ELECTRONIC MARKETING AND CUSTOMER SATISFACTION IN COMMERCIAL BANKS: THE CASE OF COMMERCIAL BANKS IN GULU CITY

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A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS AND DEVELOPMENT STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF A MASTERS DEGREE IN BUSINESS ADMINISTRATION OF GULU UNIVERSITY

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DECLARATION

This is to declare that this Research report titled electronic marketing and customer satisfaction in commercial banks: the case of commercial banks in Gulu city is my original work and has never been submitted for any award in any institution.

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APPROVAL

This is to certify that this Research report titled electronic marketing and customer satisfaction in commercial banks: the case of commercial banks in Gulu city has been done under our supervision and approval as the student's supervisors.

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DEDICATION

This research dissertation is dedicated to my family and children. They have been my inspiration and a source of unconditional love, encouragement, and belief in my abilities. This piece of work will inspire them to achieve greater heights.

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LIST OF ABBREVIATIONS & ACRONYMS

BoU:	Bank of Uganda
CRM:	Customer Relationship Management
CS:	Customer Satisfaction
CVI:	Content Validity Index
CX:	Customer Experience
E-SERQUAL:	Electronic Service Quality
ICT:	Information and Communication Technology
MM:	Mobile Marketing
SMM:	Social Media Marketing
WBG:	World Bank Group

ABSTRACT

The evolution of electronic marketing has created a strong mechanism for attaining customer satisfaction particularly within the banking industry. This study investigated electronic marketing and customer satisfaction in commercial banks; the case of commercial banks in Gulu city. The was guided by the following objectives: to examine the status of customer satisfaction in commercial banks; to examine the influence of electronic marketing on customer satisfaction; to examine the mediating effect of service quality on the relationship between electronic marketing and customer satisfaction in commercial banks; and to determine the mediating effect of CRM on the relationship between electronic marketing and customer satisfaction in commercial banks in Gulu City. Descriptive and quantitative research designs were used. Data was collected using questionnaires from a sample of 493 customers and staff commercial banks in Gulu city. Data analysis was performed using descriptive and inferential statistics with the aid of SPSS software version 26.0. The study finding shows that all the dimensions of electronic marketing (social media marketing, e-mail marketing and mobile marketing have significant affect on customer satisfaction; the study found that service quality and CRM mediate the relationship between electronic marketing and customer satisfaction. The study concludes that electronic marketing remains critical in enhancing customer satisfaction. The study recommends that strategies aimed at improving customer satisfaction should focus on email marketing, mobile marketing and social media marketing. In addition, banks should integrate service quality and CRM into electronic marketing strategies in order to have greater influence on customer satisfaction.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

In the modern banking industry, electronic marketing (e-marketing) has emerged as a pivotal strategy for achieving customer satisfaction and competitive advantage (Gomez, Lopez, & Molina, 2019). E-marketing, which encompasses a range of digital tools and techniques such as email marketing, social media marketing and mobile marketing, enables commercial banks to engage with customers in a more personalized and efficient manner. As banks continue to embrace digital transformation, the role of e-marketing in enhancing customer satisfaction has become increasingly significant.

The banking sector has undergone substantial changes over the past two decades, driven by advancements in information and communication technology (ICT). These changes have prompted banks to shift from traditional marketing approaches to digital platforms to meet the evolving needs and preferences of their customers (Abdallah & Albadri, 2020). E-marketing strategies allow banks to reach a wider audience, provide real-time customer support, and offer tailored financial products and services. As a result, banks can build stronger relationships with their customers, leading to increased satisfaction and loyalty (Gomez et al., 2019).

Customer satisfaction is a critical metric for commercial banks, as it directly influences customer retention, perceived value, brand image and overall business performance. Satisfied customers are more likely to recommend the bank's services to others, leading to new customer acquisition through positive word-of-mouth (Kotler & Keller, 2016). Therefore, understanding the effect of e-marketing on customer satisfaction is essential for banks to devise effective marketing

strategies that foster customer loyalty and growth. This study thus examined the role e-marketing in enhancing customer satisfaction in commercial banks.

1.1 Background to the Study

Customer satisfaction has been a focal point of business research and practice for decades, evolving significantly over time. Initially, the concept of customer satisfaction was not as prominent, as early business models were primarily product-centric rather than customer-centric. However, as markets became more competitive and consumers more demanding, businesses began to recognize the importance of satisfying customers to achieve long-term success.

The post-World War II economic boom brought about significant changes in consumer behavior and expectations. Businesses started to realize that simply producing goods was not enough; they needed to understand and meet customer needs and desires. This period marked the beginning of the modern marketing era, where customer satisfaction began to be seen as crucial for business success (Levitt, 1960).

In the 1950s and 1960s, researchers like Peter Drucker emphasized that the purpose of a business is to create and keep a customer, highlighting the centrality of customer satisfaction in business strategy (Drucker, 1954). This era also saw the development of customer satisfaction measurement techniques, which aimed to quantify how well businesses were meeting customer needs. In the 1990s and early 2000s, customer satisfaction research expanded significantly, incorporating insights from psychology, economics, and marketing. The American Customer Satisfaction Index (ACSI) was introduced in 1994, providing a standardized measure of customer satisfaction across different industries (Fornell et al., 1996). This period also saw increased attention to the link between customer satisfaction and financial performance, with studies

demonstrating that higher customer satisfaction leads to greater customer loyalty, reduced churn, and improved profitability (Heskett et al., 1994).

The rise of digital technologies and the internet in the late 20th and early 21st centuries revolutionized the way businesses interact with customers. Digital platforms enabled real-time feedback and more sophisticated data analytics, allowing businesses to tailor their offerings more precisely to customer needs. The concept of customer experience (CX) emerged, encompassing all interactions a customer has with a brand across various touchpoints (Lemon & Verhoef, 2016).

Equity Theory, introduced by J. Stacy Adams in 1965, suggests that individuals assess the fairness of their relationships by comparing their input-output ratio with that of others. In the context of customer satisfaction, this theory posits that customers evaluate the value they receive from a product or service relative to the cost they incur and compare this with the perceived value-cost ratio of other customers. If customers perceive inequity, where the input-output ratio is not balanced, they may experience dissatisfaction (Adams, 1965).

In contemporary settings, Equity Theory has been widely applied in various fields to understand consumer behavior, particularly in service industries. For example, a study by De Toni, Milan, and Schuler (2017) found that perceived fairness in pricing and perceived value in service delivery significantly influences customer satisfaction and loyalty. This theory is crucial in understanding how customers perceive the fairness of electronic services, where perceived value in service delivery is paramount. However, this theory alone does not explain the key elements of electronic marketing and service quality, thus justifies the introduction of E-SERVQUAL model.

The Electronic Service Quality (E-SERVQUAL) model, an extension of the SERVQUAL model by Parasuraman, Zeithaml, and Malhotra (2005), focuses on the quality of electronic services.

This model identifies key dimensions critical to electronic service quality comprising of: efficiency, fulfillment, system reliability and privacy. These dimensions are designed to capture the unique aspects of service quality in an online environment.

The E-SERVQUAL model has been extensively validated and applied in various sectors, including banking, retail, and government services. For instance, research by Debei, Akroush, and Ashouri (2015) in the banking sector highlighted that efficiency, system reliability and privacy significantly impact customer satisfaction with online banking services. Similarly, a study by Chang, Rizal, and Amin (2013) in the retail sector confirmed that fulfillment and reliability are critical determinants of e-service quality and customer satisfaction.

E-Marketing is the use of the internet and digital media to promote and sell products and services, including online advertising, email marketing, social media, and mobile marketing (Lemon & Verhoef, 2016). Furthermore, e-marketing involves leveraging digital technologies and platforms to reach and engage with customers, offering a more interactive and personalized approach compared to traditional marketing methods. Studies have indicated that e-marketing, when personalized and effectively managed, can significantly enhance customer satisfaction. For example, a study by Jarvinen and Karjaluoto (2023) found that personalized digital marketing campaigns led to higher customer satisfaction by meeting specific customer needs and preferences.

Service quality is a measure of how well the service level delivered matches customer expectations, often evaluated using dimensions like reliability, efficiency, privacy, and fulfillment (Anderson and Srinivasan, 2023). Service quality also refers to the degree to which a service meets the customer's needs and expectations, including aspects such as timeliness, professionalism, and accessibility. In addition, service quality is the perceived value derived from

the service experience, encompassing factors such as service delivery, customer support, and overall satisfaction with the service provided.

In relation to Customer Satisfaction, high service quality is closely linked to increased customer satisfaction. For instance, research by Parasuraman et al. (2022) demonstrated that reliability and efficiency are critical dimensions that significantly enhance customer satisfaction in the retail industry.

Customer Relationship Management (CRM) is a strategic approach that combines people, processes, and technology to manage interactions with current and potential customers, aiming to improve customer retention and drive sales growth (Kotler & Keller, 2016). Furthermore, CRM involves the use of software and data analysis tools to compile information about customers, facilitating better management of customer relationships through personalized communication and service (Kim and Wang, 2023). CRM systems are designed to organize, automate, and synchronize sales, marketing, customer service, and technical support to enhance customer engagement and satisfaction.

CRM systems have been shown to improve customer satisfaction by enabling more personalized and efficient service. For example, a study by Kim and Wang (2023) highlighted that effective CRM implementation in the banking sector led to higher customer satisfaction by improving service delivery and customer interactions.

Uganda's commercial banking sector comprises over 25 licensed banks, including both indigenous and international banks (Bank of Uganda, 2023). The sector is characterized by a mix of large, established banks and smaller, emerging ones. Key players include Stanbic Bank, Standard Chartered Bank, Centenary Bank, and DFCU Bank. The sector is regulated by the Bank

of Uganda, which ensures compliance with international banking standards and fosters a stable financial environment.

There has been a significant shift towards digital banking, driven by increased internet penetration and mobile phone usage. Banks are investing in digital platforms to provide online banking, mobile banking, and agency banking services (Nakazibwe, 2022). The Bank of Uganda has been proactive in strengthening regulatory frameworks to ensure the stability of the banking sector. This includes the implementation of Basel III standards and stringent measures to combat money laundering and financing of terrorism (World Bank, 2023).

Gulu, a city in northern Uganda, has seen significant economic transformation in recent years. Commercial banking in Gulu has grown as the region stabilizes and develops. Banks have established branches in Gulu to tap into the growing economic activities, particularly in agriculture, trade, and small and medium enterprises (Juma, 2023). This expansion aims to support the local economy and improve access to financial services. Gulu's commercial banking landscape is a microcosm of the broader banking sector in Uganda, with major banks establishing a presence to serve the region's financial needs.

1.2 Problem Statement

In Uganda, customer satisfaction remains a pressing concern within the commercial banking sector; evidence indicates widespread dissatisfaction among customers. Recent studies reveal that a significant number of bank clients report dissatisfaction with service offerings, including issues such as long processing times for transactions, inadequate resolution of complaints, limited scale of recommendations of bank services to other potential customers, and perceived lack of value (Kabugo & Mukasa, 2023; Namutebi et al., 2022). These challenges not only affect customer

retention rates but also diminish trust and loyalty, posing substantial risks to the profitability and competitive standing of Ugandan commercial banks.

Despite the growing adoption of e-marketing in the banking sector, there is limited empirical research on its effect on customer satisfaction, particularly in the context of commercial banks in Gulu city. Previous studies have primarily focused on the general benefits of digital marketing without delving into its specific influence on customer satisfaction within the banking industry (Shankar et al., 2020). This gap highlights the need for a comprehensive analysis of how e-marketing strategies affect customer satisfaction in commercial banks in Gulu city. This study thus examined the influence of electronic marketing on customer satisfaction in commercial banks in Gulu City.

1.3 Purpose of the Study

The overall purpose of the study was to examine the contribution of electronic marketing to customer satisfaction in commercial banks in Gulu City.

1.4 Objectives of the Study

i. To examine the status of customer satisfaction in commercial banks in Gulu City.
ii. To determine the influence of electronic marketing on customer satisfaction in commercial banks in Gulu City.
iii. To examine the mediating effect of service quality in the relationship between electronic marketing and customer satisfaction in commercial banks in Gulu City.

iv. To examine the mediating effect of Customer Relationship Management in the relationship between electronic marketing and customer satisfaction in commercial banks in Gulu City.

1.5 Research Questions

i. What is the status of customer satisfaction in commercial banks in Gulu City?

ii. What is the influence of electronic marketing on customer satisfaction in commercial banks in Gulu City?

iii. Does Service Quality mediate the relationship between electronic marketing and customer satisfaction in commercial banks in Gulu City?

iv. Does Customer Relationship Management mediate the relationship between electronic marketing and customer satisfaction in commercial banks in Gulu City?

1.6 Scope of the Study

The scope of this study comprised of the content, geographical and time scopes as presented below:

1.6.1 Content scope

In terms of content, this study covered electronic marketing, service quality, customer relationship management and customer satisfaction. Electronic marketing covered e-mail marketing, social media marketing and mobile marketing. Service quality covered efficiency, system reliability, fulfillment and privacy. On the other hand, CRM covered technology usage and process management. Customer satisfaction covered brand image, perceived value, customer retention and recommendations.

1.6.2 Geographical scope

Geographically, this study was conducted among commercial banks operating in Gulu City. Gulu City Gulu City is situated approximately 340 kilometers (211 miles) by road north of Kampala, the capital city of Uganda. It lies near the border with the districts of Amuru, Nwoya, Omoro, and Oyam. The Coordinates of the City is situated at latitude 2.7746° N and longitude 32.2988° E.

1.6.3 Time scope

The study was conducted for a period of 9 months from December, 2023 to September 2024. This period was sufficient for the researcher to accomplish all the research activities up to submission of dissertation. In addition, the study information covered a period of 5 years from 2019 to 2024. This period is selected because commercial banks intensified electronic marketing activities within this period.

1.7 Significance of the Study

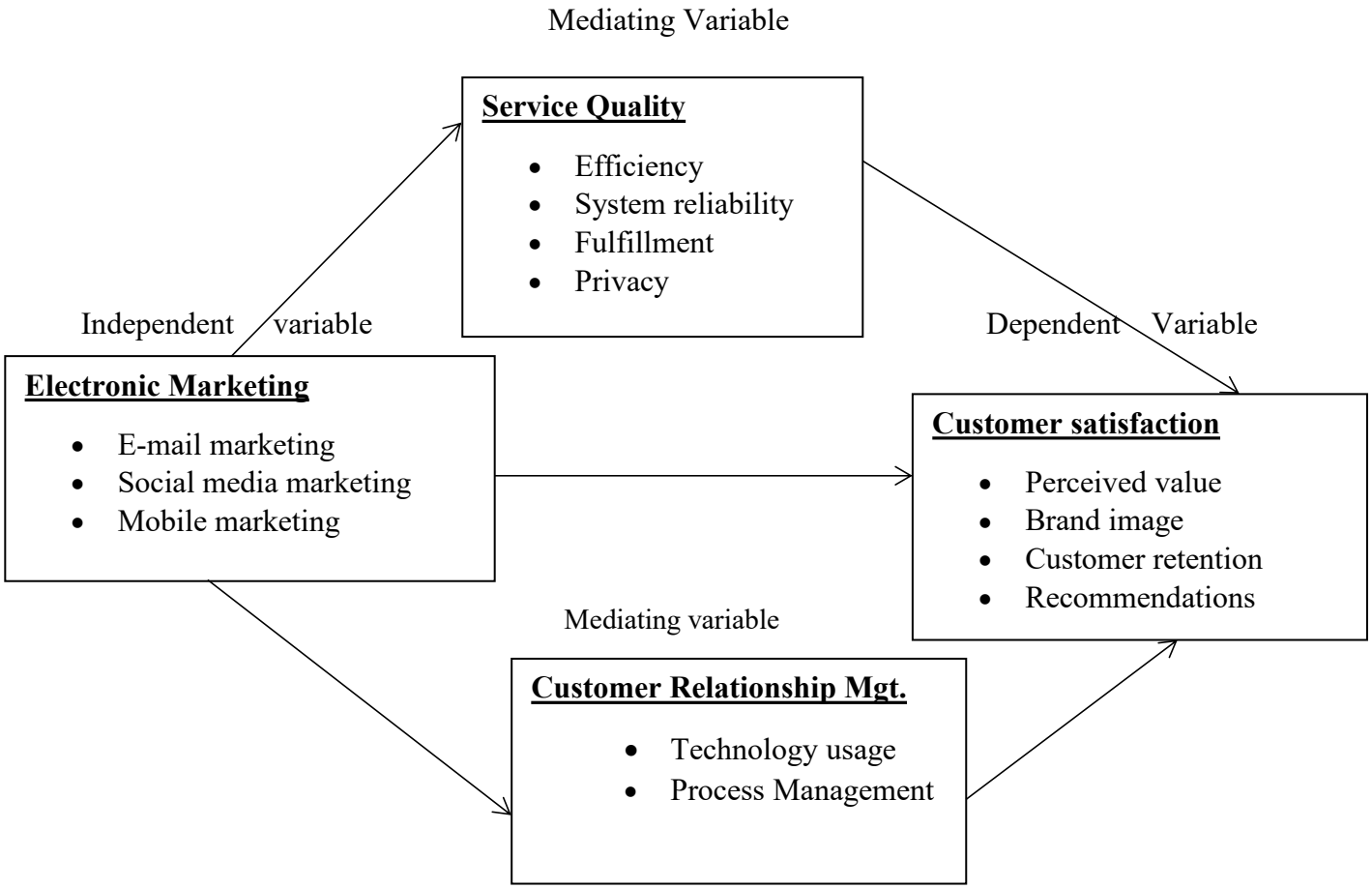
To the management of commercial banks, understanding the relationship between electronic marketing strategies and customer satisfaction enable banks to optimize their marketing strategies for better customer satisfaction.

Regulatory bodies can use insights from research on electronic marketing and customer satisfaction to inform policies and guidelines related to consumer protection, market conduct, and fair competition within the banking sector.

Academicians and researchers may benefit from studying electronic marketing and customer loyalty in commercial banks to advance theoretical frameworks, develop new methodologies, and contribute to knowledge in the fields of marketing, consumer behavior, and financial services.

This study contributes to the existing body of knowledge by providing empirical evidence on the effectiveness of e-marketing strategies in enhancing customer satisfaction in commercial banks. The findings may help bank managers and marketers understand the critical factors that drive customer satisfaction in the digital era and develop targeted e-marketing campaigns that align with customer preferences.

1.8 Conceptual Framework



Source: (Parasuraman, Zeithaml, and Malhotra; 2005; Kotler & Keller, 2016; Anderson & Srinivasan, 2023).

Figure 1: Conceptual Framework Illustrating Electronic Marketing and Customer Satisfaction

The conceptual framework above presents the electronic marketing as the independent variable, service quality as the mediating variable, customer relationship management as the mediating variable and customer satisfaction as the dependent variable. Electronic marketing will comprise of e-mail marketing, social media marketing and mobile marketing. Service quality will comprise of efficiency, system reliability, fulfillment and privacy. On the other hand, CRM will cover technology usage and process management. Customer satisfaction will be measured by brand image, perceived value, customer retention and recommendations.

CHAPTET TWO

LITERATURE REVIEW

2.0 Introduction

The study investigates the influence of electronic marketing on customer satisfaction in commercial banks. In this chapter, theoretical and related literature by different Authors is reviewed. The review focused on the literature relating to electronic marketing, customer relationship management, service quality and customer satisfaction reviewed as elaborated in the sections below:

2.1 Theoretical Review

This study was guided by the equity theory and the electronic service quality model as presented in the following section.

2.1.1 Equity theory

Equity theory, developed by J. Stacy Adams in 1963, is a psychological framework that explains how individuals perceive fairness in social exchanges (Adams, 1963). This theory has been widely applied to understand customer satisfaction by examining how customers evaluate the fairness of their transactions with businesses. In the context of customer satisfaction, equity theory suggests that customers assess the fairness of a transaction by comparing the ratio of their inputs (such as time, money, and effort) to their outputs (such as products, services, and benefits) with those of others (Homburg et al., 2019).

Equity theory posits that individuals seek to maintain a balance between their inputs and outputs in any exchange (Adams, 1965). When applied to customer satisfaction, this theory suggests that customers are more likely to be satisfied when they perceive the transaction as equitable, meaning that the value they receive matches or exceeds the value they provide (Oliver & Swan, 1989). If customers perceive an imbalance where their inputs exceed their outputs, they may experience dissatisfaction (Watson et al., 2015). Perceived value, positive image and retention are key constructs of equity theory.

The theory emphasizes the importance of fairness perceptions in shaping customer satisfaction. Customers evaluate fairness based on comparisons with other customers or their past experiences (Huppertz et al., 2018). For instance, if a customer perceives that another customer received a better deal or more benefits for the same inputs, they may feel dissatisfied. Conversely, if a customer believes they received a fair exchange, they are more likely to be satisfied and loyal (Homburg et al., 2019).

When customers perceive equity in their transactions, they are more likely to experience positive outcomes such as satisfaction, loyalty, and trust (Bolton & Lemon, 2019). On the other hand, perceived inequity can lead to negative outcomes such as dissatisfaction, complaints, and

switching behavior (Oliver & DeSarbo, 2018). Equity theory highlights that perceived fairness can significantly influence customers' emotional and behavioral responses (Huppertz et al., 2018).

Equity theory has been applied in various research studies to examine its role in customer satisfaction across different industries. Researchers have explored how perceived fairness affects customer satisfaction and how businesses can manage equity perceptions to enhance customer relationships. In the service industry, equity theory has been used to investigate the impact of perceived fairness on customer satisfaction and loyalty intentions. Balaji et al. (2022) found that perceived equity significantly affects customer satisfaction and loyalty in the hospitality sector. When customers perceive that they receive fair treatment and value for their money, they are more likely to report higher satisfaction levels and demonstrate loyalty through repeat business and positive word-of-mouth.

Furthermore, the theory has been applied in the retail sector to explore how pricing strategies affect customer satisfaction. Chaudhuri and Ray (2023) examined how consumers' perceptions of price fairness influence their satisfaction and repurchase intentions in online retailing. The study revealed that perceived price fairness, as explained by equity theory, plays a crucial role in shaping customer satisfaction and determining their likelihood to return to the retailer.

In the banking sector, equity theory has been applied to understand how service quality and perceived equity impact customer satisfaction. Thompson (2023) explored the relationship between equity, service quality, and customer satisfaction in retail banking. The findings suggested that perceived equity in service delivery, coupled with high service quality, positively influences customer satisfaction and loyalty.

Equity theory provides a valuable framework for understanding customer satisfaction by highlighting the importance of perceived fairness in transactions. The theory suggests that customers evaluate the fairness of their exchanges by comparing their inputs and outputs with those of others. Research across various industries demonstrates that perceived equity significantly impacts customer perceived value, loyalty, retention and overall satisfaction.

2.1.2 Electronic Service Quality Model (e-SQ Model)

In the digital age, the evaluation of service quality has transcended traditional face-to-face interactions and expanded into the realm of electronic services (e-services). The Electronic Service Quality (e-SQ) model, developed by Zeithaml, Parasuraman, and Malhotra (2000), provides a framework for assessing the quality of online services. This model emphasizes the unique characteristics of online transactions, including the ease of navigation, efficiency, reliability, and security. The e-SQ model has become an essential tool for understanding how service quality is perceived in online environments and has been widely used in research studies across various industries.

The e-SQ model builds upon traditional service quality models, such as SERVQUAL, by incorporating dimensions specific to the electronic context. Zeithaml et al. (2000) identified key dimensions of e-service quality that influence customer perceptions and satisfaction: these dimensions comprise of: efficiency, fulfillment, system reliability and privacy.

Efficiency refers to the ease and speed with which customers can access and use a website or online service; reliability involves the consistent performance of an online service and the ability to deliver promised services accurately; fulfillment pertains to the degree to which a website's promises about delivery and item availability are fulfilled; Privacy and security are critical

concerns for online consumers. This dimension involves protecting personal and payment information, ensuring secure transactions, and maintaining customer confidentiality (Zeithaml, Parasuraman & Malhotra (2000).

The e-SQ model has been widely used in research studies to assess service quality in various online environments. In the e-commerce sector, the e-SQ model has been used to evaluate the quality of online shopping experiences. A study by Liu et al. (2021) applied the e-SQ model to assess how different dimensions of e-service quality influence customer satisfaction and purchase intentions in online retailing. The study found that efficiency, reliability, and fulfillment were significant predictors of customer satisfaction, while privacy and security concerns influenced trust and loyalty.

The banking industry has also adopted the e-SQ model to evaluate the quality of online banking services. A study by Sharma and Malviya (2022) examined the impact of e-service quality dimensions on customer satisfaction and loyalty in the online banking sector. The study found that reliability, responsiveness, and privacy were key determinants of customer satisfaction, while website design and functionality influenced perceived ease of use. This theory provides a framework upon which customer satisfaction is measured.

2.2 Electronic Marketing

The review of literature on the different dimensions of electronic marketing encompasses e-mail marketing, social media marketing and mobile marketing as elaborated in the section below:

2.2.1 E-mail marketing

E-mail marketing remains a cornerstone of electronic marketing strategies, even as new technologies and channels emerge. As a direct communication method, it offers unique

advantages in terms of personalization, segmentation, and measurable (Return on Investment) (Chaffey, 2022).The evolution of e-mail marketing reflects changes in technology, consumer behavior, and marketing strategies. Initially, e-mail marketing was a straightforward broadcast medium; however, recent advancements have integrated sophisticated data analytics and automation, (Chaffey, 2023). E-mail platforms now offer robust tools for segmentation and dynamic content, enhancing the ability to target and engage recipients more effectively (Doe & Lee, 2024).

Furthermore, e-mail marketing complements other electronic marketing efforts, such as social media, search engine marketing, and content marketing. It is particularly effective for nurturing leads, driving conversions, and retaining customers (Brown & Green, 2023). Studies have highlighted that e-mail marketing provides a higher ROI compared to other digital channels, partly due to its direct and personal nature (Jones & Wilson, 2024). Additionally, integrating e-mail marketing with CRM (Customer Relationship Management) systems has proven beneficial in creating personalized customer experiences (Taylor et al., 2024).

Best practices in e-mail marketing have evolved to focus on personalization, relevance, and compliance. Research emphasizes the importance of crafting personalized content based on customer data, which increases engagement and conversion rates (Miller & Johnson, 2023). Segmenting e-mail lists according to user behavior and preferences is another effective strategy (Adams & Carter, 2024).

An important trend is the integration of e-mail marketing with Omni channel strategies, ensuring consistent messaging across all touch points (Davis & Moore, 2024). Additionally, the rise of interactive e-mails, which incorporate elements like surveys, polls, and dynamic content, is enhancing user engagement (Clark & Evans, 2024). E-mail marketing remains a vital component

of electronic marketing, offering significant opportunities for personalization, segmentation, and engagement.

2.2.2 Social Media Marketing

Social media marketing has emerged as a crucial component of electronic marketing strategies, influencing how brands engage with consumers and measure campaign effectiveness. With the proliferation of social media platforms and the evolution of user behavior, businesses must continually adapt their social media strategies to optimize reach and engagement (Kaplan & Haenlein, 2022). Early social media marketing focused on brand awareness through organic posts, but recent advancements have integrated paid advertising, influencer partnerships, and interactive content to enhance engagement (Tuten & Solomon, 2023). The shift towards data-driven approaches allows marketers to target audiences with precision and measure the effectiveness of their campaigns more accurately (Hanna et al., 2023).

Goh et al., (2024) highlight several best practices for effective social media marketing with personalization and relevance as key, with successful campaigns often featuring tailored content that resonates with specific audience segments. Engaging with followers through interactive content such as polls, quizzes, and live videos has been shown to increase engagement and foster a sense of community (Ghosh & Chakraborty, 2024). Additionally, monitoring and responding to user-generated content and feedback is crucial for maintaining a positive brand image and fostering customer loyalty (De Vries et al., 2023).

Recent developments in social media marketing include the rise of social commerce, where social media platforms are used not just for marketing but also for direct sales (Kumar et al., 2024). Features like stoppable posts and integrated payment systems have streamlined the purchasing

process directly within social media platforms (Babin & Harris, 2024). Another notable trend is the increasing importance of video content, particularly short-form videos on platforms like TikTok, which has become a powerful tool for engagement and brand visibility (Gosh, 2024). Social media marketing remains a dynamic and integral component of electronic marketing strategies. Its role has expanded from simple brand promotion to a comprehensive tool for engagement, sales, and customer relationship management.

2.2.3 Mobile marketing

Mobile marketing has become an essential component of electronic marketing strategies due to the widespread adoption of smartphones and mobile devices. It encompasses a range of techniques designed to reach consumers through their mobile devices, including SMS, mobile apps, and location-based marketing (Lee & Lee, 2023). Mobile marketing has evolved significantly from its early days of basic SMS campaigns to sophisticated, multi-channel strategies that leverage mobile apps, location services, and advanced analytics. Initially, mobile marketing focused on text messaging and basic mobile web advertising (Huang & Liu, 2022).

However, advancements in mobile technology have enabled the development of more interactive and personalized approaches, such as app-based marketing and geotargeting (Kumar & Shah, 2024). Ensuring a seamless user experience across mobile devices is also critical, as mobile users expect fast loading times and intuitive interfaces (Nguyen & Ho, 2023). Additionally, employing location-based marketing strategies can enhance relevance by delivering timely offers based on the user's geographic location (Patel & Singh, 2024). It is also important to comply with privacy regulations and obtain user consent for data collection and marketing activities (Moore & Roberts, 2023).

Recent developments in mobile marketing include the rise of mobile commerce (m-commerce), where transactions and purchases are increasingly conducted via mobile devices (Zhang & Wang, 2024). Features such as mobile wallets and in-app purchasing have streamlined the buying process, making it easier for consumers to shop directly from their smartphones (Baker & Green, 2024).

While mobile marketing offers numerous opportunities, it also presents challenges. Issues such as data privacy concerns, ad fraud, and maintaining user engagement in a crowded mobile environment need to be addressed (Kim & Lee, 2023). Despite the challenges, mobile marketing remains a vital component of electronic marketing, offering significant potential for enhancing customer engagement, driving conversions, and integrating with other digital channels.

2.3 Customer Satisfaction

The review of literature on the different dimensions of customer satisfaction encompasses perceived value, customer retention, brand image and recommendation as elaborated in the section below:

2.3.1 Perceived value

Perceived value has long been identified as a crucial determinant of customer satisfaction, reflecting the balance between the benefits and costs associated with a product or service. The conceptualization of perceived value often encompasses various dimensions, including functional, emotional, and social values, which collectively influence customer satisfaction (Zeithaml, 2018).

Research highlights the importance of perceived value in shaping customer satisfaction. For instance, studies have emphasized the multifaceted nature of perceived value, suggesting that

both tangible and intangible aspects significantly affect customer evaluations. A study by Chen et al. (2019) explores how perceived value dimensions, such as quality, price, and emotional satisfaction, interact to influence overall customer satisfaction in the context of digital services. This study highlights that perceived value not only affects satisfaction directly but also mediates the relationship between service quality and customer loyalty.

Chen et al. (2024) found that perceived value acts as a mediator between service quality and customer satisfaction, suggesting that high service quality enhances perceived value, which in turn boosts customer satisfaction. This perspective aligns with earlier findings that suggest perceived value is a key driver of customer satisfaction (Berry, 2018), but it adds a layer of nuance by highlighting the interactive effects of different value dimensions.

In summary, the literature continues to support the idea that perceived value is a fundamental component of customer satisfaction. The recent work of Chen et al. (2024) further refines this understanding by demonstrating the complex interplay between various value dimensions and their cumulative effect on customer satisfaction.

2.3.2 Brand image

Brand image has been recognized as a critical component influencing customer satisfaction. It encompasses consumers' perceptions and attitudes towards a brand, shaped by various factors including marketing communications, product quality, and customer experiences (Keller, 2014). A positive brand image can enhance customer satisfaction by aligning customer expectations with their actual experiences, leading to greater loyalty and advocacy.

Literature continues to emphasize the significant role of brand image in shaping customer satisfaction. According to a recent study by Lee and Kim (2024), brand image plays a pivotal role in the customer satisfaction process by acting as a filter through which customers evaluate their experiences. Their research highlights that a strong, favorable brand image not only enhances perceived value but also mitigates negative experiences, thereby sustaining higher levels of customer satisfaction.

Lee and Kim (2014) found that brand image impacts customer satisfaction directly and indirectly. Their study revealed that a positive brand image strengthens the relationship between customer expectations and their satisfaction with the actual product or service experience. This finding supports earlier research that suggests a favorable brand image can buffer against the negative effects of service failures or product shortcomings (Aaker, 2016; Keller, 2018).

In summary, the literature demonstrates that brand image is a crucial determinant of customer satisfaction, influencing both directly and indirectly through various attributes such as perceived value and brand experience. Recent research by Keller (2016) contributes to this understanding by exploring the role of brand image congruence and its impact on customer satisfaction, providing a deeper insight into how brand perceptions shape customer outcomes.

2.3.3 Customer retention

Customer retention, a crucial aspect of customer satisfaction and is pivotal in maintaining a sustainable competitive advantage and achieving long-term business success. Defined as the ability of a company to keep its customers over time and prevent them from switching to competitors, customer retention encompasses various strategies and factors that contribute to maintaining a loyal customer base (Reichheld & Sasser, 2020).

Research has refined the understanding of customer retention by examining its multi-dimensional nature and the factors influencing it. A contemporary study by Ariokot & Tidet (2021) provides an important perspective on the role of customer engagement and personalized experiences in enhancing retention. Their research demonstrates that active engagement with customers through tailored communication and personalized offers significantly improves retention rates.

Kumar (2019) highlight that personalized experiences not only meet customers' specific needs but also foster a stronger emotional connection with the brand. This emotional bond, combined with consistent and meaningful interactions, reinforces customer loyalty and reduces churn. Their findings align with previous research emphasizing that personalization is a key driver of retention, as it creates a sense of value and relevance for customers (Petersen, 2019).

Additionally, Berry & Hitler (2016) explores the impact of service quality on retention, noting that high service quality leads to increased customer satisfaction and loyalty. They argue that service quality should be continuously monitored and improved to maintain customer trust and prevent defections. In summary, the literature emphasizes that customer retention is a critical component of customer satisfaction.

2.3.4 Recommendations,

Recommendations often manifested through word-of-mouth (WOM) and referral programs, are increasingly recognized as significant drivers of customer retention. They represent a form of social proof that can reinforce customers' decisions to remain loyal to a brand by influencing their perceptions and behaviors based on the experiences of others (Zeithaml, Berry, & Parasuraman, 2016).

Recent research has shed light on how recommendations contribute to customer retention. According to a study by Nguyen and Simkin (2022), recommendations play a crucial role in reinforcing customer loyalty and retention by providing validation and trustworthiness through peer endorsements. Their study demonstrates that positive recommendations from friends, family, or online reviews can enhance customers' perceptions of value and satisfaction, thereby increasing their likelihood of remaining with a brand.

Nguyen and Simkin (2022) further found that referral programs, which incentivize existing customers to recommend a brand to others, not only attract new customers but also improve retention rates among existing ones. Their research highlights that customers who engage in referral programs are more likely to stay loyal because they feel a sense of commitment and reciprocity towards the brand. This finding is consistent with previous studies that suggest referral programs can enhance customer engagement and loyalty (Reichheld, 2015).

Additionally, Cheung and Thadani (2022), explore the role of digital recommendations, including online reviews and social media endorsements. They note that in the digital age, online recommendations have a substantial impact on customer retention by shaping public perception and reinforcing positive experiences. The study by Nguyen and Simkin (2022) also introduces the concept of "recommendation quality," which refers to the relevance and credibility of the recommendations received. They argue that high-quality recommendations, characterized by detailed and authentic feedback, are more effective in driving customer retention compared to generic or biased endorsements. This highlights the importance of not only encouraging recommendations but also ensuring their quality to maximize their impact on retention.

2.4 Service Quality

Literature review section on service quality covers the key components comprising of efficiency, system reliability, privacy and fulfillment as presented in the section that follows.

2.4.1 Efficiency

Efficiency is an important dimension of service quality that significantly affects customer satisfaction and operational performance. It pertains to the ability of a service provider to deliver services quickly, accurately, and with minimal waste of resources. This dimension encompasses various aspects such as the speed of service delivery, resource utilization, and operational processes (Berry, 2018).

Research continues to affirm the importance of efficiency in service quality. According to a study by Wang and Zhang (2024), efficiency is a fundamental component that influences overall perceptions of service quality. Their research demonstrates that efficient service delivery enhances customer satisfaction by meeting or exceeding expectations for timely and effective service. The authors further found that inefficiencies in service processes, such as long wait times or errors, can detract from the perceived quality of service and negatively impact customer loyalty.

Berry (2018) argues that operational efficiency is closely tied to customer satisfaction, particularly in service industries where promptness and accuracy are critical. For instance, in sectors such as healthcare and financial services, efficient service delivery not only improves customer experiences but also contributes to better overall service outcomes. The study shows

that organizations that prioritize efficiency through streamlined processes and effective resource management are more likely to achieve higher customer satisfaction levels.

Patel and Kumar (2023) emphasize that technological advancements, such as automation and digital tools, play a significant role in improving efficiency in service delivery. Their study indicates that technology can reduce service delivery times, minimize errors, and optimize resource allocation, thus enhancing the overall quality of service. This supports the view that investing in technology is a crucial strategy for improving efficiency and maintaining high service quality standards. In summary, the literature reinforces the notion that efficiency is a vital component of service quality, influencing customer satisfaction and operational performance.

2.4.2 System reliability

System reliability is a key component of service quality that significantly affects customer satisfaction and trust. It pertains to the consistency and dependability of service systems and processes, ensuring that services are delivered accurately and without interruptions (Berry, 2018). This dimension is crucial in maintaining customer confidence and fostering long-term relationships.

Patel and Singh (2024) highlight the importance of system reliability in the context of service quality. They explored how system reliability affects customer perceptions of service quality. Their research demonstrates that reliable systems characterized by minimal downtime, error-free performance, and consistent delivery are essential for maintaining high service quality. They further found that customers perceive services with high system reliability as more dependable and satisfactory, leading to increased loyalty and reduced churn.

According to Dupler & Liam (2017), customers who experience reliable services are more likely to trust the service provider and have positive evaluations of service quality. The study highlights that system failures or inconsistencies can undermine customer trust and satisfaction, leading to negative reviews and potential customer attrition. This finding aligns with earlier research by Zeithaml, Berry, and Parasuraman (2016), which emphasized that reliability, is a core dimension of service quality that affects overall customer evaluations.

Research by Kim (2023) examines how service providers handle system failures and their impact on customer satisfaction. The study highlights that effective recovery strategies, such as prompt issue resolution and transparent communication, can mitigate the negative effects of system failures and restore customer trust.

2.4.3 Fulfillment

Fulfillment is an important dimension of service quality that refers to the effectiveness and accuracy with which a service provider meets customer needs and expectations (Berry, 2018). It encompasses various aspects such as order accuracy, delivery timeliness, and the completeness of the service or product provided. Fulfillment is essential for ensuring customer satisfaction and loyalty, as it directly affects the perceived quality of the service experience.

Miller & Thompson (2024) have elaborated the importance of fulfillment in service quality, highlights that fulfillment plays a pivotal role in shaping customer perceptions of service quality. Their research indicates that accurate and timely fulfillment of orders enhances customer satisfaction and reinforces trust in the service provider. They further found that failures in fulfillment such as delays or inaccuracies, can significantly detract from the overall service experience and lead to decreased customer loyalty.

Order accuracy is a key component of fulfillment that influences customer satisfaction. Dupler (2017) emphasizes that high levels of order accuracy are crucial for maintaining service quality, demonstrating that when service providers consistently deliver accurate and complete orders, customers are more likely to express high levels of satisfaction and repeat business. Conversely, errors or omissions in order fulfillment can lead to dissatisfaction and negative evaluations of service quality.

According to Smith and Patel (2023), timely delivery of services and products is essential for meeting customer expectations and maintaining high service quality. Their research shows that prompt fulfillment contributes to positive customer experiences and reinforces perceptions of reliability and efficiency. Delays in service delivery, on the other hand, can lead to frustration and lower satisfaction levels.

Research by Brown (2019) highlights that meeting or exceeding customer expectations regarding fulfillment is essential for achieving high service quality. The study emphasizes the importance of clear communication and realistic promises regarding delivery times and order accuracy to align customer expectations with service performance. In summary, the literature highlights that fulfillment is a vital component of service quality, influencing customer satisfaction through order accuracy, timeliness, and the effectiveness of fulfillment processes.

2.4.4 Privacy

Privacy has emerged as a crucial component of service quality, particularly in an era where data protection and security are paramount to consumers. It refers to the safeguarding of customers' personal information and ensuring that their data is handled with integrity and confidentiality

(Thompson, 2023). As privacy concerns have become more prominent, its role in influencing service quality and customer satisfaction has gained increased attention.

Recent studies highlight the importance of privacy in shaping perceptions of service quality for example, a study by Williams and Davis (2024) highlights that privacy is integral to service quality because it directly affects customer trust and confidence in the service provider. Their research demonstrates that customers are more likely to view services as high-quality when their personal information is protected and handled responsibly. They further found that effective privacy practices enhance customer satisfaction and loyalty by alleviating concerns about data breaches and misuse.

According to Thompson (2023), maintaining robust privacy policies and practices is essential for building and sustaining customer trust. The study reveals that customers who perceive that their data is secure and managed according to stringent privacy standards are more likely to engage in long-term relationships with service providers. This finding aligns with earlier research by Westin (2003), which established that privacy concerns are a significant determinant of customer trust and satisfaction.

Research by Patel and Choi (2019) explored how compliance with data protection laws, such as the General Data Protection Regulation (GDPR), impacts service quality perceptions. Their study indicates that compliance with privacy regulations not only ensures legal conformity but also enhances customer confidence in the service provider. Patel and Choi (2019) argue that privacy compliance should be a key focus for service providers aiming to deliver high-quality services in a privacy-conscious environment.

2.5 Customer Relationship Management

Customer Relationship Management (CRM) is a strategic approach that involves the use of technology, processes, and human resources to manage and analyze interactions and relationships with customers throughout the customer lifecycle (Kotler & Keller, 2016). The review of literature on CRM is presented under technology usage and process management.

2.5.1 Technology usage

Technology usage has become a central component of customer relationship management (CRM), revolutionizing how organizations interact with and manage their customer relationships. By leveraging various technological tools and platforms, businesses can enhance their CRM strategies, improve customer experiences, and achieve better outcomes in terms of customer satisfaction and loyalty (Keller, 2016).

A study by Patel and Wilson (2021) highlights that technology usage, including CRM software, data analytics, and automation tools, significantly enhances the effectiveness of CRM strategies. Their research demonstrates that advanced CRM systems enable organizations to manage customer data more efficiently, segment customers accurately, and personalize interactions, leading to improved customer engagement and satisfaction.

According to Thompson and Clark (2023), modern CRM platforms provide a comprehensive suite of tools that support various aspects of customer relationship management, including communication, sales tracking, and service management. Their study reveals that organizations using CRM software can better track customer interactions, manage leads, and automate follow-ups, thereby increasing the efficiency and effectiveness of their CRM efforts. Their study

highlights that multi-channel CRM integration facilitates seamless communication and provides a holistic understanding of customer behavior, which is crucial for delivering a consistent and personalized customer experience. In summary, the literature highlights the significant role of technology usage in enhancing customer relationship management.

2.5.2 Process management

Process management is a critical component of customer relationship management (CRM) that focuses on optimizing and streamlining the workflows and procedures involved in managing customer interactions and relationships. Effective process management enhances CRM efficiency by improving the quality and consistency of customer service, reducing operational costs, and fostering better customer experiences (Keller, 2016).

Recent studies highlight the integral role of process management in enhancing CRM effectiveness. A study by Lee and Kim (2020) emphasizes that well-designed process management strategies are essential for delivering consistent and high-quality customer service. Their research shows that organizations that implement robust process management practices can better coordinate customer interactions, resolve issues more efficiently, and ensure that customer needs are met promptly. They argue that process management contributes to overall CRM success by standardizing procedures and improving operational efficiency.

According to Zhang and Patel (2021), standardizing CRM processes helps ensure that customer interactions are handled consistently across different channels and touch points. Their study highlights that consistent processes lead to more predictable and reliable customer experiences, which enhances satisfaction and loyalty. Additionally, they found that organizations with

standardized CRM processes are better equipped to handle customer inquiries and issues uniformly, reducing variability and improving service quality.

Research by Nguyen and Clark (2024) explores how technology, such as CRM software and process management tools, supports effective process management. Their study highlights that technology integration allows for real-time tracking of customer interactions, automated workflow management, and enhanced data analytics. They find that technology not only improves process efficiency but also provides valuable insights into customer behavior and process performance. In summary, process management is a vital component of CRM that enhances efficiency, consistency, and overall service quality.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter covered the research methodology that comprehensively entails: the research design, population of the study, the sample size and sampling techniques, instruments for data collection and method, data analysis and presentation methods and the research procedures. Ethical considerations including limitations and delimitations of the study were all covered in this chapter.

3.2 Research Design

The study employed both descriptive and explanatory research designs to address the research objectives comprehensively. The descriptive design was adopted to systematically capture and present the current status of electronic marketing (e-marketing) practices and the level of customer satisfaction in commercial banks. This approach was suitable for providing a factual and accurate representation of the phenomena under investigation, especially in understanding how e-marketing tools are currently utilized in the banking sector (Creswell & Creswell, 2018). In addition, an explanatory design was employed to explore the relationships among variables, particularly the influence of electronic marketing on customer satisfaction, as well as the mediating effects of customer relationship management (CRM) and service quality. Explanatory research design is appropriate where the objective is to assess cause-effect relationships and to explain the patterns identified in the descriptive phase (Saunders, Lewis, & Thornhill, 2019). In this study, the design enabled the researcher to determine whether changes in e-marketing practices lead to changes in customer satisfaction, either directly or indirectly through CRM and service quality.

The study followed a quantitative research approach, which is appropriate when the research involves the use of structured instruments to collect numerical data for statistical analysis. Quantitative research is effective for testing hypotheses, examining relationships between variables, and ensuring objectivity in data collection and interpretation (Bryman, 2016). Since this study aimed to test the mediation effects and examine associations between clearly defined constructs, the quantitative approach provided the most reliable framework for achieving precision and generalizability of findings.

Furthermore, the study employed a cross-sectional timeframe, whereby data was collected from respondents at a single point in time. A cross-sectional design is beneficial in studies that seek to capture current attitudes, behaviors, or perceptions without requiring long-term follow-up (Leavy, 2017). This approach was particularly justified due to limitations in time and financial resources, and it enabled the researcher to obtain timely insights into the banking customers' and staff's experiences with e-marketing and satisfaction.

Finally, the research utilized a survey strategy for data collection. Surveys are widely used in social science research when collecting data from a large and geographically dispersed population within a short period (Fink, 2017). This method was appropriate for reaching a diverse sample of commercial bank customers and employees, ensuring that the data gathered represented a broad cross-section of the population. Standardized questionnaires enabled consistency in responses and facilitated the application of inferential statistics to analyze the data.

3.3 Study Population

The study population comprised of the mangers, supervisors, staff and customers of the selected commercial banks in Gulu City.

3.4 Sample size

The researcher used a sample determination formula for unknown population since the total number of customers of commercial banks in Gulu City is unknown. Therefore, Cochran formula for determination of unknown population was used.

The formula is given by:

$$n = \frac{Z^{2*}P(1-P)}{e^2}$$

Where:

n = required sample size

Z-score corresponding to the desired confidence level (e.g., 1.96 for a 95% confidence level)

p = estimated population proportion (since it is unknown, 0.5 is commonly used for maximum variability)

e= desired margin of error (0.05)

Based on the above formula, a sample size of 385 respondents (customers) is derived

Therefore, a sample of 385 respondents (customers) was distributed among commercial banks in Gulu City based on their proportion of market share.

The sample size for the commercial bank staff was determined using Krejcie and Morgan (1970) table for sample size determination. From the total of 149 staff of commercial banks in Gulu city, a sample of 108 staff was selected and distributed across the different commercial banks based on proportion of the total population.

Table 1: Study Population and Sample Size

Respondent categories (Customers)	**Market Share**	**Sample Size**	**Respondents (Bank Staff)**	**Sample Size**	**Total Sample Size**
Stanbic Bank	28.66%	141	34	23	164
Centenary Bank	19.55%	96	41	30	126
DFCU Bank	09.05%	44	16	12	56
Housing Finance Bank	06.58%	33	14	10	43

ABSA Bank	05.23%	26	12	09	35
Bank of Africa	03.33%	16	10	08	24
KCB	03. 12%	15	09	07	22
Equity Bank	02.89%	14	13	09	23
Total	**78.41%**	**385**	**149**	**108**	**493**

Source: BoU Commercial Banks Geographical Coverage Report, (2023)

3.5 Sampling Technique

The researcher started by stratification by dividing respondents according to the different banks to which they belong. The sampling of the bank managers and supervisors was done purposively. The customers of the different commercial banks were purposively selected. In this case, the researcher purposely selected customers exposed to the electronic marketing campaigns or messages or platforms.

3.6 Data Collection Methods

The researcher used questionnaire as a method of data collection as described below:

3.6.1. Survey method

The survey method involves gathering information from respondents through a structured set of questions designed to elicit specific information, opinions, or attitudes from participants (Creswell & Creswell, 2017). The researcher developed a written questionnaire with standardized responses that were used to gather the necessary data from the customers of commercial banks in

Gulu City. The use of survey was adopted because it is economical in collecting data from a large number of respondents and for ease of data analysis.

3.7 Data Collection Instruments

The researcher used questionnaire as an instrument of data collection as described below:

3.7.1 Questionnaire

The study used a structured questionnaire as the main data collection instrument to obtain information from both bank staff and customers in commercial banks in Gulu city. The questionnaire was designed to capture relevant data on electronic marketing practices and customer satisfaction. It consisted of closed-ended questions measured on a Likert scale, which enabled respondents to indicate their level of agreement with various statements related to the study variables. The use of a questionnaire was considered appropriate because it allowed the researcher to collect standardized data from a large number of respondents within a short period of time. It also ensured consistency in responses, making it easier to compare views between customers and staff. In addition, the questionnaire method is cost-effective and facilitates easier coding, processing, and statistical analysis of data. To enhance validity and clarity, the questionnaire items were carefully developed based on the study objectives and reviewed literature on electronic marketing and customer satisfaction. The instrument was structured in sections to capture demographic information and study variables systematically. This approach ensured that reliable and relevant data was collected for analysis.

3.8 Reliability and validity of the instrument

3.8.1 Reliability

Reliability is concerned with the degree to which a measurement is consistent over repeated trials. This means that the instrument should produce similar results under the same conditions on different occasions (Creswell & Creswell, 2017). Researcher used the most common internal consistency measure known as Cronhach's Alpha (α) generated by SPPS software**.** A Cronbach's alpha coefficient of 0.7 and above were obtained and considered sufficient to prove that the items in the instrument were reliable (Cohen, Manion, & Morrison, 2018). The reliability results are as presented below:

Table 2: Reliability Results

Items	Number of items	Anchor Points	Chronbach's Alpha
Electronic Marketing	15	5	.789
Customer Relationship Mgt	10	5	.708
Customer Satisfaction	20	5	.847
Service Quality	20	5	.762

Source: *Primary Data, 2025*

3.8.2 Validity

Validity refers to the extent to which a test or measurement instrument accurately measures what it is intended to measure (Creswell & Creswell, 2017). In research, validity determines whether the conclusions drawn from the data are sound and well-founded. To ensure content validity, the questionnaires were subjected to thorough examination by a team of three experts. They were asked to evaluate the statements in the questionnaire for relevance and clarity. Finally, content validity index was computed from where a CVI of 0.7 and above were obtained and considered reliable.

Content Validity index (CVI) was computed using the formula below:

$$CVI = \frac{\text{Number of items considered relevant}}{\text{Total number of items in the instrument}}$$

The CVI results are as presented below:

Table 3: Content Validity Index

Experts	1	2	3	Overall
Computations	65/70	63/70	61/70	63/70
CVI	0.93	0.9	0.87	0.90

Source: Primary data, 2025

3.9 Data Analysis

The questionnaires were cleaned and coded before entering the data into statistical package for social sciences SSPS version 25.0 for analysis. Descriptive statistics was used to describe the characteristics of the respondents and to analyze the status of the existing variables: electronic marketing and customer satisfaction. Descriptive statistics took the forms of mean, frequency and percentages. Inferential statistics in the forms of Pearson's correlation was applied to establish the relationships between the study variables. Regression analysis was used to examine the effect of the different variables on the dependent variable.

3.10 Limitations and delimitations of the study.

The limitations to this research are presented below:

The researcher encountered challenges in accessing information from commercial bank managers and supervisors because of confidential nature of bank information. This was delimited by informing the management of the banks that this information is purely for academic purpose and information solicited will not contain any financial information but rather opinion.

Due to the busy schedules of bankers, they were not able to respond to interview questions but rather to the questionnaires. The researcher therefore prepared questionnaires to capture the opinions of both customers and the bank staff.

3.11 Ethical consideration

The researcher obtained informed consent from the respondents before engaging them in interviews and administering questionnaires and assurance was made regarding the purpose of the research as being academic and the information obtained are only for academic purposes.

The researcher sought approvals and permissions from relevant authorities before conducting the study. In this case, the researcher obtained an introductory letter from faculty of business and development studies, Gulu University that was presented to the management of commercial banks in order to gain access to respondents.

The researcher also sought permission from the management of commercial banks in order to gain permission and authorization to enable the researcher get access to the study respondents from the different commercial banks.

The researcher was able to abide by the principle of confidentiality by keeping all information collected from respondents confidential and strictly for the academic purposes and not to be exposed to any unauthorized persons.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This section of the study focuses on data presentation, analysis and interpretation of the findings on electronic marketing, customer relationship management, service quality and customer satisfaction with respect to commercial bank. Both the descriptive results (percentages and frequency counts) and inferential results (correlation and regression results are presented in the sections below:

4.1 Background Information

The demographic profile of respondents in the study on electronic marketing and customer satisfaction in commercial banks reveals critical information covering age brackets, sex of respondents, education level, duration in employment and duration of banking as presented below.

Table 4 Demographic Characteristics of Respondents:

Category	Frequency	Percent
Age Bracket		
18- 23 years	118	24.9
24-29 years	172	36.4

30-35 years	137	29.0
Above 35 years	46	9.7
Total	**473**	**100.0**
Sex of Respondents		
Female	245	51.8
Male	228	48.2
Total	**473**	**100.0**
Education Level		
UACE	59	12.5
Diploma	112	23.7
Bachelor	167	35.3
Post Graduate	135	28.5
Total	**473**	**100.0**
Duration of Employment in the Bank		
Less than 1 year	2	2.1
1 – 3 years	14	13
4-6 years	47	43.3
7 Years and Above	45	41.7
Total	**108**	**100.0**
Duration of Banking by Customers		
Less than 1 year	65	16.7
1 – 3 years	15	4.0
4-6 years	110	28.5
7 Years and Above	195	50.7
Total	**385**	**100.0**

Primary data, 2025

As presented in the table below, among the 473 commercial bank customers and staff surveyed, the largest age group was 24–29 years (36.4%), followed by 30–35 years (29.0%) and 18–23 years (24.9%). Only 9.7% were above 35 years. This age distribution suggests a predominantly young adult customer base, which is a key demographic for digital banking innovations. Younger customers are generally more digitally literate, open to online banking, and more likely to use electronic marketing platforms such as mobile apps, email campaigns, and social media.

In terms of gender, females slightly outnumbered males among the customer respondents—51.8% female compared to 48.2% male. The education level of respondents further supports the

digital readiness of the customer base. The majority had attained at least a Bachelor's degree (35.3%), with 28.5% holding postgraduate qualifications, and 23.7% with diplomas. Only 12.5% had UACE (Uganda Advanced Certificate of Education) as their highest qualification. A highly educated customer base is more likely to appreciate the convenience, efficiency, and innovations provided through electronic marketing, thus potentially linking higher education with greater satisfaction in the use of digital banking services.

From the 108 bank staff respondents most had substantial experience: 43.3% had worked for 4–6 years, and 41.7% for 7 years or more. This indicates a seasoned workforce, likely to have been part of the bank's digital transition and capable of evaluating the effectiveness of electronic marketing from an operational perspective. Only a small portion (2.1%) had less than 1 year of experience, suggesting that most staff were well-acquainted with the bank's e-marketing practices.

The majority of customers (50.7%) had banked with their respective institutions for 7 years or more, with 28.5% in the 4–6 years range. Only a minor portion (4.0%) had been customers for 1–3 years, and 16.7% for less than 1 year. This long-standing relationship with the bank signals a strong customer retention rate, which could be partly influenced by successful e-marketing and digital service delivery. Customers with longer banking experience are better positioned to compare pre-digital and digital marketing strategies and assess their satisfaction based on perceived improvements.

4.2 Electronic Marketing

The analysis of data on the concept of electronic marketing covers three main aspects comprising of e-mail marketing, social media marketing and mobile marketing analyzed based on descriptive statistics as presented below:

4.2.1 Email Marketing

Table 5: Analysis of E-Mail Marketing

E-mail marketing	SD	D	SD+D	NS	A	SA	A+SA
The content in my bank's email marketing campaigns is highly relevant to my interests	13.3%	9.1%	22.4%	15.9%	36.2%	25.6%	61.7%
I find the email marketing messages I receive from my bank is well-personalized based on my preferences.	4.9%	16.1%	20.9%	15.2%	30.9%	33.0%	63.8%
The frequency of the emails I receive from the bank is just right	3.0%	10.0%	13.0%	20.9%	37.3%	28.8%	66.1%
It is easy to receive information from the email marketing campaigns.	7.0%	11.0%	18.0%	11.6%	39.1%	31.3%	70.4%
The timing of the emails I receive from the bank is appropriate and aligns well with my needs	7.0%	11.2%	18.2%	15.0%	29.6%	37.2%	66.8%
Average	**7.04%**	**11.48%**	**18.50%**	**15.72%**	**34.62%**	**31.18%**	**65.76%**

Primary, 2025

The data provided reveals insights into customer perceptions of email marketing campaigns from a bank, focusing on various aspects such as relevance, personalization, frequency, ease of access, and timing. The highest level of agreement was witnessed in the statement information from the email marketing campaigns being easy to receive with a score of 70.4% agreement. This was followed by the email marketing messages received from commercial banks being well-personalized based on customer preferences with a score of 63.8% agreement and the content in

commercial bank's email marketing campaigns being highly relevant to customer interests with 61.7% agreement. These results suggest that a significant proportion of customers feel that the bank's email marketing is effectively tailored to their needs, relevant, and easily accessible. When considering the overall average, the data indicates a general satisfaction with email marketing campaigns, with an average agreement of 65.76%. This shows that email marketing is heavily utilized as a component of electronic marketing among commercial banks.

4.2.2 Social Media Marketing

Table 6: Analysis of Social Media Marketing

Social Media Marketing	SD	D	SD+D	NS	A	SA	A+SA
Social media marketing by my bank is commendable.	8.9%	15.9%	24.7%	18.6%	34.5%	22.2%	56.7%
The content shared through my bank's social media marketing is highly relevant to my interests	8.0%	14.8%	22.8%	19.2%	39.5%	18.4%	57.9%
Social media marketing efforts of my bank is highly engaging.	7.4%	10.6%	18.0%	21.6%	40.6%	19.9%	60.5%
The frequency of social media posts from the bank is appropriate.	5.9%	17.5%	23.5%	19.0%	34.7%	22.8%	57.5%
The social media marketing efforts of my bank encourages interaction with the brand.	14.2%	9.9%	24.1%	16.9%	25.6%	33.4%	59.0%
Average	**8.88%**	**13.74%**	**22.62%**	**19.06%**	**34.98%**	**23.34%**	**58.32%**

Primary data, 2025

The data provided reflects customer perceptions of the bank's social media marketing efforts, focusing on areas such as relevance, engagement, frequency, and interaction. The highest level of agreement is seen in the statement, "Social media marketing efforts of my bank are highly engaging," with 60.5% of respondents Strongly Agreed. This indicates that a majority of customers find the bank's social media marketing to be interactive and engaging. Following

closely are the statements, "The Social Media Marketing efforts of my bank encourage interaction with the brand" (59.0% agreement) and "The content shared through my bank's social media marketing is highly relevant to my interests" (57.9% agreement), which also show a high level of satisfaction among customers.

When considering the overall average, the data reveals a general positive perception of the bank's social media marketing, with an average agreement of 58.32%. While the majority of respondents find the marketing efforts engaging, relevant, and interactive, the overall trend indicates that social media is a valuable component of the bank's electronic marketing strategy, with significant potential for further optimization to increase engagement and customer satisfaction.

4.2.3 Mobile Marketing

Table 7: Analysis of Mobile Marketing

Mobile marketing	SD	D	SD+D	NS	A	SA	A+SA
The mobile advertisements I receive from the bank are relevant to my interests and preferences	11.4%	5.9%	17.3%	16.9%	31.3%	34.5%	65.8%
The frequency of mobile marketing messages I receive from the bank is appropriate.	4.7%	10.6%	15.2%	16.5%	36.8%	31.5%	68.3%
The content in mobile marketing campaigns is of high quality	6.3%	7.6%	14.0%	20.1%	34.2%	31.7%	66.0%
The mobile marketing messages and links are easy to navigate and use on my device	5.9%	8.7%	14.6%	13.3%	43.3%	28.8%	72.1%
Mobile marketing messages are well-personalized based on my previous interactions and preferences	9.5%	10.8%	20.3%	14.6%	27.9%	37.2%	65.1%
Average	7.56%	8.72%	16.28%	16.28%	34.70%	32.74%	67.46%

Primary data, 2025

The data provided highlights customer opinions on the effectiveness of the bank's mobile marketing efforts, focusing on relevance, frequency, quality, navigation, and personalization. The highest level of agreement is observed in the statement, "The mobile marketing messages and links are easy to navigate and use on my device," with 72.1% of respondents in agreement. This suggests that a majority of customers find the mobile marketing experience user-friendly and easy to interact with. Following closely are the statements, "The frequency of mobile marketing messages I receive from the bank is appropriate" (68.3% agreement) and "The mobile advertisements I receive from the bank are relevant to my interests and preferences" (65.8% agreement), indicating that customers appreciate the balance of frequency and relevance in the mobile marketing efforts.

The overall average of 67.46% agreement suggests that customers generally have a positive view of the mobile marketing campaigns, with most respondents finding the messages relevant, appropriately timed, and easy to navigate. The data indicates that mobile marketing is a strong and well-received component of the bank's electronic marketing strategy, particularly in terms of user experience and relevance.

4.3 Customer satisfaction

The analysis of customer satisfaction covers five major components that include: perceived value, customer recommendations, brand image and customer retention as analyzed and presented in the table below.

4.3.1 Perceived Value

Table 8: Analysis of Perceived Value

Perceived Value	SD	D	SD+D	NS	A	SA	A+SA
I feel that the price I pay for the bank service is justified by the benefits I receive	3.2%	8.9%	12.1%	25.6%	41.2%	21.1%	62.4%
The overall value I get from the bank services meets my expectations	7.0%	9.9%	16.9%	23.3%	32.8%	27.1%	59.8%
The benefits provided by the bank service are greater than those offered by competing options	8.2%	17.5%	25.8%	22.2%	34.0%	18.0%	52.0%
The quality of the bank services is consistent with the price I paid	7.0%	19.0%	26.0%	24.3%	23.7%	26.0%	49.7%
I believe that the investment I made in this bank service is worthwhile	5.7%	13.1%	18.8%	24.9%	40.2%	16.1%	56.2%
Average	**6.22%**	**13.68%**	**19.92%**	**24.06%**	**34.38%**	**21.66%**	**56.02%**

Primary data, 2025

The data on perceived value reveals customer perceptions of the bank's services in terms of pricing, benefits, quality, and overall value. The highest level of agreement is seen in the statement, "I feel that the price I pay for the bank service is justified by the benefits I receive," where 62.4% of respondents agree or strongly agree. This suggests that a majority of customers feel that the value they receive from the bank's services is commensurate with the price they pay. Following closely, the statement "The overall value I get from the bank services meets my expectations" has a 59.8% agreement rate, indicating that many customers feel that the services align with their expectations in terms of value.

The overall average agreement of 56.02% shows that, while there is a generally positive perception of the value provided by the bank’s services, there is still a notable portion of

respondents who remain neutral. The overall data indicates that the level of usage of perceived value is average.

4.3.2 Brand Image

Table 9: Analysis of Brand Image

Brand Image	SD	D	SD+D	NS	A	SA	A+SA
I perceive my bank brand as highly reputable.	4.9%	14.6%	19.5%	19.7%	44.6%	16.3%	60.9%
My bank consistently delivers on its promises to maintains a positive brand image	2.1%	15.0%	17.1%	23.5%	35.1%	24.3%	59.4%
The brand's image of my bank is appealing and aligns well with my personal preferences	3.0%	16.5%	19.5%	19.9%	47.8%	12.9%	60.7%
I am familiar with my bank brand and recognize it easily	8.0%	11.2%	19.2%	19.9%	31.3%	29.6%	60.9%
The brand of my bank stands out from its competitors in terms of its image.	13.5%	11.0%	24.5%	26.2%	35.1%	14.2%	49.3%
Average	**6.30%**	**13.66%**	**19.96%**	**21.84%**	**38.78%**	**19.46%**	**58.24%**

Primary data, 2025

The data on brand image provides insight into customer perceptions of the bank's reputation, consistency, appeal, recognition, and differentiation from competitors. The highest level of agreement is seen in the statement, "I perceive my bank brand as highly reputable," with 60.9% of respondents agreeing or strongly agreeing. This indicates that a majority of customers have a positive perception of the bank's reputation. Similarly, the statement "I am familiar with my bank brand and recognize it easily" also has 60.9% agreement, suggesting that the bank's brand is well-recognized and familiar to most customers.

The overall average agreement of 58.24% reflects a generally positive view of the bank's brand image, with customers recognizing its reputation, consistency, and appeal. Generally, commercial bank customers have an average level of customer satisfaction in terms of brand image as presented above.

4.3.3 Customer Retention

Table 10: Analysis of Customer Retention

Customer Retention	SD	D	SD+D	NS	A	SA	A+SA
I am encouraged to stay with my bank for a longer time period.	4.0%	15.2%	19.2%	17.1%	39.7%	23.9%	63.6%
I am likely to make repeat purchases from my bank in the future	4.0%	12.3%	16.3%	21.8%	38.5%	23.5%	61.9%
I consider myself a loyal customer of my bank	4.9%	9.1%	14.0%	19.0%	38.5%	28.5%	67.0%
My overall satisfaction with the bank drives my decision to stay with them	8.9%	9.9%	18.8%	20.9%	35.1%	25.2%	60.3%
I am more willing to continue transacting with my bank irrespective of competing offers from other banks.	5.9%	12.7%	18.6%	24.5%	35.9%	20.9%	56.9%
Average	**5.54%**	**11.84%**	**17.38%**	**20.66%**	**37.54%**	**24.40%**	**61.94%**

Primary data, 2025

The data provided reflects customer retention as a key component of customer satisfaction with a bank. Analyzing the responses, the statement "I consider myself a loyal customer of my bank" shows the highest level of agreement, with a significant 67.0% of respondents falling under the categories of "Agree" (A) and "Strongly Agree" (SA), indicating a strong sense of loyalty among customers. This suggests that most customers feel a deep commitment to the bank, reinforcing

the importance of fostering loyalty as a retention strategy. Additionally, the statement "I am encouraged to stay with my bank for a longer time period" also shows considerable customer agreement, with 63.6% of respondents expressing alignment with the sentiment, demonstrating that customers perceive positive incentives for long-term retention.

On average, across all statements, 61.94% of respondents either agree or strongly agree, indicating a high overall level of customer retention. While the average for individual statements varies slightly, ranging from 56.9% to 67%, the data consistently highlights the importance of satisfaction in driving repeat business and loyalty.

4.3.4 Recommendation

Table 11: Analysis of Recommendation

Recommendation	SD	D	SD+D	NS	A	SA	A+SA
I would recommend my bank to others even if they were unfamiliar with its products/services	7.0%	15.0%	22.0%	14.8%	33.4%	29.8%	63.2%
I Positively recommend my bank to purchasing decisions of other customers	9.0%	10.7%	19.6%	17.3%	39.2%	23.9%	63.1%
I am likely to recommend my bank's products/services to friends or family	4.9%	8.9%	13.7%	8.5%	49.3%	28.5%	77.8%
I frequently share positive experiences about my bank with others	3.6%	13.5%	17.1%	20.3%	27.4%	35.3%	62.6%
I am willing to encourage people to transact with my bank	3.0%	11.8%	14.8%	14.0%	55.0%	16.3%	71.2%
Average	**5.50%**	**11.98%**	**17.44%**	**14.98%**	**40.86%**	**26.76%**	**67.58%**

Primary data, 2025

The data on customer recommendations as a component of customer satisfaction reveals a strong inclination towards recommending the bank to others. The statement "I am likely to recommend

my bank’s products/services to friends or family" shows the highest level of agreement, with 77.8% of respondents falling under the categories of "Agree" (A) and "Strongly Agree" (SA), suggesting that customers are highly satisfied with the bank and are eager to recommend its services to their close circles. This indicates a solid foundation of positive customer experiences and satisfaction, which significantly contributes to word-of-mouth marketing and customer advocacy.

In addition, the statement "I would recommend my bank to others even if they were unfamiliar with its products/services" shows a substantial 63.2% of respondents in agreement or strong agreement, further reinforcing the idea that customers are willing to promote the bank even to those who may not be familiar with its offerings. Another notable finding is the statement "I am willing to encourage people to transact with my bank," where 71.2% of respondents agreed or strongly agreed, highlighting customers' willingness to influence others’ decisions in favor of the bank.

On average, the overall level of agreement for all statements is 67.58%, indicating that a majority of customers are likely to recommend the bank, either directly through personal recommendations or indirectly by sharing positive experiences. Overall, the data suggests that the bank has a strong base of satisfied customers who are likely to act as brand advocates, recommending the bank’s products and services to others, thus contributing to its customer satisfaction and retention.

4.4 Service Quality

The analysis of service quality covers four major components that include: system reliability, fulfillment, privacy and efficiency as presented in the sections below:

4.4.1 System Reliability

Table 12: Analysis of System Reliability

System Reliability	SD	D	SD+D	NS	A	SA	A+SA
The electronic system of my bank consistently performs well without frequent breakdowns	4.9%	15.0%	19.9%	9.1%	50.1%	20.9%	71.0%
The electronic system is available and operational when needed	7.8%	7.8%	15.6%	15.6%	21.8%	46.9%	68.7%
The electronic system rarely experiences errors or malfunctions	15.0%	13.1%	28.1%	25.2%	26.6%	20.1%	46.7%
When issues occur, they are resolved quickly and effectively by the system	8.9%	12.5%	21.4%	19.7%	38.7%	20.3%	59.0%
The system reliably supports the delivery of services as expected	9.3%	7.8%	17.1%	26.4%	36.8%	19.7%	56.4%
Average	**9.18%**	**11.24%**	**20.42%**	**19.20%**	**34.80%**	**25.58%**	**60.36%**

Primary data, 2025

The data presented reflects customer perceptions of the system reliability of a bank's electronic system as a key component of its service quality. Among the five statements assessed, the one receiving the highest level of agreement is, "The electronic system of my bank consistently performs well without frequent breakdowns," where 71.0% of respondents agreed. This indicates that most customers are satisfied with the bank's electronic system's performance and reliability.

Another statement with a high level of agreement is, "The electronic system is available and operational when needed," with 68.7% of respondents indicating agreement. This suggests that a majority of customers are confident in the availability of the system when required. On the other hand, the statement "The electronic system rarely experiences errors or malfunctions" saw a relatively lower level of agreement, with only 46.7% of respondents expressing satisfaction. This

indicates that while the system is seen as reliable overall, issues such as malfunctions may still be noticeable to some users.

Additionally, the statement, "When issues occur, they are resolved quickly and effectively by the system," garnered a moderate level of agreement (59.0%), suggesting that although the system generally performs well, customers may perceive room for improvement in the speed and effectiveness of issue resolution. Finally, the statement "The system reliably supports the delivery of services as expected" had an agreement of 56.4%, reflecting that while the system is generally effective, there are some concerns about its ability to consistently meet expectations.

Overall, the average agreement across all five statements is 60.36%, which reflects a generally positive perception of system reliability. The data suggests that while most customers are satisfied with the system's performance, certain aspects of reliability could be enhanced to further increase overall service quality. Overall, the result indicates high level of reliability as a component of service quality.

4.4.2 Fulfillment

Table 13: Analysis of Fulfillment

Fulfillment	SD	D	SD+D	NS	A	SA	A+SA
My needs are fulfilled accurately by the electronic system according my specification	7.0%	13.1%	20.1%	19.7%	39.7%	20.5%	60.3%
The electronic system delivers within the promised timeframe	5.3%	8.5%	13.9%	27.1%	44.2%	14.7%	59.0%
My requests and requirements are fully met by the electronic system used by my bank	4.0%	8.9%	12.9%	18.2%	48.6%	20.3%	68.9%
The items or services I need are readily available when I request them	3.0%	7.0%	9.9%	18.6%	43.8%	27.7%	71.5%
The time taken to fulfill my transaction with the bank is satisfactory	3.8%	7.4%	11.2%	19.2%	51.4%	18.2%	69.6%
Average	**4.62%**	**8.98%**	**13.60%**	**20.56%**	**45.54%**	**20.28%**	**65.86%**

Primary data, 2025

The data on Fulfillment as a component of service quality highlights the bank's ability to meet customer expectations in terms of fulfilling needs and delivering services. The statement that received the highest level of agreement was "The items or services I need are readily available when I request them," with 71.5% of respondents agreeing. This indicates that a significant majority of customers are satisfied with the availability of services and items upon request, reflecting a high level of fulfillment in this area.

Following closely, "The time taken to fulfill my transaction with the bank is satisfactory" garnered an agreement of 69.6%, showing that customers are generally pleased with the

transaction processing time. This suggests that the bank's electronic system performs well in terms of speed and efficiency, a key aspect of fulfillment.

The statement "My requests and requirements are fully met by the electronic system used by my bank" achieved an agreement of 68.9%, indicating that most customers feel their specific needs are adequately addressed by the system. However, there is a slight dip compared to the availability and speed of service, suggesting that while the system meets customer needs, there may be occasional shortcomings in fully addressing certain requests.

The statement "My needs are fulfilled accurately by the electronic system according to my specification" received 60.3% agreement, reflecting that while the system meets most customer specifications, there is room for improvement in accurately fulfilling needs as per individual expectations. Similarly, the statement "The electronic system delivers within the promised timeframe" achieved a slightly lower agreement at 59.0%, suggesting that while timely delivery is generally met, there are instances where the system may fall short of meeting promised deadlines.

On average, the level of agreement across all statements is 65.86%, indicating that customers are generally satisfied with the fulfillment aspect of the bank's service quality. Overall, the findings highlight a strong fulfillment performance as a component of service quality.

4.4.3 Privacy

Table 14: Analysis of Privacy

Privacy	SD	D	SD+D	NS	A	SA	A+SA
I trust that the bank adequately protects my personal data	5.1%	12.8%	17.9%	25.4%	27.1%	29.5%	56.6%
The bank usually ensures that my information remains confidential and is not shared without my consent	3.2%	12.7%	15.9%	23.3%	37.2%	23.7%	60.9%
The privacy policies of the bank are clear and understandable	2.7%	8.2%	11.0%	21.1%	37.6%	30.2%	67.9%
My bank uses secure methods for processing transactions to protect my financial information	1.9%	4.9%	6.8%	17.1%	39.5%	36.6%	76.1%
I feel I have adequate control over how my personal information is used and shared by the bank	3.0%	4.2%	7.2%	10.4%	41.4%	41.0%	82.5%
Average	**3.18%**	**8.56%**	**11.76%**	**19.46%**	**36.56%**	**32.20%**	**68.80%**

Primary data, 2025

The data on Privacy as a component of service quality reflects customers' confidence in the bank's ability to protect their personal and financial information. The statement that received the highest level of agreement was, "I feel I have adequate control over how my personal information is used and shared by the bank," with an impressive 82.5% of respondents expressing agreement. This suggests that most customers feel empowered and reassured about their control over personal data, a critical aspect of privacy in modern banking.

Another statement with strong customer approval was, "My bank uses secure methods for processing transactions to protect my financial information," which received 76.1% agreement. This indicates a high level of confidence in the security measures the bank employs to safeguard financial transactions, an essential element in ensuring privacy.

The statement, "The privacy policies of the bank are clear and understandable," saw a solid level of agreement with 67.9%, reflecting that many customers find the bank's privacy policies transparent and easy to comprehend. This level of clarity is crucial in fostering trust and confidence among customers regarding how their information is handled.

Additionally, "The bank usually ensures that my information remains confidential and is not shared without my consent" had an agreement of 60.9%. The statement, "I trust that the bank adequately protects my personal data," had the lowest level of agreement at 56.6%, signaling that while trust in data protection is generally positive, there is still a portion of customers who may have concerns regarding the adequacy of the bank's data protection measures.

Overall, the average level of agreement across all privacy-related statements is 68.80%, which reflects a strong sense of trust and satisfaction regarding privacy measures. However, the data also highlights areas for potential enhancement, particularly in improving the perceived adequacy of personal data protection and increasing customer confidence in the bank's privacy policies. The findings indicate that while most customers feel secure and in control of their personal information, efforts to further strengthen privacy practices could lead to even higher levels of satisfaction.

4.4.4 Efficiency

Table 15: Analysis of Efficiency

Efficiency	SD	D	SD+D	NS	A	SA	A+SA
The service is delivered in a timely manner without unnecessary delays by my bank	13.3%	9.1%	22.4%	15.9%	36.2%	25.6%	61.7%
Issues or problems are resolved quickly and efficiently by my bank	4.9%	16.1%	20.9%	15.2%	30.9%	33.0%	63.8%
It is cheaper to transact with my bank.	3.0%	10.0%	13.0%	20.9%	37.3%	28.8%	66.1%
The processes involved in delivering service in my bank are streamlined and shorter.	7.0%	11.0%	18.0%	11.6%	39.1%	31.3%	70.4%
Transactions and interactions related to the services in my bank are smooth and economical	7.0%	11.2%	18.2%	15.0%	29.6%	37.2%	66.8%
Average	**7.04%**	**11.48%**	**18.50%**	**15.72%**	**34.62%**	**31.18%**	**65.76%**

Primary data, 2025

The data on Efficiency as a component of service quality demonstrates customers' perceptions of the bank's ability to deliver services in a timely, cost-effective, and streamlined manner. The statement receiving the highest level of agreement was, "The processes involved in delivering service in my bank are streamlined and shorter," with 70.4% of respondents agreeing (combining "A" and "SA"). This suggests that a majority of customers find the bank's service processes efficient, with minimal steps or delays, contributing positively to their overall experience.

Closely following was the statement; "Transactions and interactions related to the services in my bank are smooth and economical," which garnered 66.8% agreement. This reflects that many

customers perceive the bank's services as not only efficient but also cost-effective, adding value to their banking experience by reducing transaction-related costs.

The statement, "It is cheaper to transact with my bank," saw a slightly higher level of agreement at 66.1%, indicating that most customers appreciate the cost-effectiveness of banking services, although there remains a portion who may feel differently about the costs associated with their transactions.

Regarding service delivery timeliness, the statement, "The service is delivered in a timely manner without unnecessary delays by my bank," had an agreement of 61.7%, showing that a majority of customers believe the bank provides timely service.

The statement, "Issues or problems are resolved quickly and efficiently by my bank," received an agreement of 63.8%, suggesting that while most customers feel the bank handles problems efficiently, there is still some room for improvement in resolving issues quickly and smoothly.

Overall, the average agreement across all efficiency-related statements is 65.76%, reflecting a generally positive perception of the bank's efficiency. Customers are mostly satisfied with the timeliness, cost-effectiveness, and smoothness of transactions, but there are still areas to address, particularly around reducing delays and ensuring even faster issue resolution. Enhancing these aspects could further improve the bank's service efficiency and customer satisfaction.

4.5 Customer Relationship Management.

Customer relationship management in this study has been conceptualized to include technology usage and process management. The analysis has been undertaken using descriptive statistics and the results are presented in the sections below:

4.5 1 Technology Usage

Table 16: Analysis of Technology Usage

Technology usage	SD	D	SD+D	NS	A	SA	A+SA
There is heavy use of technology in most customer related transaction in my bank.	8.9%	15.9%	24.7%	18.6%	34.5%	22.2%	56.7%
The technology used for bank transaction by customers is user-friendly and easy to navigate	8.0%	14.8%	22.8%	19.2%	39.5%	18.4%	57.9%
The technology used in banks allow easy access to relevant customer data and information	7.4%	10.6%	18.0%	21.6%	40.6%	19.9%	60.5%
The system used by customers to transact with banks reduces manual efforts	5.9%	17.5%	23.5%	19.0%	34.7%	22.8%	57.5%
The technology provides real time information for customers	14.2%	9.9%	24.1%	16.9%	25.6%	33.4%	59.0%
The technology integrates well with customer requirements and needs	11.4%	5.9%	17.3%	16.9%	31.3%	34.5%	65.8%
Average	**9.30%**	**12.43%**	**21.73%**	**18.70%**	**34.37%**	**25.20%**	**59.57%**

Primary data, 2025

The data on Technology Usage as a component of Customer Relationship Management (CRM) reflects customers' perceptions of how well technology is integrated into their banking experience, particularly in terms of transaction processes, accessibility, and relevance to their needs. The statement that received the highest level of agreement was, "The technology integrates well with customer requirements and needs," with 65.8% of respondents. This indicates that a majority of customers feel the bank’s technological systems are well-aligned with their needs and preferences, enhancing their overall experience.

The statement, "The technology provides real-time information for customers," also received a strong level of agreement at 59.0%. This suggests that customers value the availability of up-to-date information during their interactions, which contributes to a more seamless and responsive banking experience. Additionally, the statement, "The technology used in banks allows easy access to relevant customer data and information," garnered 60.5% agreement, reflecting that customers appreciate the ease with which they can access important information, contributing to a more efficient and informed service.

On the other hand, the statement, "There is heavy use of technology in most customer-related transactions in my bank," received an agreement of 56.7%, indicating that while a majority of customers acknowledge the use of technology, there may be some variation in how extensively technology is utilized in different banking transactions.

The statement, "The technology used for bank transactions by customers is user-friendly and easy to navigate," received 57.9% agreement, which highlights that while the technology is generally seen as accessible, some customers may still find certain features or interfaces less intuitive. Similarly, "The system used by customers to transact with banks reduces manual efforts" saw 57.5% agreement, reflecting a positive view on the efficiency of the system, although there is still room for improvement in reducing manual tasks. Overall, the average agreement across all technology-related statements is 59.57%, indicating a high level of technology usage as a component of Customer Relationship Management.

4.5.2 Process Management

Table 17: Analysis of Process Management

Process management	SD	D	SD+D	NS	A	SA	A+SA
The system used to manage customer information allows for flexibility to adapt to changing customer needs.	4.7%	10.6%	15.2%	16.5%	36.8%	31.5%	68.3%
The system that manages customer data have standardized processes across the bank activities	5.9%	17.5%	23.5%	19.0%	34.7%	22.8%	57.5%
It is very easy to address customer complaints by the bank due to smooth processes.	14.2%	9.9%	24.1%	16.9%	25.6%	33.4%	59.0%
It is quicker to access bank services due to proper technology management by banks.	11.4%	5.9%	17.3%	16.9%	31.3%	34.5%	65.8%
The system used by the bank effectively supports the management of customer-related processes.	4.7%	10.6%	15.2%	16.5%	36.8%	31.5%	68.3%
Average	**8.18%**	**10.90%**	**19.06%**	**17.16%**	**33.04%**	**30.74%**	**63.78%**

Primary data, 2025

The data on Process Management as a component of Customer Relationship Management (CRM) highlights how effectively the bank's systems manage customer information and processes. The statement receiving the highest level of agreement was, "The system used to manage customer information allows for flexibility to adapt to changing customer needs," with 68.3% of respondents agreeing. This suggests that most customers appreciate the bank’s ability to adapt and personalize services to meet their evolving needs, which is a key element of effective process management in CRM.

Closely following was the statement, "The system used by the bank effectively supports the management of customer-related processes," also achieving 68.3% agreement. This reflects that customers recognize the bank's systems as supportive and efficient in handling customer-related processes, reinforcing the importance of streamlined systems in delivering quality service.

The statement, "It is quicker to access bank services due to proper technology management by banks," received 65.8% agreement, indicating that a significant number of customers find the bank's technological infrastructure facilitates faster access to services. This demonstrates the role of technology in enhancing the overall customer experience by reducing delays.

Meanwhile, the statement, "It is very easy to address customer complaints by the bank due to smooth processes," had an agreement of 59.0%. This suggests that while many customers find the bank's processes effective in addressing complaints. Overall, the average level of agreement across all process management-related statements is 63.78%, indicating that customers generally perceive the bank's systems as efficient and supportive of CRM goals.

4.6 Bivariate Correlation

Bivariate correlation was performed to determine the relationship that exists between the study variables and the results are presented in the table below:

Table 18: Correlation Analysis

Variables	1	2	3	4
E-mail marketing (1)	1			
Social media marketing (2)	.353**	1		
Mobile marketing (3)	.520**	.485**	1	
Customer satisfaction (4)	**.264****	**.567****	**.585****	**1**
N	473	473	473	473

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

The result presented in the correlation table above shows that E-mail marketing has a weak significant positive relationship with customer satisfaction ($r = .264$; $p<.05$). This indicates that an improvement in E-mail marketing is associated with improvement in customer satisfaction.

Similarly, the result indicates that there is a moderate significant positive relationship between Social media marketing and customer satisfaction ($r = .567$; $p<.05$) indicating that an improvement in Social media marketing is associated with improvement in customer satisfaction.

Finally, the result shows that there is a moderate significant positive relationship between Mobile marketing and customer satisfaction as reflected by ($r = .585$; $p<.05$) which implies that an improvement in Mobile marketing is associated with improvement in customer satisfaction.

4.7 Analysis of Effect

Analysis of effect was performed using regression analysis and the results are presented in the table below:

Table 19: Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.576	.119		13.241	.000
	Email market	.178	.029	.109	2.709	.007
	Social	.311	.032	.385	9.789	.000
	Mobile	.323	.030	.456	10.580	.000
	R=.675[a]					
	R^2=.456					
	F=131.135					
	Sig=.000[b]					

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), E-mail marketing, Social media marketing, Mobile marketing

The model summary presented above shows that the predictor variable being represented by e-mail marketing, social media marketing and mobile marketing explain variation in customer satisfaction by 45.6% as shown by R-Square value of (R^2 = .456).

Furthermore, the result presented by the Analysis of Variance (ANOVA) above shows that electronic marketing comprising of (e-mail marketing, social media marketing and mobile marketing) is a good predictor of Customer satisfaction as shown by (p = .000; p<.05).

The results presented in the regression coefficients table above revealed the effect of the different components of electronic marketing on customer satisfaction. Looking at the individual

predictors, the result indicates that e-mail marketing has a significant effect on customer satisfaction with a unit increase in email marketing contributing to increase in customer satisfaction by 0.178 as reflected by (B=.178; P<.05). Similarly, social media marketing has a significant effect on customer satisfaction with a unit increase in social media marketing contributing to increase in customer satisfaction by 0.311 as shown by (B=.311; P<.05). Finally, the result indicates that mobile marketing has a significant effect on customer satisfaction and a unit increase in mobile marketing contributes to increase in customer satisfaction by 0.322 as shown by (B=.323; P<.05).

4.8 Mediating Effect of Service Quality

The mediation analysis results provided investigate the role of service quality as a mediator in the relationship between electronic marketing (X) and customer satisfaction (Y). In simpler terms, the analysis assesses whether and how much service quality helps explain the link between electronic marketing and customer satisfaction. The results are presented below:

Table 20: Analysis of Mediating Effect of Service Quality

********** DIRECT AND INDIRECT EFFECTS OF X ON Y **********

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI
.1054	.0463	2.2779	.0232	.0145	.1963

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
Service quality	.5270	.0437	.4456	.6168

********** ANALYSIS NOTES AND ERRORS **********

The direct effect of electronic marketing on customer satisfaction is 0.1054, with a standard error (SE) of 0.0463. The t-statistic is 2.2779, and the associated p-value is 0.0232, which is statistically significant at the 0.05 level ($p < .05$). This indicates that even when accounting for

the mediating role of service quality, electronic marketing still has a significant and positive effect on customer satisfaction. The 95% confidence interval for the direct effect ranges from 0.0145 to 0.1963, which does not include zero, further confirming the significance of this effect. In practical terms, this means that better electronic marketing practices directly improve how satisfied customers feel, even without considering service quality.

The indirect effect of electronic marketing on customer satisfaction through service quality is much larger, at 0.5270. This effect was assessed using bootstrapping, a robust method for mediation testing, with a bootstrapped standard error of 0.0437. The 95% confidence interval ranges from 0.4456 to 0.6168, and since it does not include zero, the mediation is statistically significant.

This means that electronic marketing also strongly affects customer satisfaction indirectly by improving service quality. In other words, effective digital marketing strategies enhance perceived service quality—such as responsiveness, reliability, and assurance—which in turn makes customers more satisfied. This indirect path is substantially stronger than the direct path, suggesting that most of the influence of electronic marketing on satisfaction operates through improved service quality.

4.9 Mediating Effect of Customer Relationship Management

The mediation analysis results below reflect the mediating role of Customer Relationship Management (CRM) in the relationship between electronic marketing (X) and customer satisfaction (Y). This analysis provides an understanding whether and how CRM serves as a pathway through which electronic marketing affects customer satisfaction.

Table 21: Analysis of Mediating Effect of Customer Relationship

********** DIRECT AND INDIRECT EFFECTS OF X ON Y **********

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI
.0821	.0338	2.4276	.0156	.0156	.1486

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
CRM	.5502	.0325	.4871	.6126

********** ANALYSIS NOTES AND ERRORS **********

The direct effect of electronic marketing on customer satisfaction is 0.0821, with a standard error of 0.0338. The t-value is 2.4276, and the associated p-value is 0.0156 (P<.05), indicating statistical significance at the 0.05 level. Additionally, the 95% confidence interval ranges from 0.0156 to 0.1486, which does not include zero, confirming that the direct effect is significant. This finding implies that electronic marketing on its own positively affects customer satisfaction. Even without considering the role of CRM, better digital marketing practices directly lead to improved customer satisfaction.

The indirect effect of electronic marketing on customer satisfaction through CRM is reported as 0.5502, with a bootstrapped standard error of 0.0325. The 95% bootstrapped confidence interval ranges from 0.4871 to 0.6126, and because it does not contain zero, the indirect effect is statistically significant.

This means that electronic marketing has a much stronger effect on customer satisfaction indirectly through CRM than directly. That is, effective electronic marketing strategies enhance the quality and strength of customer relationship management which in turn significantly boosts customer satisfaction. This indirect effect is not only statistically significant but also substantively large, indicating that CRM is a crucial mechanism in this relationship.

The analysis indicates that Customer Relationship Management significantly mediates the relationship between electronic marketing and customer satisfaction. Although electronic marketing has a direct positive influence on satisfaction, the majority of its impact is transmitted indirectly through CRM. In other words, digital marketing efforts are most effective when they also support and enhance relationship-building processes with customers.

CHAPTER FIVE

DISCUSSION

5.0 Introduction

This section covers discussion on electronic marketing, service quality, customer relationship management and customer satisfaction. The discussions were derived from previous studies in line with what other scholars have researched on the study variables. The section is structured in such a way that it starts with discussion on electronic marketing, followed by customer satisfaction, then the association between electronic marketing and customer satisfaction, mediating roles of service quality and customer relationship management.

5.1 The Status of Electronic Marketing in Commercial Banks

Electronic marketing particularly email marketing remains a highly effective digital marketing tool, particularly for customer engagement and retention. The findings of this study indicate a high level of email marketing adoption among businesses, which aligns with previous research emphasizing its effectiveness. According to Chaffey and Smith (2022), email marketing generates a higher return on investment (ROI) compared to other digital marketing channels, as it allows businesses to personalize messages and directly reach their target audience. Furthermore,

Kotler et al. (2021) argue that email marketing fosters brand loyalty and customer retention through targeted campaigns and automation, making it a strategic tool for modern businesses.

However, while the high adoption of email marketing in this study is consistent with the work of Kingsnorth (2023), who highlights its role in increasing customer engagement, some scholars present contrasting views. For instance, Evans (2022) contends that email marketing effectiveness has declined due to issues such as spam filters and lower open rates. Additionally, Kumar et al. (2023) argue that consumers increasingly prefer interactive and visual content, making channels like social media and video marketing more appealing. Despite these differing perspectives, the consensus remains that email marketing is a valuable digital marketing strategy when integrated with other channels to optimize customer engagement.

The study also reveals a high level of mobile marketing usage, which is consistent with global trends in digital marketing. Mobile marketing, encompassing SMS marketing, app-based marketing, and push notifications, has gained prominence due to the widespread use of smartphones. According to Ryan (2023), businesses leveraging mobile marketing experience higher customer engagement rates due to the immediacy and personalized nature of mobile-based communications. Similarly, Statista (2022) reports that mobile marketing accounts for over 70% of digital ad spending globally, underscoring its importance in modern marketing strategies.

Moreover, Lemon and Verhoef (2021) affirm that mobile marketing enhances customer experience by providing timely and location-based promotions. This aligns with the findings of this study, which indicate that businesses effectively utilize mobile marketing to engage customers and drive sales. However, some researchers caution against over-reliance on mobile marketing. Constantinides et al. (2022) argue that intrusive mobile advertisements and excessive

notifications can lead to customer dissatisfaction, reducing overall engagement levels. Despite these concerns, the positive impact of mobile marketing on consumer behavior remains widely acknowledged in the literature, supporting the findings of this study.

The study further identifies a moderate level of social media marketing usage, suggesting that while businesses recognize its importance, they may not be fully leveraging its potential. This contrasts with previous studies that emphasize the dominance of social media marketing in digital strategies. For instance, Tuten and Solomon (2022) assert that social media marketing is a critical tool for brand awareness and customer engagement, particularly given the rise of platforms such as Facebook, Instagram, and LinkedIn. The moderate adoption level found in this study aligns with the findings of Ashley and Tuten (2021), who suggest that while social media is an essential marketing tool, businesses often struggle with content consistency, audience engagement, and algorithm changes that impact visibility. Similarly, Dwivedi et al. (2022) highlight that some businesses face challenges in measuring the return on investment (ROI) of social media campaigns, leading to a cautious approach in its adoption.

On the other hand, some scholars argue that social media marketing should be at the forefront of digital strategies. Kaplan and Haenlein (2021) emphasize that social media enables two-way communication between brands and consumers, fostering brand loyalty and customer engagement. The contrast in findings suggests that while businesses recognize the value of social media marketing, barriers such as limited expertise, resource constraints, and changing platform algorithms may contribute to its moderate usage.

Overall, the findings of this study align with existing literature in recognizing the high effectiveness of email marketing and mobile marketing, while social media marketing adoption

remains moderate. While some scholars emphasize the growing role of email and mobile marketing in customer engagement and retention, others highlight the challenges such as declining open rates and intrusive mobile ads. Similarly, the moderate level of social media marketing adoption in this study suggests that while businesses acknowledge its importance, they may not fully capitalize on its potential due to strategic or operational constraints.

5.2 The Status of Customer Satisfaction in Commercial Banks

The study findings indicate that customers perceive a moderate level of value in the products and services they consume. Perceived value, which refers to the trade-off between the benefits a customer receives and the cost they incur (Zeithaml, 2018), plays a crucial role in influencing customer satisfaction. A moderate level of perceived value suggests that while customers acknowledge some benefits, they may feel that these do not significantly exceed their expectations. This finding aligns with previous studies (Gallarza et al., 2021), which suggest that when perceived value is not exceptionally high; customers may remain neutral in their satisfaction levels. However, scholars such as Sweeney and Soutar (2021) argue that high perceived value is a critical driver of customer satisfaction and loyalty, implying that businesses should enhance the perceived benefits of their offerings to strengthen customer relationships.

The study also found a moderate level of brand image, suggesting that while customers recognize and associate some positive attributes with the brand, it does not strongly differentiate itself in their perception. Brand image, which Keller (2013) defines as the set of associations linked to a brand in consumers' minds, is a crucial determinant of customer satisfaction. Studies by Aaker (2016) and Nam, Ekinci, and Whyatt (2021) have emphasized that a strong and positive brand image enhances customer trust, satisfaction, and loyalty. The moderate level of brand image

observed in this study may indicate that businesses need to invest more in branding strategies to reinforce positive associations and create a distinct identity in the minds of consumers.

Customer recommendation, often measured through word-of-mouth advocacy and willingness to refer others, was found to be at a high level in this study. This aligns with the findings of Sweeney, Soutar, and Mazzarol (2012), who argue that satisfied customers are more likely to recommend a business to others, thereby influencing new customer acquisition. Additionally, Reichheld (2023) highlights that customer recommendation is a strong predictor of long-term profitability, as it reflect high levels of trust and positive experiences. The high recommendation levels observed suggest that, despite moderate brand image and perceived value; customers still find sufficient motivation to endorse the business to their peers, possibly due to quality service, reliability, or personal experiences.

The study also revealed high levels of customer retention, indicating that customers are willing to continue patronizing the business. This finding is consistent with studies by Oliver (2019) and Homburg, Koschate, and Hoyer (2016), which assert that retention is a direct outcome of customer satisfaction. High retention levels suggest that businesses have been successful in maintaining consistent service quality, meeting customer expectations, or providing incentives that encourage repeat patronage. However, scholars such as Rust and Zahorik (2023) caution that customer retention is not solely influenced by satisfaction but also by switching barriers, loyalty programs, and competitive dynamics. The high retention levels in this study suggest that businesses should continue reinforcing customer relationships through personalized engagement and continuous service improvements.

The study findings illustrate a complex interaction between perceived value, brand image, customer recommendation, and retention in shaping customer satisfaction. While perceived value

and brand image were found to be at moderate levels, customer recommendation and retention were high, indicating that satisfaction can be driven by factors beyond direct brand perception and value evaluation. The findings align with existing literature that emphasizes the multi-dimensional nature of customer satisfaction (Fornell et al., 2016).

5.3 The Influence of Electronic Marketing on Customer Satisfaction

The study findings indicate a significant positive relationship between electronic marketing—comprising email marketing, social media marketing, and mobile marketing—and customer satisfaction. This aligns with existing research emphasizing the role of digital marketing strategies in enhancing customer engagement, experience, and overall satisfaction (Kumar et al., 2021). As businesses continue to integrate digital platforms into their marketing efforts, they can create more personalized and interactive experiences, leading to increased customer satisfaction.

Email marketing is a crucial tool for customer engagement, offering tailored content, promotional offers, and timely updates. Studies by Chaffey and Ellis-Chadwick (2019) and McCloskey (2020) affirm that personalized and well-targeted email campaigns significantly enhance customer satisfaction by addressing their specific needs and preferences. Moreover, email marketing fosters direct communication between businesses and customers, strengthening relationships and increasing brand loyalty (Duffy, 2021). However, some scholars argue that excessive or poorly targeted email marketing can lead to information overload, reducing customer satisfaction (Kumar & Sharma, 2022).

Social media marketing enhances customer satisfaction by facilitating real-time engagement, brand transparency, and interactive communication. According to Ahmed et al. (2020), businesses that effectively use social media platforms such as Facebook, Instagram, and Twitter to communicate with customers experience higher levels of satisfaction due to increased

accessibility and responsiveness. Additionally, social media fosters brand advocacy and trust, further strengthening customer relationships (Dwivedi et al., 2021). However, inconsistencies in brand messaging or lack of prompt responses to customer inquiries can negatively impact satisfaction (Hollebeek & Macky, 2019).

Mobile marketing, including SMS promotions, app notifications, and location-based services, significantly contributes to customer satisfaction by offering convenience and immediacy (Varnali & Toker, 2020). Studies by Kannan (2021) highlight that mobile marketing enables business to deliver timely and relevant offers, enhancing the overall customer experience. Additionally, mobile marketing supports omnichannel marketing strategies, ensuring seamless customer interactions across multiple digital touch points (Pantano & Priporas, 2019). Nonetheless, intrusive mobile advertisements can lead to customer dissatisfaction if not properly managed (Hussain et al., 2020).

The study's findings align with existing literature, confirming that electronic marketing positively influences customer satisfaction. Email marketing fosters personalized engagement, social media marketing enhances brand interactions, and mobile marketing improves accessibility, collectively strengthening customer experiences.

5.4 The Mediating effect of Service Quality on the relationship between Electronic Marketing and Customer Satisfaction

The findings of this study indicate that service quality significantly mediates the relationship between electronic marketing (email marketing, social media marketing, and mobile marketing) and customer satisfaction. This suggests that while electronic marketing directly influences customer satisfaction, its effectiveness is enhanced when service quality is high. These results

align with previous research highlighting the role of service quality as a crucial determinant of customer satisfaction in digital marketing contexts (Parasuraman, Zeithaml, & Berry, 2018; Kumar et al., 2021).

Service quality plays a central role in shaping customer experiences, particularly in electronic marketing, where interactions occur through digital platforms. When businesses integrate high service quality into their digital marketing efforts, customers perceive greater value, leading to higher satisfaction (Zeithaml, Berry, & Parasuraman, 2016). According to Algharabat et al. (2020), electronic marketing strategies such as email, social media, and mobile marketing must be complemented by prompt responsiveness, personalized communication, and reliable services to achieve optimal customer satisfaction.

Email marketing is widely recognized as a cost-effective tool for engaging customers, but its impact on customer satisfaction depends on the quality of service associated with it. A study by Chaffey and Smith (2022) found that personalized, well-timed, and informative email content enhances perceived service quality, which in turn improves customer satisfaction. Similarly, Rust and Chung (2021) emphasize that businesses that integrate high service quality in their email marketing—such as providing responsive customer support and clear, valuable information—experience higher customer engagement and satisfaction. However, some scholars argue that poorly managed email marketing, characterized by spam and excessive promotional content, can diminish service quality and negatively affect customer satisfaction (Kumar & Sharma, 2022).

Social media marketing enhances customer satisfaction when combined with high-quality service experiences. Dwivedi et al. (2021) found that businesses that engage customers through social media platforms by responding promptly to inquiries, addressing complaints, and offering valuable content improve overall service quality and satisfaction. The study aligns with the

findings of Hollebeek and Macky (2019), who assert that interactivity and engagement in social media marketing significantly enhance service quality perceptions, leading to better customer satisfaction. However, researchers such as Kaplan and Haenlein (2020) note that inconsistent or delayed responses on social media platforms may reduce service quality and weaken customer trust, negatively affecting satisfaction.

Mobile marketing, including SMS marketing, in-app notifications, and location-based services, plays a crucial role in improving customer satisfaction when integrated with high service quality. Research by Kannan (2021) shows that real-time, personalized mobile marketing enhances service quality by offering convenience and relevance, thereby boosting customer satisfaction. Similarly, Varnali and Toker (2020) argue that businesses that use mobile marketing to deliver personalized promotions and seamless transactional experiences create higher service quality perceptions, strengthening customer relationships. However, excessive push notifications and intrusive mobile ads can reduce service quality and lead to dissatisfaction (Hussain et al., 2020).

While most studies support the idea that service quality strengthens the relationship between electronic marketing and customer satisfaction, some scholars present alternative perspectives. For instance, Reichheld and Schefter (2022) argue that customer satisfaction can be achieved through innovative electronic marketing strategies alone, even without superior service quality. They suggest that engaging content, attractive promotions, and seamless digital interfaces can directly enhance satisfaction. However, these views are challenged by Parasuraman et al. (2018), who maintain that service quality remains a fundamental driver of long-term customer satisfaction and loyalty, especially in digital marketing contexts.

The study confirms that service quality plays a significant mediating role in the relationship between electronic marketing and customer satisfaction. While electronic marketing alone can

enhance customer satisfaction, its impact is significantly strengthened when service quality is high. The findings align with existing literature emphasizing the need for businesses to integrate high service standards in their digital marketing strategies.

5.5 Mediating effect of Customer Relationship Management on the relationship between Electronic Marketing and Customer Satisfaction

The study findings reveal that customer relationship management (CRM) significantly mediates the relationship between electronic marketing (email, social media, and mobile marketing) and customer satisfaction. This suggests that electronic marketing strategies are more effective in enhancing customer satisfaction when they are complemented by strong CRM practices. These findings align with prior research that emphasizes the importance of CRM in building long-term customer relationships, enhancing trust, and improving personalized interactions (Choudhury & Harrigan, 2020; Nguyen & Mutum, 2022).

Electronic marketing provides businesses with tools to engage with customers through personalized emails, targeted social media campaigns, and mobile-based interactions. However, its ability to drive customer satisfaction depends on how well businesses manage customer relationships. According to Payne and Frow (2017), CRM serves as a bridge between electronic marketing and customer satisfaction by ensuring that customer interactions are effectively tracked, analyzed, and optimized to meet customer needs. This supports the study's findings, as businesses that integrate CRM into their electronic marketing efforts are better able to deliver consistent, customized, and responsive services, leading to higher customer satisfaction.

A study by Rahimi and Kozak (2017) found that businesses that use CRM systems to analyze customer preferences and behavior tend to achieve higher levels of satisfaction and loyalty. Similarly, Wang and Kim (2020) argue that CRM enhances electronic marketing effectiveness by enabling businesses to deliver personalized content, anticipate customer needs, and resolve complaints efficiently. This reinforces the mediating role of CRM, as it enhances customer interactions beyond basic marketing efforts, ensuring a seamless customer experience.

CRM mediates the relationship between electronic marketing and customer satisfaction through several key dimensions, including customer engagement, personalization, and responsiveness (Buttle & Maklan, 2019). Studies show that engaged customers are more likely to develop long-term relationships with brands. CRM systems enhance electronic marketing effectiveness by tracking customer engagement levels, segmenting audiences, and optimizing marketing campaigns accordingly (Nguyen & Mutum, 2022). This supports the study findings, which indicate that businesses that actively engage customers through CRM-integrated digital marketing strategies achieve higher satisfaction rates.

While many scholars support the mediating role of CRM, some argue that electronic marketing can directly influence customer satisfaction without relying on CRM. For instance, Kotler, Kartajaya, and Setiawan (2021) suggest that digital marketing automation and predictive analytics can independently enhance customer satisfaction by delivering instant and relevant responses. However, this perspective assumes that customers do not value human interactions in digital marketing, which contradicts other studies that emphasize the importance of trust and relationship-building in customer satisfaction (Buttle & Maklan, 2019).

Other scholars contend that CRM's impact depends on the industry context and customer preferences. According to Choudhury and Harrigan (2020), CRM is more relevant in industries

that rely on long-term customer relationships, such as financial services and healthcare, than in transactional industries like fast-moving consumer goods (FMCGs). This implies that the mediating role of CRM may vary across different business sectors, requiring further empirical investigation.

The study findings contribute to existing literature by confirming that CRM significantly mediates the relationship between electronic marketing and customer satisfaction. While email, social media, and mobile marketing enhance customer engagement, their effectiveness is maximized when businesses implement CRM strategies that foster personalized interactions, improve responsiveness, and build customer trust. The study aligns with prior research that highlights CRM as a critical link between electronic marketing efforts and customer satisfaction; although some scholars argue that digital automation can substitute CRM in certain contexts.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This chapter presents the summary of key findings, conclusions drawn from the study, practical recommendations, and suggested areas for future research. The study set out to examine the relationship between electronic marketing and customer satisfaction, with a particular focus on the mediating effects of Customer Relationship Management and service quality. The chapter provides a reflection on the major findings that emerged from the data analysis, draws conclusions based on these findings, and offers recommendations aimed at improving customer satisfaction in commercial banks.

6.1 Summary of key Findings

Based on the study of electronic marketing and customer satisfaction in commercial banks, the following key findings are summarized:

a) The study found heavy usage of electronic marketing in commercial banks especially in terms of mobile and e-mail marketing. However, social media marketing was found to be moderate among commercial banks.
b) The study revealed moderate level of perceived brand image and value, while the levels of customer retention and recommendations were found to be high as measures of customer satisfaction in commercial banks.
c) In terms of relationships, the study found that all the elements of electronic marketing (email marketing, social media marketing and mobile marketing) are all positively and significantly associated with the customer satisfaction in commercial banks.

d) Similarly, the study revealed that email marketing, social media marketing and mobile marketing have significant positive effect on customer satisfaction in commercial banks in Gulu city.
e) The study found that business Customer Relationship Management and Service quality; all have significant mediating effects on the relationship between electronic marketing and customer satisfaction.

6.2 Conclusion

The findings of this study highlight the critical role of electronic marketing in enhancing customer satisfaction within commercial banks. The study concludes that commercial banks heavily utilize electronic marketing, particularly through mobile and email marketing, to engage and retain customers. However, social media marketing remains moderately used, suggesting that banks have yet to fully leverage its potential in fostering deeper customer interactions. Given the increasing digitalization of banking services, it is essential for commercial banks to integrate

more innovative social media marketing strategies to complement their existing mobile and email marketing efforts. This will enable banks to establish stronger customer relationships and improve overall customer engagement.

Furthermore, the study identified moderate levels of perceived brand image and value among customers, despite the high levels of customer retention and recommendations. The study thus concludes that while commercial banks have been successful in retaining customers and gaining positive word-of-mouth referrals, there is average level of perception in how customers perceive the banks' brand strength and value proposition. Strengthening brand image through strategic digital branding, personalized marketing campaigns, and enhanced customer communication can further solidify the banks' market positioning and increase customer satisfaction.

The study also confirmed that all elements of electronic marketing—email marketing; social media marketing, and mobile marketing—are positively and significantly associated with customer satisfaction. The study provides conclusion that effective digital marketing strategies contribute to improved customer experiences and loyalty in the banking sector. Additionally, electronic marketing was found to have a significant positive effect on customer satisfaction in commercial banks within Gulu City. This highlights the importance of continued investment in digital marketing tools and platforms that enhance customer interactions, provide real-time support, and offer personalized banking experiences.

Moreover, the study revealed that both Customer Relationship Management (CRM) and service quality play significant mediating roles in the relationship between electronic marketing and customer satisfaction. This study concludes that while electronic marketing contributes to customer satisfaction, its impact is amplified when combined with effective CRM practices and high-quality banking services. CRM enables banks to track customer preferences, personalize

interactions, and address customer needs proactively, leading to enhanced satisfaction. Similarly, service quality ensures that the digital interactions initiated through electronic marketing translate into positive customer experiences, fostering long-term loyalty and satisfaction.

In general conclusion, this study highlights the strategic importance of electronic marketing in enhancing customer satisfaction in commercial banks. The positive relationship between email, mobile, and social media marketing with customer satisfaction highlights the need for commercial banks to optimize their digital marketing efforts. Additionally, the significant mediating effects of CRM and service quality indicate that banks must adopt a holistic approach that integrates marketing, relationship management, and service excellence.

6.3 Recommendation

Based on the findings of this study, the following recommendations are provided to enhance the effectiveness of electronic marketing and improve customer satisfaction in commercial banks.

Commercial banks should strengthen Social Media Marketing Efforts. The study found that while email and mobile marketing are heavily utilized by commercial banks, social media marketing remains at a moderate level. Given the increasing reliance on social media platforms for customer engagement, banks should enhance their presence on platforms such as Facebook, Twitter, LinkedIn, and Instagram. This can be achieved by developing interactive content, running targeted advertisements, and utilizing social media analytics to track customer preferences. Banks should also invest in social media customer service to provide real-time responses to inquiries and complaints, thereby fostering stronger customer relationships and satisfaction.

Commercial banks should enhance their Brand Image and Perceived Value. The study revealed that while customer retention and recommendations are high, the perceived brand image and

value of commercial banks remain moderate. To address this, banks should focus on brand positioning strategies that emphasize reliability, trust, and superior service offerings. This can be achieved through consistent brand messaging, corporate social responsibility (CSR) initiatives, and customer-centric marketing campaigns. Additionally, personalized services and loyalty programs can be introduced to enhance the perceived value of banking services, ensuring customers feel valued and appreciated.

The banks should Optimize Multi-Channel Electronic Marketing Strategies. Given the significant positive relationship between electronic marketing and customer satisfaction, commercial banks should integrate multi-channel marketing strategies to create a seamless customer experience. This involves synchronizing email, mobile, and social media marketing efforts to deliver personalized and consistent messages across all digital platforms. Banks should leverage customer data analytics to segment their customer base and tailor marketing content that meets specific needs and preferences. Automated marketing tools can also be utilized to enhance customer engagement and satisfaction.

Commercial banks should Integrate Customer Relationship Management (CRM) Systems with electronic banking. The study found that CRM has a significant mediating effect on the relationship between electronic marketing and customer satisfaction. Therefore, banks should invest in advanced CRM systems that enable real-time tracking of customer interactions, preferences, and feedback. By utilizing CRM tools, banks can personalize customer experiences, anticipate needs, and proactively address concerns. Training employees on CRM best practices and customer engagement strategies will also be crucial in ensuring that the system is effectively utilized to enhance customer satisfaction.

Furthermore, commercial banks should strengthen Service Quality for Enhanced Customer Satisfaction.

Service quality was found to be a significant mediator in the relationship between electronic marketing and customer satisfaction. This implies that while electronic marketing attracts customers, service quality determines whether they remain satisfied. Commercial banks should continuously assess and improve their service delivery by investing in digital banking platforms that provide convenience, security, and efficiency. Additionally, employee training programs should focus on enhancing customer service skills to ensure that customers receive professional and timely support across all banking channels.

6.4 Areas of Future Research

Based on the study of electronic marketing and customer satisfaction in commercial banks in Gulu City, with the mediating roles of Customer Relationship Management (CRM) and service quality, the following areas of future research are suggested:

I. Exploring the Long-Term Impact of Electronic Marketing on Customer Loyalty in commercial banks. While the study established a significant positive relationship between electronic marketing and customer satisfaction, future research could investigate how electronic marketing influences long-term customer loyalty. This would help banks understand whether sustained digital marketing efforts lead to deeper customer commitment and repeat business over extended periods.

II. Comparative Analysis of Electronic Marketing and Traditional Marketing in Banking. Future research could compare the effectiveness of electronic marketing versus traditional marketing approaches (e.g., radio, TV, and print advertisements) in the banking sector since this study only focused on only electronic marketing. This would provide valuable

insights into the most cost-effective and impactful strategies for improving customer satisfaction.

III. Investigating the Moderating Role of Digital Literacy in Electronic Marketing Adoption. Since not all customers have the same level of familiarity with digital banking services, future research could analyze how digital literacy moderates the effectiveness of electronic marketing.

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Appendix A: Questionnaire for Customers

Dear respondent, I am **Luyira Fred,** a student of Gulu University pursuing a degree of Master of BUSINESS ADMINISTRATION of Gulu University. I am carrying out research on the topic: **"Electronic Marketing and Customer Satisfaction in Commercial Banks in Gulu City".** You are kindly requested to answer these simple questions. The questions included are purely for academic purposes. I guarantee total confidentiality of all the information given. Please tick appropriately and fill in the gaps provided where possible.

SECTION A: BIO-DATA OF RESPONDENT

(Tick where possible or give the possible responses if required)

1. Sex**:** Male ☐ Female ☐

2. Age of respondents (in completed years)

18- 23 years ☐ 24-29 years ☐ 30-35 years ☐ Above 35 years ☐

3. Marital status:

Single ☐ Married ☐ Separated/Divorced ☐ Widowed ☐

4. Educational level

No formal education ☐ Primary ☐

Secondary ☐ Tertiary/University ☐

5. How many years have you transacted with this bank?

Less than 1 year ☐ 1-3 years ☐ 4-6 years ☐ 7 years and above ☐

SECTION B;

ELECTRONIC MARKETING

Please rate the extent to which you agree or disagree with the following statements on Electronic Marketing by ticking the most appropriate option where SD – Strongly Disagree, D – Disagree, NS Not sure A – Agree and SA – Strongly Agree.

(Please tick √ in the box for preferred option/s matching your response

SECTION D: ELECTRONIC MARKETING

STATEMENT OF INQUIRY	SD	D	N	A	SA
E-mail marketing	1	2	3	4	5
The content in my bank's email marketing campaigns is highly relevant to my interests					
I find the email marketing messages I receive from my bank is well-personalized based on my preferences.					
The frequency of the emails I receive from the bank is just right					
It is easy to receive information from the email marketing campaigns.					
The timing of the emails I receive from the bank is appropriate and aligns well with my needs					
Social Media Marketing					
Social media marketing by my bank is commendable.					
The content shared through my bank's social media marketing is highly relevant to my interests					
Social media marketing efforts of my bank is highly engaging.					
The frequency of social media posts from the bank is appropriate.					
The social media marketing efforts of my bank encourages interaction with the brand.					
Mobile marketing					
The mobile advertisements I receive from the bank are relevant to my interests and preferences					

The frequency of mobile marketing messages I receive from the bank is appropriate.					
The content in mobile marketing campaigns is of high quality					
The mobile marketing messages and links are easy to navigate and use on my device					
Mobile marketing messages are well-personalized based on my previous interactions and preferences					

SECTION C: CUSTOMER SATISFACTION

STATEMENT OF INQUIRY	SD	D	N	A	SA
Perceived Value	1	2	3	4	5
I feel that the price I pay for the bank service is justified by the benefits I receive					
The overall value I get from the bank services meets my expectations					
The benefits provided by the bank service are greater than those offered by competing options					
The quality of the bank services is consistent with the price I paid					
I believe that the investment I made in this bank service is worthwhile					
Brand Image					
I perceive my bank brand as highly reputable.					
My bank consistently delivers on its promises to maintains a positive brand image					
The brand's image of my bank is appealing and aligns well with my personal preferences					
I am familiar with my bank brand and recognize it easily					
The brand of my bank stands out from its competitors in terms of its image.					
I feel a strong emotional connection with my bank brand.					
Customer retention					

I am encouraged to stay with my bank for a longer time period.					
I am likely to make repeat purchases from my bank in the future					
I consider myself a loyal customer of my bank					
My overall satisfaction with the bank drives my decision to stay with them					
I am more willing to continue transacting with my bank irrespective of competing offers from other banks.					
Recommendation					
I would recommend my bank to others even if they were unfamiliar with its products/services					
I Positively recommend my bank to purchasing decisions of other customers					
I am likely to recommend my bank's products/services to friends or family					
I frequently share positive experiences about my bank with others					
I am willing to encourage people to transact with my bank					

SECTION D: SERVICE QUALITY

System Reliability					
The electronic system of my bank consistently performs well without frequent breakdowns					
The electronic system is available and operational when needed					
The electronic system rarely experiences errors or malfunctions					
When issues occur, they are resolved quickly and effectively by the system					
The system reliably supports the delivery of services as expected					

Fulfillment					
My needs are fulfilled accurately by the electronic system according my specification					
The electronic system delivers within the promised timeframe					
My requests and requirements are fully met by the electronic system used by my bank					
The items or services I need are readily available when I request them					
The time taken to fulfill my transaction with the bank is satisfactory					
Privacy					
I trust that the bank adequately protects my personal data					
The bank usually ensures that my information remains confidential and is not shared without my consent					
The privacy policies of the bank are clear and understandable					
My bank uses secure methods for processing transactions to protect my financial information					
I feel I have adequate control over how my personal information is used and shared by the bank					
Efficiency					
The service is delivered in a timely manner without unnecessary delays by my bank					
Issues or problems are resolved quickly and efficiently by my bank					
It is cheaper to transact with my bank.					
The processes involved in delivering service in my bank are streamlined and shorter.					
Transactions and interactions related to the services in my bank are smooth and economical					

SECTION E: CUSTOMER RELATIONSHIP MANAGEMENT

Technology usage					
There is heavy use of technology in most customer related transaction in my bank.					
The technology used for bank transaction by customers is user-friendly and easy to navigate					
The technology used in banks allow easy access to relevant customer data and information					
The system used by customers to transact with banks reduces manual efforts					
The technology provides real time information for customers					
The technology integrates well with customer requirements and needs					
Process management					
The system used to manage customer information allows for flexibility to adapt to changing customer needs.					
The system that manages customer data have standardized processes across the bank activities					
It is very easy to address customer complaints by the bank due to smooth processes.					
It is quicker to access bank services due to proper technology management by banks.					
The system used by the bank effectively supports the management of customer-related processes.					

The End: Thank you for your Time

Appendix B: Questionnaire for Bank Staff

Dear respondent, I am **Luyira Fred,** a student of Gulu University pursuing a degree of Master of BUSINESS ADMINISTRATION of Gulu University. I am carrying out research on the topic: **"Electronic Marketing and Customer Satisfaction in Commercial Banks in Gulu City".** You are kindly requested to answer these simple questions. The questions included are purely for academic purposes. I guarantee total confidentiality of all the information given. Please tick appropriately and fill in the gaps provided where possible.

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3. Marital status:

Single ☐ Married ☐ Separated/Divorced ☐ Widowed ☐

4. Educational level

No formal education ☐ PLE ☐ UCE ☐ UACE ☐

Diploma ☐ Bachelor's Degree ☐ Post-Graduate Diploma ☐

5. How many years have you worked with this bank?

Less than 1 year ☐ 1-3 years ☐ 4-6 years ☐ 7 years and above ☐

SECTION B;

ELECTRONIC MARKETING

Please rate the extent to which you agree or disagree with the following statements on Electronic Marketing by ticking the most appropriate option where SD – Strongly Disagree, D – Disagree, NS Not sure A – Agree and SA – Strongly Agree.

(Please tick √ in the box for preferred option/s matching your response

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E-mail marketing	1	2	3	4	5
The content in my bank's email marketing campaigns is highly relevant to customers' interests					
I find the email marketing messages received by customers is well-personalized based on customer preferences.					
The frequency of the emails sent by this bank to customers is just right					
It is easy to receive information from the email marketing campaigns.					
The timing of the emails received by customers from the bank is appropriate and aligns well with their needs					
Social Media Marketing					
Social media marketing by my bank is commendable.					
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The content in mobile marketing campaigns is of high quality					
The mobile marketing messages and links are easy to navigate and use on customers' device					
Mobile marketing messages are well-personalized based on customers' previous interactions and preferences					

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I perceive my bank brand as highly reputable.					
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The brand's image of my bank is appealing and aligns well with customer personal preferences					
Customers are familiar with my bank brand and recognize it easily					
The brand of my bank stands out from its competitors in terms of its image.					
Customers feel a strong emotional connection with the bank brand.					
Customer retention					

Customers are encouraged to stay with this bank for a longer time period.					
Customers are likely to make repeat purchases from this bank in the future					
Customers consider themselves loyal to this bank					
Customers' overall satisfaction with the bank drives their decision to stay with the bank.					
Customers are more willing to continue transacting with this bank irrespective of competing offers from other banks.					
Recommendation					
Customers would recommend this bank to others even if they were unfamiliar with its products/services					
Customers Positively recommend this bank to influence purchasing decisions of other customers					
Customers are likely to recommend this bank's products/services to friends or family					
Customers frequently share positive experiences about this bank with others					
Customers are willing to encourage people to transact with this bank					

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The system reliably supports the delivery of services as expected					
Fulfillment					
Customer needs are fulfilled accurately by the electronic system according to customer specification					
The electronic system delivers within the promised timeframe					
Customer requests and requirements are fully met by the electronic system used by my bank					
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The End: Thank you for your Time