

The Relationship Between Perceived Waiting Time Management And Customer Satisfaction Levels Of Commercial Banks In Kenya

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Abstract: *Perceived waiting time management impacts on customer satisfaction in the extent that customers see excessive waiting as wasted time if it exceeds their expectations. Similarly if customer's waiting time is reduced below their expected time estimates, they end up being happy and satisfied in as far as that criteria is concerned. This paper evaluates how customers of commercial banks perceive various dimensions of waiting time management in relation to influencing their satisfaction levels when accessing diverse bank services. The following research questions were used to guide the investigation; To what extent does unoccupied waiting time influence customer satisfaction levels? To what extent does pre-process waiting time affect customer satisfaction levels? To what extent does uncertain waits affect customer satisfaction levels? To what extent does unexplained waiting time influence customer satisfaction levels? To what extent does waiting for valuable services contribute to customer satisfaction levels? The paper is based on findings from a sample of 237 respondents drawn from commercial banks operating in the Nairobi Central Business District. Structured questionnaires on a 5point likert scale were used to gather data, which had a reliability threshold of .844 and a good validity index. Findings were analyzed using descriptive statistics, and a regression model. Charts and tables were used for presentation. From the findings, it is established that perceived waiting time management alone does not significantly influence customer satisfaction levels, save for the waiting time for valuable services component. However, the descriptive statistics show that majority of the respondents agreed that all the variables influenced their satisfaction levels. This was seen from the means and mode values of between 3.9 and 4, and 5 and 4 respectively. The study concludes that though inferential statistics gave a different verdict, it is important to consider the findings from the descriptive analysis.*

Keywords: *Perceived waiting time management, customer satisfaction, Pre-process waiting time, Unoccupied waiting time, Un explained waiting time and Uncertain waiting.*

I. INTRODUCTION AND BACKGROUND

Despite the diverse strategies being implemented to address the challenges of fixed capacity in an increasing demand context, there are limitation to the level these strategies can be implemented. In this context, Qureshi, Bhatti, Khan, & Zaman, (2014) in a study on measuring queuing system and time standards notes that an increase in capacity is not cost effective in the long run. This is because the capacity acquired during the peak seasons would be idle during off peak seasons leading to unsustainable cost implications. Therefore, in the face of these challenges the waiting time is inevitable in most service based industries.

The waiting time has an impact on perceived service quality and customer satisfaction levels within an organization. According to Makowenga (2013) in a study on customer satisfaction indicates that customer satisfaction refers to a psychological concept of involving a feeling of well-being. This feeling of well-being occurs as a result of the customer being able to obtain services and products that match their expectations. On the other hand, Zakaria et al., (2014) indicates that customer satisfaction is based on the outcome of service provision. In this context, Lee & Moghavvemi (2015) argues that customer satisfaction relates to the customers' emotional feeling of pleasure or disappointment that relates to the comparison between perception and expectation of the

services issued. On the other hand, Onyancha (2013) in a study on customer satisfaction within the context of banking sector notes that customer satisfaction relates to the customer's evaluation of products and services after purchase in comparison to their expectations.

II. PROBLEM FOCUS AND PURPOSE

The customer satisfaction is a critical aspect of the banking sector in Kenya. This is due to the extremely competitive nature of the banking sector owing to a large number of commercial banks in the country. According to Central Bank of Kenya (2016), there are 42 commercial banks in Kenya which creates an extreme competitive environment due to the duplication of services and products. The service levels and customer satisfaction levels are the major differentiators of different commercial banks' services.

The nature of the work within the banking sector is highly specialized implying that one category of workers have limited ability to assist their colleagues when service demand is not homogeneous. On the other hand, commercial banks face varying service demands across the day, across the week, across the month and even across the year. The limitation of the commercial banks in meeting the increased service demands leads to a waiting time scenario. The waiting time is characterized by bank customers queuing for fairly long times in the banking halls. This study examined the influence of perceived waiting time on customer satisfaction levels in commercial banks in Nairobi Central Business District.

RESEARCH QUESTIONS

- The following questions guided the inquiry for this paper;
- ✓ To what extent does unoccupied time influence customer satisfaction levels?
 - ✓ To what extent does pre-process waiting time affect customer satisfaction levels?
 - ✓ To what extent does uncertain waits affect customer satisfaction levels?
 - ✓ To what extent does unexplained waiting time influence customer satisfaction levels?
 - ✓ To what extent does waiting for valuable services contribute to customer satisfaction levels?

THEORETICAL FOUNDATIONS AND LITERATURE REVIEW

The research is founded on the following theory:

EXPECTANCY DISCONFIRMATION THEORY

The expectancy disconfirmation theory is composed of two processes that expectations formation and disconfirmation of the formed expectations through performance comparison (Palawatta, 2015). The theory argues that customers have certain expectations when visiting a service point on the waiting time that they are likely to encounter based on diverse aspects such as previous experiences, attitudes towards service provider, and time of the day service is required amongst other

factors (Hartley & Ward, 2006). The customer then visits the service point and experience the actual waiting time which may vary from the expected waiting time. The comparison between the expected and the actual waiting time during service provision can yield diverse results. The negative disconfirmation occurs if the waiting time is longer than expected waiting time while positive disconfirmation occurs when the actual waiting time is shorter than expected waiting time (Arroyo, 2015). The simple confirmation occurs when the actual waiting time is equal to the expected waiting time. The expectation levels of the waiting time have diverse correlations with the satisfaction levels.

The subjective waiting time or perceived waiting time refers to the customers' estimation of the time waited (Munichor & Rafaeli, 2007). On the other hand, Oaks, (2006) notes that the perceived waiting time refers to the actual amount of time that the customers believe to have waited before receiving service. Finally, Arroyo (2015) indicate that the perceived waiting time refers to the time that customers perceive or estimate that they spent waiting.

EMPIRICAL LITERATURE REVIEW

There are diverse aspects that may influence the customers' perceived waiting time within the banking hall. The lack of sufficient number of the cashiers compared to the waiting line of the customers may lead to the customers overestimating the time they have taken to be served (Bintawim & Saud, 2011). Therefore cases where the bank places fewer cashiers than is the norm may lead to the customers perceiving that they would take longer to be served hence overestimating time taken to access service. Cases where the queue is stagnant or moving slowly may lead to the customers' overestimation of the waiting time. Some banks employ staff to engage the customers in the banking hall with simple queries and filling of diverse bank stationery. This distracts the customer hence making the perceived waiting time shorter than the actual waiting time.

III. METHODOLOGY AND RESEARCH DESIGN

This paper is based on data collected using a survey design which was descriptive in nature. It used structured questionnaires to collect views from 237 respondents drawn from the customers of commercial banks operating in the Nairobi Central Business District, Kenya. The instrument had a reliability threshold of .844 and met the validity CVI threshold. Data was analyzed using descriptive statistics and a regression analysis model.

IV. FINDINGS AND DISCUSSIONS

The perceived waiting time Management in this study was ascertained using five aspects that relate to waiting time as follows; unoccupied time feels longer than occupied time, the influences of pre-process waits, uncertain waits, unexplained waits and waiting for valuable services on the customer

satisfaction levels as illustrated in table 4.7. The items were measured on a 5 point likert scale.

Frequency distributions show that most (66%) of the respondents affirmed that unoccupied time feels longer than occupied time. This is in contrast to the 9% of the respondents who disagreed. The unoccupied time may feel longer than the occupied time as the customers are not occupied hence reducing their patience levels to wait for services. The raised anxiety and idleness leads to further dissatisfaction by customers as they evaluate the services. This implies that there is need to keep customers occupied so as to disrupt their thought processes as they enjoy the service. The ambience can be enhanced to make the waiting time more bearable as customers divert their attention from the waiting.

In the context of the pre-process waits influencing the customer satisfaction levels, a cumulative percentage of 76% were affirmative that the pre-process waits influenced their satisfaction levels. This is in comparison to the 6% of the respondents who disagreed that the same didn't influence their satisfaction levels. The preprocess waits have an influence on the customer satisfaction levels in the context that the customer at the point has not accessed the service point hence increasing impatient if the wait is perceived to be long. This can be addressed by instituting queue management measures such that people are somewhat aware on how long they are likely to wait.

Similarly, uncertain wait had up to 66% of the respondents being positive that it influenced their perceptions of customer satisfaction. The uncertain wait implies that the customers are not sure the approximate waiting time which could be either way implying that it could be long or short. The unexplained wait also had a high percentage of respondents who were affirmative that it had influence on the customer satisfaction level. In this context, a cumulative of 71% of the respondents were affirmative that unexplained wait had an impact on the customer satisfaction levels.

The need to keep customers informed of how long they are likely to wait and for what services is crucial. Most banks have instituted machine generated tokens which help inform the customer the likely waiting time to reduce the notion that cahiers are unfair in treating customers who wait long. Customers also may need to be informed the reasons for waiting long hours. For example where systems fail or slow down, customers can be informed so that they can decide to wait or leave the bank to run other heralds and come back later.

Customers waiting for some crucial services for example information relating to their accounts among other services. These are normally supplementary services and they add to the notion of waiting time. Some of the times when a customer has to wait after the core service has been delivered or is in the process of delivery it creates more anxiety and may lead to reduced satisfaction. From the findings of this study, waiting for valuable services influenced customer satisfaction levels to a large extent as 60% of the respondents affirmed this as compared to only 9% who disagreed and 31 % were not sure whether this affected their satisfaction levels. The waiting for valuable services may take time maybe because it is not offered by one person and may involve consultations with other people in the bank. It is important to minimize the extent

to which this activity compounds the waiting time already experienced by customer. This may call for re-assessment of service dependencies so as to align customers with service delivery points that minimizes movement for embedded services related to the main service.

The findings on perceived waiting time effect on customer satisfaction evidently confirms that customers are sensitive about the time they are made to wait and their perception of the waiting time. They specifically got dissatisfied by waiting long when they were on the process of receiving the service and when the wait was not explained. Banks may therefore need to manage queues in more strategic ways as well as explain people how long they are likely to wait and also why they are made to wait long than they expected. This findings is in agreement with other findings from earlier researches for example; Demoulin's (2016) study on the waiting time influence of satisfaction-loyalty relationship found out that unoccupied time feels longer than occupied time; Pre-process waits feel longer than in-process waits; Anxiety makes waits feel longer; uncertain waits seem longer than certain waits; unexplained waits seem longer than explained waits; Unfair waits seem longer than equitable waits; More valuable the service, the longer people will wait, and Solo waiting feels longer than group waiting.

Measurement Aspects	SA Freq. (%)		A Freq. (%)		U Freq. (%)		D Freq. (%)	
Unoccupied time feels longer than occupied time	107	45	50	21	59	25	21	9
Pre-process waits	72	30	109	46	43	18	15	6
Uncertain Wait	78	33	78	33	66	28	15	6
Unexplained Wait	70	29	99	42	63	27	5	2
Waiting for valuable services	62	26	82	34	73	31	20	9

Table 1; Perceived Waiting Time Management Influence on Satisfaction Levels

To gain further understanding on the influence of the diverse perceived waiting metrics, then the means and standard deviations of the perceived waiting time were calculated as indicated in table 4.8. The study noted that the means for unoccupied time feels longer than occupied time, pre-process waits, uncertain wait, unexplained wait, and waiting for valuable services were; 4.0253, 4.0127, 3.9156, 3.9873 and 3.7679 respectively. These results indicated that on average the respondents agreed that the diverse perceived waiting time aspects had an influence on the customer satisfaction levels. This is in agreement with the other measures of the mode and standard deviations as well as the frequency table presented earlier. Comparing these with those for the specific waiting time for the different services may lead us to conclude that since different customers visited the bank for diverse services, they may have worked basically how long the type of service they seek from the should take on average.

	Unoccupied time feels longer than occupied time	Pre-process waits	Uncertain Wait	Unexplained Wait	Waiting for valuable services
N	237	237h.	237	237	237
Mean	4.0253	4.0127	3.9156	3.9873	3.7679
Mode	5.00	4.00	4.00 ^a	4.00	4.00
Std. Deviation	1.02892	.84111	.94849	.80507	.97040

Table 2: Measures of Central Tendency for Perceived Waiting Time Management

In the context of the standard deviations, all the metrics except unoccupied time feels longer than occupied time had standard deviations of between 0.8 and 1 implying that the responses were moderately distributed around the mean. On the other hand, the standard deviation of unoccupied times feels longer than occupied time implied that the responses of the metrics were widely distributed around the mean hence implying a lack of consensus on the metric with a standard deviation of 1.02892. The mode for all the aspects explored show that majority of the respondents affirmed that the perceived waiting time affected their satisfaction levels with a mode value of 5 for the unoccupied time feels longer, meaning that majority strongly agreed with this view as seen in the frequency distribution table given earlier and mode value of 4 for all the other aspects implying that the most respondents also agreed with aspects as influencing their satisfaction levels.

From the analysis pre-process waiting time would contribute more to the customer satisfaction levels and was perceived to be longer by majority of the respondents. Figure 1 below gives the findings for emphasis.

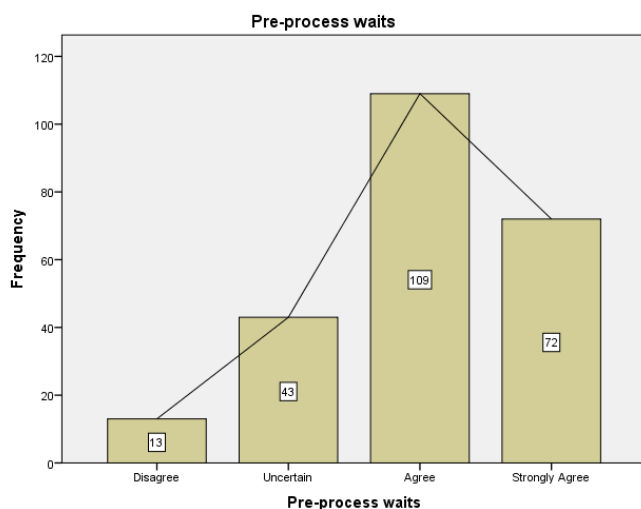


Figure 1: Pre- process Wait

As can be seen from the diagram the majority (181), of the respondents were inclined towards agreeing and strongly agreeing that the pre process wait affected their satisfaction levels. This means that banks need to take note of how long people wait for the service especially before they are attended to. This pre-process waiting time made be caused by long queues or slow bank personnel. Since this is the starting point for client interaction, a way of making it look less should be devised to avoid customer dissatisfaction as well as foregoing the service if the customer happens to have an alternative which may lead to customer loss for the bank.

V. REGRESSION ANALYSIS RESULTS

To establish the extent of influence for each independent variable on the dependent variable, a regression analysis was undertaken and the reports are discussed below.

From the findings, it shows that there is a weak positive relationship between the perceived waiting time management

and the customer satisfaction with a coefficient of .328. The variables also contribute approximately 10.8% of the changes in the dependent variable as seen by the R^2 of .108. This implies that perceived waiting time management alone does not contribute adequately to customer satisfaction in a service delivery setup. Table 3 below shows these findings.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.328 ^a	.108	.088	.76914

a. Predictors: (Constant), Waiting for valuable services, Unexplained Wait, Pre-process waits , Unoccupied time feels longer than occupied time, Uncertain Wait

Table 3: Regression Model Summary

The analysis of variance was undertaken to test the model goodness of fit for the study. The result shows that the model fits the data well with a significant level of .000 which is below the 0.05 which was set for the study. This means there was a 0.000 probability of the model giving us false results. This shows that the model can be relied upon to predict the satisfaction levels of customers as a result of perceived time management.

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	16.502	5	3.300	5.579	.000 ^b
Residual	136.653	231	.592		
Total	153.156	236			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Waiting for valuable services, Unexplained Wait, Pre-process waits , Unoccupied time feels longer than occupied time, Uncertain Wait

Table 4: Analysis of Variance Results (ANOVA)

The combined variables contribution to the dependent variable was undertaken using the linear regression model. The results show that only waiting for valuable services variable contributed significantly to the customer satisfaction levels with a coefficient of -.0281. Since the relationship is also negative it implies that any increase in waiting time to access value services, it reduced the level of satisfaction among customers.

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.511	.409		8.587	.000
	Unoccupied time feels longer than occupied time	.003	.051	.004	.054	.957
	Pre-process waits	-.017	.062	-.018	-.279	.781
	Uncertain Wait	.102	.056	.120	1.816	.071
	Unexplained Wait	.007	.064	.007	.115	.908
	Waiting for valuable services	-.281	.055	-.338	-5.100	.000

a. Dependent Variable: Customer Satisfaction

Table 4: Regression Model for Independent and Dependent Variables

The findings are in line with other studies whereby waiting time management may not necessarily lead to dissatisfaction but may influence the feelings of the customers as to whether they felt they waited more than necessary. Palawatta (2015) in a study on waiting times and defining customer satisfaction gave the diverse ways in which perceived waiting time influenced customer satisfaction. The study noted that the customers who experienced a delay in-process stage found the perceived waiting to be longer compared to those who encountered a similar waiting time for the preprocess and post process phases. The longer the perceived waiting time the more dissatisfied the customer was.

Demoulin (2016) in a study on the waiting time influence of satisfaction-loyalty relationship noted that there are diverse ways in which perceived waiting time influences customer satisfaction. The study noted that unoccupied time feels longer than occupied time; Pre-process waits feel longer than in-process waits; Anxiety makes waits feel longer; uncertain waits seem longer than certain waits; unexplained waits seem longer than explained waits; Unfair waits seem longer than equitable waits; More valuable the service, the longer people will wait, and Solo waiting feels longer than group waiting.

From the findings we can conclude that;

Customer satisfaction is influenced by perceived waiting time management as follows:

$$Y=3.511+003-0.017+.102+007-.281.$$

The model implies that the variables are not sufficient to explain the changes in the dependent variable and hence other factors need to be in place for customers to be considered satisfied with the bank services.

VI. SUMMARY, CONCLUSION AND RECOMMENDATIONS

It is evident that customer perceived waiting time management affects their satisfaction levels especially for the unoccupied time and in pre -process waits which recorded 76% and 71% of influence on satisfaction levels. Though the level these factors influences satisfaction was not statistically significant, for most of the variables, it is something worth considering when instituting measures to reduce waiting time for services. With over 60% of respondents affirming that perceived waiting time management influenced their satisfaction it is something not to take for granted. However the fact that a sizeable (18%-31 %) number of respondents were uncertain whether the variables contributed to the satisfaction levels, it's important to know which other variables work in conjunction with waiting time to influence satisfaction levels for the service industry especially as relates to the banks.

This study therefore concludes that, perceived waiting time affects customer satisfaction levels albeit to a moderate extent. The wait for valuable services are deemed to influence customer satisfaction significantly on the negative. This means every unit increase in perceived waiting time for services, the same magnitude of dissatisfaction is likely to be experienced. Therefore customers' expectations of perceived waiting time should not be outside the time within which bank services are delivered especially if these services are considered valuable by the customer. The effort by the bank management can be geared towards reducing actual waiting time and perceived waiting time to the extent that the time a customer waits is either explained or it is for valuable services.

From the findings we recommend that more investigation need to be carried out to find out which factors are able to

boost customer satisfaction more. It is also important to bear in mind the fact that still waiting time is a necessary component of customer satisfaction though not the only one as established by this study. Bank managers need to also try testing various combination of variables that may explain dissatisfaction causes among bank clients. Never the less perceived waiting time should not be overlooked.

FUTURE RESEARCH DIRECTIONS

Researchers of customer relations may look into perceived waiting time from the perspective of postponed demand and customer loyalty using various market segments and in diverse service industries.

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