to the customers at the desired time, replenishment practices may need to be changed.

Ango (2016) indicated that, providing business managers with all information about availability of services and their failures which gives them knowledge to work through the process of delivering the service with ease. At the same time, it is very essential not to understand the change management problems of which management are much importantly required, often in diverse areas of the business operations. Because as well as to make the unavailable service to diagnose, the complex chain of events involved makes them difficult to fix it. where availability problems originate in corporate management, there need to be a process in place to find out and deal with this and to avoid blaming some stakeholders for failure over which they have no control about to make the services available.
On the other hand, marketing managers should be given full visibility of and responsibility for managing unavailability service which originate from the marketing planning. The business services should be compared to other companies’ services whose service availability. Not understanding the failures or the challenges to change, especially when considering the business. Although better information is always necessary for better availability, it is never sufficient by itself (Ango, 2016).

Managing availability of business services is a real challenge despite the fact that it brings about an opportunity of creating more business customers and customer satisfaction. To a business to achieve the benefits it needs to set up a clear picture of where, when, and why service availability occurs and a strategy for dealing much with them that acknowledge the financial tradeoffs and organizational blocking challenges. Since challenges can be related to the business marketing, management should always be prepared to address the matter in details and empowered to change operating practices accordingly. This will ensure that the availability of services in the organization is achieved without much strain (Cooper and Schindler, 2014).

2.2.4 Transparency and Customer Confidence

According to Taylor (2011), transparency will always enhance both the parties to take better decisions. Even if it’s the company’s fault, they should apologize to the customer and offer them necessary solutions to make them confident. It is obvious if the customer is treated nicely and with honesty, they will always prefer company site for the shopping and make repeat transactions. That way he will be company loyal customer. A Loyal customer is considered as an example of trust and healthy relationship between the brand and the customer. The happy satisfied and confident customer will always spread good word of mouth. They will say good things about company brand or service in front of their friends and family.

Word of mouth is one of the best and free ways to promote companies brand and indirectly benefits revenue and brand. Hence, there is no doubt, transparency with the customer not only helps to build companies brand, but also works to increase the
customer confidence. Always keep in mind; news of bad service to customer moves and reaches more than twice as many times as compared to praise for any good service experience, and therefore it is important to remain transparent with customers and provide them with the best customer service (Rosemann, 2010).

Khurana (2013) indicated that, within the year customers services have taken turns and twists than expected. Competition is a factor affecting the same yet the battle is very strong. When companies fail and customers are not confident with company services, the other company wait eagerly to have them drop from the company and convince them to become customers for their business. This makes it hard for businesses to show customers all their available cards since they are afraid of admitting a mistake which would drive customers away to other companies. But this strategy is not always effective or reliable since customers are at times left frustrated due to failure to have some answers to some concerns.

The approach which can help is to step aside from the business realm and into the human realm. It’s not good to try to cover mistakes yet pretending noting is wrong, or happen to hold specified information and insist by using vague comments when it let a customer sown with a lost order whether out of stock or lost order. This frustrated customers even more and makes them more upset than before. This is important to act as what the business preaches. Mistakes happen every step of the way as children make mistakes every day and therefore it is very vital to have reality spoken to the customers which would given them a sense of understanding and a position to heal (Chomsky, 2015).

According to Saiful (2011), transparency is one among the key important elements or factors in pulling back business operations to their level. Corporations typically lack a ‘face’. Company opens itself to receive human emotions by applying a human quality. Customer provision of services is taking a new form of technology improvement in the world we are leaving today. It is true that transparency remains to be key concern in the success of the company as indicated by Griffin, and Hauser, (2013), which begins at workplace. Employees will always wish to work in an organization whereby information
concerning; company goals, trajectory, product road map among others is effectively communicated. These calls for adjustments on the way employees interact with management. This has brought the need for online communication where employees have chance to share ideas, and collaborate on customer projects. This does not only assist in bringing about issues of improved productivity and performance, but it creates trust and accountability throughout the organization.

Company leadership should understand the fact that the company employees are not the only ones demanding transparency as expected; customers want to trust that companies are concerned more of their needs above those of the company needs. The online community is enabling companies to establish trust through authentic engagement customers currently want to contribute in a meaningful way. Majority percentage of customers agree that, if a company engages with the customers in consultation to services to provide, it makes it possible to have them as loyal customers of the company’s products and services. An online community gives customers the opportunity to ask questions and learn how to successfully use company product or service all this should be considered by the management as very critical tool in ensuring that they achieve company objective through ensuring that there is all the transparency needed for the business survival to be effective in the financial service industry (Paladino, 2017).

According to Cooter and Ulen (2016), the transparency level within a company enhances creation of customer centric atmosphere through communities, therefore making it a situation of the more transparent the company is, the deeper customer relationship turns to be. The situations where there is transparency and also the trust makes the customers to have a feeling that they have good connection with the business. Transparency is of benefit to both customer and the company. This is because it builds trust among employees and the company customer of products and services. The company trust improves employee retention, and finally it results to profit increment. Jensen (2011) continues to argue that, transparency also provides powerful insight into customer confidence. Once mutual trust is established, customers will feel freer and open to giving back feedback to the situations, and enable them to share more about the experience with
other customers. In this regard, what other people will say about the company will be found as more valuable and credible even than what the company communicates about itself. Such interaction enables managers’ good ideas about customers and their desires.

According to Liechy (2009) across all industries, transparency has never been more important to a successful business model, regardless of company size. Engaging employees remains critical globally. Engagement determines the trust and the business future. The concern of employees should be understood by management that it is all about what drives company in which they work for, the company long-term objectives and their involvement to contribute towards the achievement of the same goal. The communication factor and the business transparency in all business levels determines trust among employees and the degree of discretionary inserted effort which results from high engagements. HRM engages mostly in identifying the communication by management of an organization about the goals and strategies as a key factor with 52% very vital in employee engagement strategy for the organization. The company trust between management and the employees registers to about 64% as being important too. For any success in implementation of new policy, the employees should be well versed about. This is an indication that the company respect and even value them in all its performance.

Rose (2010) the most critical step in denouncing of the old acts to reshaping information which is being taken along the hierarchy and even keeping all the most important strategic decisions private. Remind company teams what company end goal is, what they key principles that company base decisions and how to enhances, the bring around company to this vision. If company want employees to see a long-term future with or deliver the best every day, ensure that they are part of future shaping. Include company staff in decision making concerning the future and assist greatly in strengthening the company relationship with each one of them. Let company employees’ voice their opinions; it will gain trust to the company. Whenever the company know how each contribution impacts the final outcome, company can take control of their performance and which enhances a feeling of motivation to work extra miles. Availability of company
information specifically or more importantly the financial data, offers a sense of fairness and even openness where possible.

### 2.3 Summary and Research Gap

The literature review section covered both theoretical and empirical reviews that have been done by various scholars. The theories reviewed which support the studies are Disconfirmation Paradigm Theory and contingency value theory. Empirical literature review focused on service reliability, communication service availability and transparency in relation to customer confidence in financial service industry. Service reliability, communication service availability and transparency were identified as the factors affecting customer confidence in financial institutions in Kenya.

The studies that have been done on customer confidence in financial institutions are not conclusive and have handled customer confidence in general. It has also been identified from the studies that the financial institutions especially the insurance industry environment in which the company is operate is also fast changing. It is on this ground that this study was seeking to determine the factors that affect customer confidence in financial service institutions in Kenya specifically Minet Insurance Brokers Limited.

### 2.4 Conceptual Framework

**Figure 2.1 Conceptual Framework**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
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<tbody>
<tr>
<td>Service Reliability</td>
<td>Customer Confidence in Financial Service Institutions</td>
</tr>
<tr>
<td>Communication</td>
<td></td>
</tr>
<tr>
<td>Service Availability</td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
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</tbody>
</table>
2.5.1 Service Reliability
The company services are made to be determinants of how the customers will behave regarding whether to take the service or not. Whenever the service becomes reliable, there remains a chance of building customer confidence within the company. Therefore, with good service reliability in the financial service institutions, the customer confidence can easily be realized.

2.5.2 Communication
Communication is very important in any company that wishes to grow to a higher level. Communication in this area is the concern of sending and receiving feedback appropriately between the customer and the service provider. The company good communication system is encouraged to ensure that customers proper understand everything that is taking place and what is expected of them and the results they expect to attain. By so doing, the company can enhance ease of building customer confidence in the financial service institutions.

2.5.3 Service Availability
The most crucial concern for any business institution is ensuring that the services are available whenever a customer demands for such services. To achieve service availability, it is quite important to ensure that there is good planning and good regulations to govern the existing plans in order to satisfy customers’ demands. By so doing it will build customer confidence in the financial service institutions.

2.5.4 Transparency
Transparency between the service provider and the customers is one very important factor to be considered when trying to build customer confidence. Whenever the company is transparent in all what it does to the customer, it creates an environment of improvement of trust from the customer. Having good management of trust among customers it creates a room for customer confidence. Therefore, financial service providers need to remain very transparent in order to enhance customer confidence.
2.6 Operationalization of Variables

Table 2.6 Operationalization of variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type of variable</th>
<th>Indicators</th>
<th>Measure of Indicator</th>
<th>Type of measurement</th>
<th>Type of analysis</th>
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<tr>
<td>To establish the relationship between service reliability and customer confidence on the financial service institutions</td>
<td>Independent</td>
<td>responsiveness</td>
<td>Strategies formulated</td>
<td>Ordinal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>Assurance</td>
<td></td>
<td>Strategies implemented</td>
<td>service provided</td>
<td></td>
<td>Regression</td>
</tr>
<tr>
<td>Empathy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish the relationship between communication and customer confidence on financial service institutions</td>
<td>Independent</td>
<td>Presentation</td>
<td>Number of staff</td>
<td>Ordinal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>Channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Regression</td>
</tr>
<tr>
<td>Completeness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish the relationship between service availability and customer confidence on financial service institutions</td>
<td>Independent</td>
<td>Strategy</td>
<td>strategy formulation</td>
<td>Ordinal</td>
<td>Descriptive</td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td>internal company standards</td>
<td>skills developed</td>
<td></td>
<td>Regression</td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td>change of management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td>Quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish the relationship between transparency and customer confidence on</td>
<td>Independent</td>
<td>established core values</td>
<td>Manufacturing process audits</td>
<td>Ordinal</td>
<td>Descriptive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

34
<table>
<thead>
<tr>
<th>financial service institutions</th>
<th>good record</th>
<th>timely response</th>
<th>open for opinions</th>
<th>product audits</th>
<th>customer perspective surveys</th>
<th>Regression</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>customer confidence on financial service institutions</th>
<th>Dependent</th>
<th>Customer satisfaction</th>
<th>Customer satisfaction level</th>
<th>Ordinal</th>
<th>Descriptive</th>
<th>Regression</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>Waste reduction</td>
<td>Defect reduction</td>
<td>Customer referred</td>
<td>customer retention</td>
<td>Waste levels</td>
<td>Defects level</td>
</tr>
</tbody>
</table>

### 2.6 Chapter Summary

The chapter has highlighted information on the two theories which involved Disconfirmation Paradigm theory and Expectancy-Value Theory. The two theories indicate that, customers try to do comparison on what they have experienced and what they expect, benefits and the expected future results, and therefore make the judgment of where to belong. That indicated that those key issues are very important to be evaluated by management in order to win customer confidence. Empirical review provided information on some factors which are thought to be affecting customer confidence which need more investigation since others have not been very clear as per the authors’ explanation. Research gaps and conceptual framework have been provided to show relationship between independent and depended variables. The literature was collected together to build a strong base for the study.
CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction
The chapter is a presentation of the research design and methodology to be utilized to carry out the research. The chapter provides the research design, the population of the study, data collection instruments and data analysis.

3.1 Research Design
This study used descriptive survey research design. In accordance to Mugenda and Mugenda (2008) view, it is understood that survey research explores facts and gets information about a particular area of study. Survey research gets information about conditions that already exist and attempts to draw reasons, or causes, for the existing condition. Mugenda and Mugenda contend that survey research has the advantage of being easily applicable and thus were considered for the study so that to establish the response strategies to factors affecting customer confidence in financial service institutions in Kenya.

3.2 Target Population
The employees of Minet Insurance Brokers Limited were considered in the target population specifically on the marketing department and the customers who visited the office during the process of data collection. According to August 2017 Minet Hr bulletin, the company marketing staff who can be easily found in Nairobi County Branches part of which are employed on permanent and contract basis are 350, while the customers to be targeted was 150 in number. The said company employees do hold various policies with Minet and were therefore giving their views as customers. This was as shown in the below table.
Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual Employees</td>
<td>120</td>
<td>24</td>
</tr>
<tr>
<td>customers</td>
<td>150</td>
<td>30</td>
</tr>
<tr>
<td>Permanent Employees</td>
<td>230</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>500</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3 Sample and Sampling Design

According to Kothari (2004), it is realized that a sample design is a specific plan for obtaining a sample from a given target population. This is a procedure or a technique that a researcher can utilize to select items for the sample. The researcher employed the simple random sampling method under probability sampling. The state of the study was identified, and the researcher used stratified random sampling method to represent the region under the study. The reason for use of this stratified sampling method was to enable the researcher to source information from different departments, which is helpful to the research study. Mugenda and Mugenda (2003) argued that, in descriptive studies, 10% of the accessible respondents are enough to generalize the results of a study and represent the entire population. The researcher took 30% of the total target population which is within the percentage margins proposed by Mugenda and Mugenda (2003) as shown below, in order to enable good representation of the target population in the sample size, which can be used to give reliable data.

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual Employees</td>
<td>120</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>Customers</td>
<td>150</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>Permanent Employees</td>
<td>230</td>
<td>69</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>500</strong></td>
<td><strong>150</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
3.4 Data Collection Methods

The study made use of primary data collection method and secondary data collection method. The primary data method is considered as the information the researcher obtains from the field. This data is important since it gives first-hand information about an area of study.

The data was acquired by semi-structured questionnaires from all the sampled employees. The questionnaire was administered using drop and pick method. The questionnaire had various advantages since the respondents had adequate time to respond to the questionnaires which enabled and employee to have freedom to give detailed information. The questionnaires were hand delivered to the various offices which hosts the employees and the customers within the institution. In particular the customer care front office was used for traction with customers. Secondary data on the other hand was obtained from existing institution publications and annual reports. Organization reports on the customer service and customer satisfaction provided rich secondary data for the study.

3.4.1 Pilot Study

As defined by Kothari (2004), a pilot study is a small experimental design which is used to do a test of logistics and gather information before the large and final study. In order for the study questionnaire to measure what it was to measure at Minet Company, pilot testing was done before the study questionnaire was used in actual data collection. A sample questionnaire was given to ten respondents who were to be involved in the study after which it was checked for completeness, ambiguity and language. Necessary adjustments were done before the actual data collection exercise. In the pilot study, respondents were asked to indicate questions that they found ambiguous, those questions that they were uncomfortable with and to make any other comments that could improve the questionnaire. Out of the ten (10) questionnaires used in the pilot study, seven (7) were returned. Those involved in the pre-test process, where not included in the final data collection to avoid bias in the final data collection.
3.4.2 Reliability
According to Cohen (2012), questionnaires must be reliable for them to produce useful results. Reliability was essential to the effectiveness of the data gathering procedure. On the other hand Reliability as noted by Orodho (2003) is the extent to which a questionnaire tests observation or any measurement procedure and produces the same results. That is, the stability or consistency of scores over time or across raters. Two methods of testing reliability were used in this study: test for equivalence and internal consistency test. Test of equivalence was ensured through questionnaire pretesting with a sample of technically equivalent respondents not participating in the study. Internal consistency of the research instrument was measured using Cronbach’s Alpha method. Cronbach’s Alpha is a reliability coefficient that indicates how well items in a set are positively correlated to one another. As rule of thumb, reliability value of 0.7 and above is recommended for most researches to denote the research instrument as reliable. This study use a cut-off point coefficient of 0.7 and above as a strong measure of reliability.

3.4.3 Validity
Validity has been defined as the degree to which correct inferences can be made based on results from an instrument and depends not on the instrument itself, but also on the instrumentation process and the characteristics of the groups studied (Cohen et al, 2012). Validity was ensured through comparison between the results to be provided by the respondents and the past studies which have been conducted and even with the written materials which has data that has been researched from insurance companies among others. After comparison the instruments validity was realized.

3.5 Data Analysis and Presentation Method
Quantitative data was analysed using descriptive statistics such as mean and standard deviation and presented in tables, charts and graphs using excel software program. The qualitative data from the open ended questionnaires was analysed using content analysis technique and reported in narrative form. The study used Analysis of Variance (ANOVA) to test the level of significant of the variables on the dependent variable at 95% confidence level. In addition, the study conducted a multiple regression analysis to test
the relationship between independent variables and dependent variable. The regression equation was: \[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Whereby

\[ Y = \text{Customer Confidence} \]
\[ X_1 = \text{Service reliability} \]
\[ X_2 = \text{communication} \]
\[ X_3 = \text{Availability of the service} \]
\[ X_4 = \text{transparency} \]
\[ \beta_1, \beta_2, \beta_3, \beta_4 \text{ are coefficients of determination} \]
\[ \varepsilon \text{ is the error term.} \]

3.6 Ethical Considerations

The respondents in this study were assured of confidentiality and anonymity of the information they gave on the questionnaires. It was at the discretion of the respondents to fill the questionnaires, and this assurance was given by the researcher. The respondents volunteered to participate in the research with informed consent. They were also assured of privacy and anonymity by the researcher. Additionally, due to time constraints among the respondents, the researcher adhere to given timelines to avoid wasting time for employees who may wish to go about their daily duties in these organizations.

3.7 Chapter Summary

This chapter has discussed the research methodology for this study. This is a descriptive research design as the researcher reported the findings as they were reported by the respondents. The data collection methods used was questionnaires. Pre-testing of the questionnaire, the data analysis and presentation techniques has been discussed. It also gave the ethical considerations for the confidentiality, anonymity of questionnaires.
CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction
The chapter presents the research findings in accordance to the research questions that were returned by respondents and analyzed. The study limitations which challenged the whole process are presented in this chapter to enable better understanding of what brought about some shortcomings in the data collection and analysis and what action was taken to eliminate such limitations to make the study a success. Finally, there is the study summary in accordance to the study findings.

4.1 Response Rate
Table 4.1 Response Analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>122</td>
<td>81</td>
</tr>
<tr>
<td>Non Response</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

This is the response that was given back from the field from those who were issued with the questionnaire. Most of the respondents returned the questionnaires which were fully and well filled up which were totalling to 122 out of 150 questionnaires issued. This is a good response since it was 81% response while the 28 questionnaires contained those which were not returned and those which were answered irrelevantly and those which were not fully answered. This represented 19% of the total questionnaires issued out. In accordance to the above response, it is true that, the response was reliable enough since it was over a quarter turned up.
4.2 Demographic information

4.2.1 Gender Response

Figure 4.1 Gender Response

The presents an analysis in regards to gender response to the study. The majority number of respondents representing 72% (n=88) was the male response while the response of 28% (n=34) was for female response. This clearly highlights that there was no gender balance among the respondents’ who gave the questionnaires back.

4.2.2 Age

Figure 4.2 Age of Respondents
Findings shown an analysis of the age bracket of the respondents who contributed to the study. Those who were between 18-30 years gave a total response of 23%. The response of those between 31-40 years had 39% response. There was a response for those who are aged between 41-50 years who gave a contribution of 29%. The minority response was for those who were above the age of 50 years who gave a response of 9%. This is a clear indication that all the age brackets presented in the questionnaire were respondent upon and was from mature people since it is between the age of 18 and above 50 years.

4.2.3 Marital Status

Figure 4.3 Marital Status

The above figure is a representation of the marital status among the staffs and the customers who participated in the study. The response for those who were in the category of single marital status has a response of 24% while the response for the marital status had the majority response of 73% of the total responses. The response for windowed was 3% of the total response given by the respondents. It is therefore clear that the study was set to cover all the respondents who could avail themselves for answering of questionnaire even though there lacked the response for separated and divorced.
4.2.4 Highest Education Level

Figure 4.4 Highest Education Level

This is a clear indication of the level of the respondents who participated in this study in relation to their highest education level. The least response from those who have gone up to the secondary level 17% while a majority of the respondents 46% have achieved college level, this indicates that the organization and the customers they are dealing with have studied up to a college level thus clearly indicating that they have skills on various issues. The university level had a response of 37% of the total response. It is from the study provided that the researcher realized that all the education categories presented were respondent upon and thus it is true that the respondents are educated enough to participate in the study.
4.2.5 Work Experience

Table 4.1 Work Experience

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 month to 1 year</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Between 1 year and 4 years</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Between 5-10 years</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>89</td>
<td>73</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>122</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The above presents the response on work experience of respondents. Those who have an experience of 1 month to 1 year respondent by 3%, the category of those who have experience of 1 year to 4 years were 10%. Those with experience of 5-10 years provided a response of 14% of the total response while the majority response indicated to have worked for a duration that is above 10 years since they contributed to 73% of the total response. In this regard it is therefore understood that the respondents have an experience in different areas of their undertakings whether within the company setup or even outside the company set up.

4.3 Service Reliability and Customer Confidence

4.3.1 Descriptive statistics

Five statements were presented to staff to state the level to which they disagreed or agreed with regard to service reliability and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between service reliability and customer confidence.
### Table 4.3 Service Reliability Responses

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsiveness to customer needs affect customer confidence</td>
<td>122</td>
<td>2</td>
<td>5</td>
<td>4.30</td>
<td>0.842</td>
</tr>
<tr>
<td>Service institution enhances service assurance as part of service reliability</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.28</td>
<td>0.865</td>
</tr>
<tr>
<td>Service institutions consider empathy as part of service reliability</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.19</td>
<td>0.903</td>
</tr>
<tr>
<td>Reliability impacts customer confidence on financial service industry in</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.15</td>
<td>0.859</td>
</tr>
<tr>
<td>Action needs to be taken on service reliability to enhance customer confidence</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.09</td>
<td>0.953</td>
</tr>
</tbody>
</table>

The following results were provided in respect to questionnaire responses. The statement that responsiveness to customer needs affect customer confidence was ranked highest with mean (4.3), standard deviation (0.842), minimum (2) and maximum (5). The statement that action needs to be taken on service reliability to enhance customer confidence was ranked least with mean (4.09), std deviation (0.953), minimum (1) and maximum (5).

### 4.4 Communication and Customer Confidence

#### 4.4.1 Descriptive Statistics

Five statements were presented to staff to state the level to which they disagreed or agreed with regard to communication and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between communication and customer confidence.
<table>
<thead>
<tr>
<th></th>
<th>Descriptive statistics</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization has good presentation of information to customers concerning financial services</td>
<td></td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.06</td>
</tr>
<tr>
<td>Communication channels used in the organization enhance customer confidence in financial services</td>
<td></td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.11</td>
</tr>
<tr>
<td>Completeness of information is necessary in enhancing customer confidence on financial service institution</td>
<td></td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.15</td>
</tr>
<tr>
<td>Communication has an effect on customer confidence in financial services industry</td>
<td></td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.09</td>
</tr>
<tr>
<td>More action needs to be taken on communication medium so as to enhance customer confidence</td>
<td></td>
<td>122</td>
<td>2</td>
<td>5</td>
<td>4.13</td>
</tr>
<tr>
<td>Valid n (listwise)</td>
<td></td>
<td>122</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This is the summary of the findings. According to the findings, the statement that completeness of information is necessary in enhancing customer confidence on financial service institutions was ranked highest with a mean (4.15), STD deviation (0.924), minimum (1) and maximum (5). On the other hand, the statement that communication has an effect on customer confidence in financial service institutions was ranked least with a mean (4.090, STD deviation (1.004) minimum (1) and maximum (5).
4.5 Service availability and customer confidence

4.5.1 Descriptive statistics

Six statements were presented to staff to state the level to which they disagreed or agreed with regard to service availability and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between service availability and customer confidence.

Table 4.5 Descriptive statistics

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Strategies of marketing are effective enough to win customer confidence</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.97</td>
<td>1.113</td>
</tr>
<tr>
<td>Management of the company is committed in enhancing successful customer confidence</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.84</td>
<td>1.143</td>
</tr>
<tr>
<td>Internal Company standards are effective enough to assure customers of service</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.92</td>
<td>1.118</td>
</tr>
<tr>
<td>Change of management within the organization affects the reliability of service</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.96</td>
<td>1.079</td>
</tr>
<tr>
<td>Management assures customers of standard quality of services on daily basis</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.99</td>
<td>1.008</td>
</tr>
<tr>
<td>Service availability affects customer confidence in financial service industry</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.93</td>
<td>.985</td>
</tr>
<tr>
<td>Valid n (list wise)</td>
<td>122</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
According to the findings as shown above, the statement that management assures customers of standard quality of services on daily basis was ranked highest with mean (3.99), STD deviation (1.008), minimum (1) and maximum (5). The statement that Management of the company is committed in enhancing successful customer confidence was ranked least with mean (3.84), STD deviation (1.143), minimum (1) and maximum (5).

4.6 Transparency and customer confidence

4.6.1 Descriptive statistics

Five statements were presented to staff to state the level to which they disagreed or agreed with regard to transparency and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between transparency and customer confidence.

Table 4.6 Descriptive Statistics

<table>
<thead>
<tr>
<th>Descriptive statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization have established core values that ensure transparency to customer</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.67</td>
<td>1.263</td>
</tr>
<tr>
<td>Management ensures that there is good record that management in the organization can ensure transparency</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.91</td>
<td>1.135</td>
</tr>
<tr>
<td>Company makes promises to customers and adheres to it as a way of transparency</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>4.02</td>
<td>1.060</td>
</tr>
<tr>
<td>Organization management gives room for opinions from staff and customers</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.80</td>
<td>1.192</td>
</tr>
<tr>
<td>Transparency has an effect on customer confidence in financial service industry</td>
<td>122</td>
<td>1</td>
<td>5</td>
<td>3.85</td>
<td>1.169</td>
</tr>
<tr>
<td>Valid n (list wise)</td>
<td>122</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A summary of the findings is as shown in table 4.8 above. According to the findings, the statement that the organization makes promises to customers and adheres to it was ranked highest with mean (4.02), STD deviation (1.060), minimum (1) and maximum (5). The statement that Organization have established core values that ensure transparency to customer was ranked least with mean (3.67), STD deviation (1.263), minimum (1) and maximum (5).

4.7 Test of analysis
Regression analysis between independent variables and dependent variable was analyzed in SPSS version 20 and the table 4.9 below shows a summary of the findings.

4.7.1 Model Summary

Table 4.7 Output Table

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
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<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), transparency, communication, service reliability, service availability

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2175.825</td>
<td>4</td>
<td>543.956</td>
<td>292.365</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>217.683</td>
<td>117</td>
<td>1.861</td>
<td></td>
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<tr>
<td></td>
<td>Total</td>
<td>2393.508</td>
<td>121</td>
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</tr>
</tbody>
</table>

a. Dependent Variable: customer confidence
b. Predictors: (Constant), transparency, communication, service reliability, service availability
According to the findings as shown above, adjusted $R^2$ is 90.6% which indicated that the model can only explain 90.6% of variation in the data. P value for analysis of variance (ANOVA) = 0.000 which is less that the significance level $\alpha$ (0.005), this indicates that the model is statistically significant.

The findings also show that customer confidence changes with 4.638 units when all the variables are constant. A unit change in service reliability leads to a 0.572 units change in customer confidence. P value (0.02) is less than significance level (0.005) and therefore the variable is statistically significant. A unit change in communication leads to a reduction in customer confidence by 0.157 units. P value of the variable (0.360) is higher than significance level (0.05) and therefore the variable is statistically insignificant. A unit change in service availability leads to a reduction in customer confidence by 0.215 units. P value (0.111) which is higher than significance level (0.05) therefore the variable is statistically insignificant. A unit change in transparency leads to a 0.577 change in customer confidence. The p value (0.000) is less than the significant level (0.005) and therefore the variable is statistically significant.
Regression Equation

\[ Y = 4.638 + 0.572X_1 - 0.157X_2 - 0.36X_3 + 0.215X_4 + e \]

4.7.2 Covariance Matrix Table

Table 4.8 Coefficient Correlations Matrix

<table>
<thead>
<tr>
<th>Coefficient Correlations (^a)</th>
<th>transparency</th>
<th>Communication</th>
<th>service reliability</th>
<th>service availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>transparency</td>
<td>.124</td>
<td>-.388</td>
<td>-.775</td>
</tr>
<tr>
<td></td>
<td>communication</td>
<td>1.000</td>
<td>-.740</td>
<td>-.388</td>
</tr>
<tr>
<td></td>
<td>service reliability</td>
<td>-.388</td>
<td>1.000</td>
<td>.181</td>
</tr>
<tr>
<td></td>
<td>service availability</td>
<td>-.775</td>
<td>-.388</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>transparency</td>
<td>.023</td>
<td>-.011</td>
<td>-.016</td>
</tr>
<tr>
<td></td>
<td>communication</td>
<td>.003</td>
<td>-.023</td>
<td>-.009</td>
</tr>
<tr>
<td></td>
<td>service reliability</td>
<td>-.011</td>
<td>.033</td>
<td>.004</td>
</tr>
<tr>
<td></td>
<td>service availability</td>
<td>-.016</td>
<td>.004</td>
<td>.018</td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: customer confidence

Table 4.10 above shows the correlation between variables of the study. There exist the strongest positive relationship between service availability and service reliability shown by p value (0.181). There is a strong negative correlation between service availability and transparency shown by (-0.775). There is weak correlation between transparency and communication.
4.8 Reliability test

Table 4.9 reliability statistics

<table>
<thead>
<tr>
<th>Item</th>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>service reliability</td>
<td>0.985</td>
<td>5</td>
</tr>
<tr>
<td>Communication</td>
<td>0.992</td>
<td>5</td>
</tr>
<tr>
<td>service availability</td>
<td>0.990</td>
<td>6</td>
</tr>
<tr>
<td>Transparency</td>
<td>.989</td>
<td>5</td>
</tr>
<tr>
<td>customer confidence</td>
<td>0.986</td>
<td>5</td>
</tr>
</tbody>
</table>

After reliability analysis, the Cronbach's Alpha coefficients of the four independent variables (service reliability, communication, service availability and transparency) and one dependent variable (customer confidence) are as shown in Table 4.11. All the coefficients were greater than 0.7 and thus acceptable. This shows that the tool used for data collection was reliable.

4.3 Limitations of the Study

The organization employees were so busy doing the assigned duties by the management. This made researcher to find it difficult to collect the required information from them since they were not able to give time to respond effectively to the questionnaires. The researcher overcame this limitation by requesting the management to allow the researcher to engage the employees during break hours. The researcher also made use of the questionnaire which permitted the respondents to respond at their convenient time after work and collected them later.

Some respondents were uncooperative in that, some decided to ignore the researcher. They viewed the whole exercise as being of no value to them and time wastage, due to failure to understand the benefits to gain from the study. To mitigate this limitation the researcher explained to the respondents the need for the study to be carried out and the
benefits to accrue from the study under investigation. This assisted to overcome this limitation.

The respondents were not willing to give out the information for fear that the information could fail to be treated with confidentiality which could cost them their work, for giving honest answers. To overcome this challenge the researcher assured the respondents that information provided was to be treated with utmost confidentiality and used for academic purposes only. The researcher also produced a letter of introduction from Management University of Africa to prove the intention of the study.

4.3 Chapter Summary
This chapter has presented the study findings in form of tables’ pie charts, and graphs in accordance to the responses provided in the research questionnaire. It has been noted form the study findings that the four factors which involve service reliability, communication, service availability and transparency are key issues in the achievement of customer confidence in financial service industry in Kenya. Customers rely on the four factors in order to create confidence among the many financial service providers in Kenya.

According to the findings of the study the respondents indicated that the customers of financial services from the insurance industry mostly rely on the service availability whereby most of the customers highly consider the level to which the services will be available when they will demand it. The clarity made by the management through the sales representative on how to make the different products available to the customers determines the successful creation of customer confidence to the organizational service reliability. Business organizations in the line of financial services should ensure that the level of product reliability they have promised and set in place to provide to their clients is maintained without failure.

To communicate with customers in any institution is key tool in the service acceptance and even to the customer satisfaction level. Good communication in the service industry
should be done in a manner that will give clarity of all what is entailed in the company service delivery and ensure that it gives the quality of the service and all that surrounds the service. The information should be communicate to the customers early in advance whenever there is any change to the service provision in order to ensure that the customer is aware of it which will enhance customer confidence. The communication system should be systematic enough to ensure that the step by step communication about a product or service is enhanced. Use of skilled staff with fluent communication is advisable in order to ensure that the customers are provided with clear information regarding the service they take from the company. Through maintenance of right communication system in the organization, the customers will build confidence since they will be able to make enquiries where possible and clarity made where necessary by the management, this means that the communication factor is not an option to building of customer confidence in financial institutions in Kenya.

The much concern for service availability in financial institutions in Kenya can bring about everlasting impacts not just the issue of concern expectations but a company bottom line. Good customer service availability will always relate to the service the company and its employees provide before during and after purchase. It should be more of how one interacts with its customers which determines the customer confidence to the service. Building of customer confidence, it is very vital to consider the issue of training the service providers in order to provide customer with the right information and the right services which is necessary for customer loyalty.

As it is being understood from the response, there is likelihood that corporate scandals of all varieties are turning to be much more common in recent years. In every financial conduct inquiry and harassment uncovering the calls increase for transparency to any business. However transparency is a movement of many past years. Customers have remained to be pushed much for brand openness in many years especially in financial businesses. There is need to amplify this across different sectors in a larger and much launder scale. Again there are clearly plenty of the practical and again business minded reasons to making transparency a priority in the financial industry within Kenya. this
gives public relations a chance to do it this way or to do so. However, majority of the business institutions fear the factor that there is need to reveal most of information to the clients or customers and the employees, transparency has a powerful effect on improving the point of trust and loyalty which enhances success of long term business plan. Whenever there is disclosure of information about the company costs especially to the customers, with an aim of clarifying to customers how the prices where arrived at in relation to costs, it can enable sales ultimate rise. The transparency in matters of costs remains to have greater effect on purchase interest than when the institution tries to give emphasise on personal relations with customers. Customer revolution midst revolution in which customers are no longer willing to see any dishonest take place or any dubious information, the growing trends in relation to the company transparency becomes very relevant as path to facing customer disengagements. Remaining honest and upfront brings about trust and customer confidence is easily built.
CHAPTER FIVE
SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction
This provides the summary of the study in accordance to the study findings. The chapter will give highlights on what has been learned from the data that was collected together. The recommendations have been provided in accordance to the study findings not forgetting the conclusion in relation to the topic that was under investigation.

5.1 Summary of the Study
5.1.1 What is the effect of service reliability on customer confidence in financial Service institutions in Kenya?
Service reliability to customers is a critical factor to the successful customer confidence building in financial service industry in Kenya. Majority of 95% of the total responses indicated that it affects customers’ confidence in different ways. The level of response to customers demands and service assurance was noted as a factor which determines how customers will view company services thus determines confidence in it. It is wise to set the right standard to customers and maintain it. The respondents indicated that the company should always give promises of reliable services which they can delivery in relation to their ability. This will enhance elimination of failures and thus affect customer confidence. These study findings are in accordance to the literature as it was provided by Bwisa (2011) who argued that the reliability is an important concept in business sector in a number of ways which can be determined by number of issues to be successful. He said reliability does not necessarily mean perfection; constant attention is paid to improving the reliability of a wide range of business processes and functions. The reliability of such processes directly affects the business profitability level of an organization as well as the reliability of its services. Service reliability is important not only to the business, but also to the consumers of the products and services. When customers purchase services, they have certain expectations as to how effective and well those products and services will perform and for how long.
5.1.2 What effect does communication have on customer confidence in financial service institutions in Kenya?

Communication within the financial service industry is very critical as it has been learned by majority number of respondents totalling to 91%. A good number indicated that the way information is presented in paper form and in soft copy is of great impact to the organization operations especially to customer confidence building. The use of the current communication system has enabled transparency that is needed by majority of the organizational customers which builds confidence in them which is necessary since majority said the system gives information which is complete and understandable. The management was advised by respondents to consult with every customer and ensure that they use the communication system that is able to reach them in a better and easier way.

The above response on effect of communication is in accordance to the literature of this study since it Jogaratnam (2017) argued that, focusing on customer communication is important to the long-term success of any business. In the early stages of the relationship, effective communication ensures company product or service meets the customer's immediate needs. As time goes on, regular communication with company customer base allows company to adapt and grow so company can continue to meet its requirements. Clarity of communication is important when attempting to understand what the customer truly needs. Attaining clarity often involves asking key questions to gain a better understanding of the customer's situation. Providing the customer with a clear understanding of what actions company intends to take the remedy the situation along with a specific time frame leaves little doubt in her mind of what to expect and eliminates confusion or misunderstandings. Dimon (2013) continues to argue that, communication can serve as a valuable reinforcement tool to solidify the purchase. For example, a salesperson that stays in touch with a customer in the period immediately following the sale can reinforce the benefits of his product or service and how they meet the customer's needs. They can also quickly address any problems the customer may have, such as attempting to figure out how to use a new product. In the process, the salesperson can also lay the foundation for a long-term relationship leading to repeat sales.
5.1.3 Does the availability of the service affect customer confidence in financial service institutions in Kenya?

The large number of respondents based on service availability as required, 74% of the respondents indicated that the availability of information is the tool used by the management of many institutions to create the confidence that the customer needs. Different customers judge availability of service in different ways whereby the organization has a lot to do in order to ensure the different demands of customers regarding reliability of services are met effectively and without delay. The company has set internal standards to support the win of customer confidence in the industry. The respondents indicated that, the standards provided satisfy some customers while others happen to give complains to the company and thus affecting confidence of some positively and others negatively, which calls for concern on this issue. This will support the adjustment of the customers who have some queries about the service quality reliability in regard to service availability, in order to enhance confidence building among service customers.

Khurana (2013) supported the argument by indicating that, the key to great customer experience is exceeding expectations through availing of services at the right time in the right place at the right time in the right manner. This high expectation makes it hard to meet the customers not even exceeding them. The concern for availability of events can bring about everlasting impacts not just the issue of concern expectations but a company bottom line. Such issues have come to take element that used to be a competitive edge for industry leader and turned them down to the bare minimum expected by any serous participant. This makes a company turn attention on such issues which are affecting business operations and growth. Smith (2012) again argued that, to enhance growth effectively on the area of customer service, it is very vital first to consider external factors and customer facing side of the company business no matter what industry is he or she. This fact enables the management to take action on strategies to use to make services available to the customers at the right time and in the right way as desired by the customer without failure to meet his desire.
5.1.4 What is the effect of transparency on customer confidence in financial service institutions in Kenya?

To be able to realize the needed customer confidence within the financial service institution, it is understood that the organization has to bring about or to set up the core values that brings transparency to the service being provided. This was argued so by the 73% of the respondents. To assure customers of transparency of the services being provided, record management systems are very critical and institutions should install the current type of technology that is able to give out the desired results without failure and without errors. Step by step process of data presentation to customers should be enhanced. There are failures to the promises on timely response whereby some said that the company responses to customers as agreed while others said they fail. Action need to be taken to improve on those failures, whereby this can only be achieved if the management gives room for views from company stakeholders and action be taken.

The study findings brought a relationship to the literature since as they argued that transparency is key to customers trust creation and a factor that makes them remain loyal, it is confirmed by Cooter and Ulen (2016), who also argued that, the transparency level within a company enhances creation of customer centric atmosphere through communities, therefore making it a situation of the more transparent the company is, the deeper customer relationship turns to be. The situations where there is combination of transparency and trust humanizes brand and makes customers feel like they have a personal connection with the institution. Transparency is of benefit to both customer and the company. This is because it builds trust among employees and the company customer of products and services. The company trust improves employee retention, the happy employees strive to exceed customer expectations and customer retention results to profits. Also Jensen (2011) continues to argue that, transparency also provides powerful insight into customer confidence. Once mutual trust is established, customers will feel freer and open to giving back feedback to the situations, and enable them to share more about the experience with other customers. In this regard, what other people will say about the company will be found as more valuable and credible even than what the company communicates about itself. Such levels of interaction gives the company an
chance to have a better understanding of the key areas where they can work out to exceed
the customer expectations as well as to get to indentify the key areas that need to be
improved.

5.2 Conclusion
Any business that is aimed at being successful has to be filled with positive behavior and
high consideration to avoid failures and issue of irrelevancy. They remain placed in
systematic plans or methods which have goals to keep the business maintained,
consistently and even reliable. If it happens that the business concern it keeping it
hopefully even by improving in its output, then it remains an issue of importance or a
factor to be put in to consideration. Business world remains to change and not easy to
predict it as it may be hoped by many. In order to be in a better position to attain or to
succeed in the business issue, it is very important to keep business strategy. The delivery
of services and products and mass generation should be well mastered and be made
available to a service provider to expand. This remains a problem of service quality
which is available within the current time. Inputs and outputs in the process can anvil
providing service and highly variable, as are the relationship which is between these
process, which might happen to make it difficult in maintenance of consistent service
quality and even the availability in the right way. Majority of the service used variable
human activities, rather than a precisely determined process, which includes the utilities.
Human factor is the key success issue to service provision availability and the
effectiveness of the same. Variation in demand can be realized, each time. To create
business enduring relationship it is wise to consider consistency.

Reliability of services is very critical to the business output. Consistent and reliable
customer service will hook customers and keep them returning for more business.
Customer confidence enhances a company's profitability, so providing consistent and
reliable customer service is good for the bottom line. Whenever customers are not
satisfied, the business stands a better chance of losing a lot of money. By paying attention
to a company’s provision of consistent and reliable customer service, businesses can
create a positive public image for themselves. While it is true that maintenance acts as
important tool in business, it should also be measured in accordance to reliability capacity
in which predetermined expense to performance should target and even be able to
estimate the annual budgets respectively without failure, which is true of the operations.
Other business men tend to have a thought that maintenance cans alone control reliability.
Whenever the business puts in to consideration the equipment in their service provision
to the customers, it them become apparent that they in fact actually remain to have a
more much greater effect on the equipment and their conditions. Therefore, they must be
accountable to the equipment reliability performance. Truth is that the actual practice of
reliability is the opportunity to improve is significantly increased. All the corners of the
company should be cooperated to the service provision in order to ensure that the
company services are to the satisfaction of the customers. This assist in ensuring their
confidence to the business is worn.

Communication in comparison to perceived performance influences perceived service.
Companies should try not to overpromise the customers since it may turn to be a
disappointment if expectations do not match what was communicated. A realizes promise
normally promotes a more positive perception of service communicating information in a
simplified language that customers will easily understand, and which is timely all the
time brings about confidence to customers. Clarity of information enables the customers
to get chance of inquire ring more on the areas where they have no enough information of
which it enhances them to understand better the company services and thus assist greatly
in building customer confidence since the financial service industry in Kenya. In
accordance to the study findings the customer communication remains very critical to the
business long term success. During the early stages of business relationship with
customers, good communication supports completely the level to which the customer will
have their needs met within the shortest time possible. As time progresses,
communication still remains important in order to ensure that the company adopts and
grows to a level that will be allowing it to meet the requirements. Whenever the business
is seriously in need of knowing what the customer needs, there is need for clarity of
communication. It is very true that good communication enhances customer confidence
and therefore results to valuable reinforcement to solidify the purchase. Effective
communicating between management and the customers enhances easy resolution of challenges facing business and customer, which helps to lay foundation for long term business relationship which results to repeat sales, which is a confirmation that there is customer confidence among business customers.

Customer service availability will always relate to the service the company and its employees provide before during and after purchase. It should be more of how one interacts with its customers. Building of customer confidence, it is very vital to consider the issue of training the service providers in order to provide customer with the right information and the right services which is necessary for customer loyalty. No matter what is the size of the business being operated, business customer service availability should be at the heart of the business model in order to be successful in winning customer confidence.

The company transparency to customers among other undertakings is one among the key important elements or factors in pulling back business operations to their level. The online community is enabling companies to establish trust through authentic engagement customers currently want to contribute in a meaningful way. Majority percentage of customers agree that, if a company engages with the customers in consultation to services to provide, it makes it possible to have them as loyal customers of the company’s products and services. The transparency level within a company enhances creation of customer centric atmosphere through communities, therefore making it a situation of the more transparent the company is, the deeper customer relationship turns to be. Only a few who understand the fact that, to be transparent it needs efforts, and the intentionality to the same.

Business institutions to be able to move on smoothly it has to begin in creation of a culture of transparency in all business sections or departments. Organizational leaders should be the ones to show the way in which to achieve transparency. They themselves should act as examples of transparency and support in all means the culture of improving transparency in order for the company employees to follow up. Sharing the mistakes
which have taken place is the most important factor to consider and not to push them under the rug. Failures related to business operations should be accepted and be taken as a roadmap that should lead to achievement of company goals. Free sharing of information is the only key concern for business success. When business happens to act in a way or manner that predicts to the employs that they are being trusted, it makes them take a step of being more trustworthy and even remaining loyal to the company which enhances high profitability. Marketers to the company stand a better chance to enhance of highly gaining by communicating brand transparency. Whenever the transparency message resonates with customers, there is high opportunity of gaining more new customers than before. There is still chance of loyalty improvement from customers who purchased only from the company on different occasions. Customers’ deadly look to transparency information from the services they are provided with. This takes place during the research shopping in the store, thus purchasing the service or products and there after they consume or use the product. It is with high customer expectations of availability to learn more about all that what goes into the entire life cycle of any product or service which should be looked at in all cannars wisely.

5.3 Recommendations

5.3.1 Service Reliability

When it comes to customer service reliability, the most important thing that management should remember is to listen actively to their customers. What this means is that the listener takes cues from the speaker and feed it back to them in order to go deeper into detail about the topic they’re talking about concerning the service reliability. This makes company customer feel like they really matter as opposed to just hearing flat or scripted responses. It’s a conscious effort that the organization should hold workshops specifically to train their agents in this area. Management should put in place key polices to govern matters of service assurance that they would fail as promised to customers and ensure that they respond to their issues the soonest time possible. The company to ensure service reliability, the standard of the service should be raised higher than that of competitors.
5.3.2 Communication
The management of the organization should come up with good system of presenting information to the customers in relation to the services they provide to them and even regarding their complains. The channels of communication within the institution should be set in a way that, they will provide clear and reliable information that is not distorted in any way to avoid errors relating to service provision. The system should be able to provide complete information to the customers and even information communicated to the organization by the customer. Taking in to account all this concerns about communication, it will bring proper understanding between the management and the customers and thus enable clarity and effectiveness of communication which will enhance success of customer confidence in the financial service industry.

5.3.3 Service Availability
Service availability should be established as a key factor that builds customer confidence in the financial service industry. To achieve customer confidence through service availability, it is very important to consider doing the following; the management should consult with the marketing department to ensure that they have set in place proper strategies regarding service provision that can win customer confidence. The strategies should be set from market research concerning customer confidentiality with the service. Management should commit them in availing the services to customers where necessary. The internal company standards should be set in a level that is effective enough to enhance customer confidence. The company should promise quality services which they are able to delivery reliably without failure to it. By so doing the company will achieve the set goal of customer confidence in the financial service industry. The availability of financial institutions was sighted by others as the probability that the company will operate satisfactorily at a given point in time when used in an actual or realistic operating and support environment. This to be effective will always involve things like logistics time, ready time, and waiting or administrative downtime, and both preventive and corrective maintenance downtime. This value is equal to the mean time between failure divided by the mean time between failure, plus the mean downtime. Therefore the service availability measures are classified by either the time interval of interest or the
mechanisms for the system process. If the time interval of interest is the primary concern, the company should consider instantaneous, limiting, average, and limiting average availability.

5.3.4 Transparency
To ensure customer confidence in the financial service industry, transparency is key to the operations of the business. This can be achieved by the organization through set of core values that contribute to the operations transparency. Transparency that reciprocates to customer confidence can be attained if the organization maintains proper record about customers which will be used to do comparison about the past performance, present performance and the future performance expectations in relation to customer confidence. Transparency will only be realized if the management is able to promise timely delivery of services and do the efforts to achieve it effectively. To achieve customer confidence, there is need for the management to seek opinions regarding customer confidence building from all company stakeholders and be analyzed and set in a transparent manner for every concerned person to understand the part to play to ensure customer confidentiality is realized.

5.4 Suggestion for Further Research
A more detailed study should be carried out on factors affecting customer confidence in financial surface institutions in Kenya with reference to another insurance institution like ICEA Insurance Company since the study collected some information on the analysed factors but some of the information provided by respondents was not much detailed thus leaving a gap that need further study. There is still the need to carry out investigation on the contribution of business digital system on consumer confidence. This is also important area for further study since majority respondents indicated that the communication and the update of records is done using digital machines to enhance efficiency which was not clarified that it clearly enhances that efficiency process.
REFERENCES


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Cokins, G. (2014) Business Performance Management, Hackett Publishing Company, Australia,


25th June 2018.

The Director Marketing,
Minet Kenya Limited
NAIROBI.

Dear Sir/Madam,

RE: APPLICATION FOR PERMISSION TO COLLECT DATA FOR ACADEMIC PURPOSE.

I hereby apply to request for the permission in your esteemed institution to conduct research towards my academic endeavours.

I am a Kenyan citizen aged 38 years pursuing a master’s degree at the Management University of Africa. I am pursuing master’s degree in Business Administration, and the university expects me to conduct research, on the Factors Affecting Customer Confidence in Financial Service Institutions in Kenya with reference to Minet Insurance Brokers Limited. Your cooperation will greatly be appreciated.

Am looking forward for your positive response.
Thanks in Advance.

Yours faithfully,

Tobias M. Gitonga.
APPENDIX II: RESEARCH STUDY QUESTIONNAIRE

The study is conducted on Factors Affecting Customer Confidence in Financial Service Institutions in Kenya with an aim of improving customer confidence in insurance services. The respondents are expected to take 20 to 30 minutes for completion.

Please tick within the boxes and fill the structured questionnaire with applicable answers.

**PART A: PERSONAL DETAILS**

1. **Gender**
   - Male
   - Female

2. **Age**
   - Between 18-30
   - Between 31-40
   - Between 41-50
   - Above 50

3. **Marital status**
   - Single
   - Married
   - Separated
   - Divorced
   - Widowers

4. **Highest Education level**
   - Secondary
   - College
   - University
5. Work Experience

1 month to 1 year
Between 1 year to 4 years
Between 5-10 years
Above 10 years

SECTION B: SERVICE RELIABILITY

Five statements were presented to staff to state the level to which they disagreed or agreed with regard to service reliability and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between leadership and performance. A lower mean score below 3 means that staff disagreed on the relationship between leadership and performance.

<table>
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<tr>
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<td>Financial service institution enhances service assurance as part of service reliability to create customer confidence</td>
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<td>Financial service institution consider empathy as part of service reliability in enhancing customer confidence</td>
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<tr>
<td>Service reliability impacts customer confidence on financial service industry in Kenya</td>
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<td>More action needs to be taken on service reliability to enhance customer confidence on financial services institutions in Kenya</td>
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</table>
SECTION C: COMMUNICATION

Five statements were presented to staff to state the level to which they disagreed or agreed with regard to communication and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between leadership and performance. A lower mean score below 3 means that staff disagreed on the relationship between leadership and performance.

<table>
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<tr>
<th>Statement</th>
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<th>2</th>
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<tbody>
<tr>
<td>organisation has good presentation of information to customers concerning financial services they offer</td>
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<td>communication channels used in the organisation enhance customer confidence in financial service</td>
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<td>completeness of information is necessary in enhancing customer confidence on financial services industry</td>
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<td>communication has an effect on customer confidence in financial services industry</td>
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<td>more action needs to be taken on communication medium so as to enhance customer confidence on financial institution</td>
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SECTION D: SERVICE AVAILABILITY

Six statements were presented to staff to state the level to which they disagreed or agreed with regard to service availability and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between leadership and performance. A lower mean score below 3 means that staff disagreed on the relationship between leadership and performance.
Company strategies of marketing are effective enough to win customer confidence

Management of the company is committed in enhancing successful customer confidence in the financial industry

Internal company standards are effective enough to assure customers of service availability

Change of management within the organisation affects the reliability of service

Management assure customers of standard quality of services on daily basis

Service availability affects customer confidence in financial service industry

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<td>Company strategies of marketing are effective enough to win customer confidence</td>
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<td>Management of the company is committed in enhancing successful customer confidence in the financial industry</td>
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<td>Internal company standards are effective enough to assure customers of service availability</td>
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<td>Change of management within the organisation affects the reliability of service</td>
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<td>Management assure customers of standard quality of services on daily basis</td>
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<tr>
<td>Service availability affects customer confidence in financial service industry</td>
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**SECTION E: TRANSPARENCY**

Five statements were presented to staff to state the level to which they disagreed or agreed with regard to transparency and customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between leadership and performance. A lower mean score below 3 means that staff disagreed on the relationship between leadership and performance.

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<tbody>
<tr>
<td>Organisation have established core values that ensure transparency to customer service</td>
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<td>Management ensure that there is good record management in the organization that can enhance transparency</td>
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<td>The company makes promises to customers and adheres to it as a way of transparency</td>
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Organisation management give room for opinions from staff and customers among others stakeholder

Transparency has an effect on customer confidence in financial service industry

SECTION F: CUSTOMER CONFIDENCE

Five statements were presented to staff to state the level to which they disagreed or agreed with regard to customer confidence. Likert scale of 1-5 was used to rank the responses where 1=strongly disagree (SD), 2=agree (A), 3=uncertain (U), 4=agree (A) and 5=strongly agree (SA). The closer the responses to a mean score of 5 indicated that staff strongly agreed on the relationship between leadership and performance. A lower mean score below 3 means that staff disagreed on the relationship between leadership and performance.

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<tbody>
<tr>
<td>Customer complaints have decreased</td>
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<td>Customers are delighted with our products</td>
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<td>Our products conform to requirements</td>
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<td>Most of our new customers have been referred by other customers</td>
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<td>Waste has reduced in the production process</td>
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THANK YOU FOR YOUR COOPERATION