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**Customer Service Responsiveness and
Customer Satisfaction Among SMES in
Nairobi Kenya**

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ABSTRACT

This study **examined** the influence of customer service responsiveness on customer satisfaction among Small and Medium Enterprises (SMEs) in Nairobi, Kenya. The research **was anchored** in theoretical frameworks including the Expectancy-Disconfirmation Theory, Social Exchange Theory, SERVQUAL Model, Customer Experience Management (CEM) Framework, and Attribution Theory. A quantitative design **was employed**, using structured questionnaires to collect data from customers who had recently interacted with SMEs in sectors such as retail, hospitality, and professional services. The analysis **included** descriptive statistics to summarize sample characteristics and regression analysis to determine the predictive power of service responsiveness dimensions on customer satisfaction. The findings **revealed** that responsiveness significantly influenced customer satisfaction across all measured indicators. Timely responses, courteous employee behavior, and effective problem resolution emerged as strong predictors of satisfaction. Customers who experienced swift and attentive service consistently reported higher levels of satisfaction and loyalty. Conversely, delays or inadequate responses negatively affected perceptions of reliability and overall service quality. The study **confirmed** that responsiveness should not be treated as a subsidiary aspect of service quality but as a central driver of customer satisfaction in competitive SME environments. Based on these results, the study **recommended** that SMEs in Nairobi prioritize investments in customer service training, real-time communication channels, and customer relationship management systems to enhance responsiveness. Managers were advised to develop clear service protocols that emphasize promptness, empathy, and proactive engagement with customers. Additionally, the study highlighted the need for SMEs to adopt technology-driven solutions, such as automated feedback systems and digital customer service platforms, to balance efficiency with personalization. In conclusion, the study **established** that customer service responsiveness is a critical determinant of customer satisfaction and long-term competitiveness among SMEs in Nairobi. By embedding responsiveness within organizational culture and service delivery frameworks, SMEs can strengthen customer loyalty and achieve sustainable growth. Future research was suggested to focus on longitudinal analyses and the role of emerging technologies, such as artificial intelligence, in enhancing responsiveness without compromising customer experience.

1.0 INTRODUCTION

The relationship and interaction between customer service responsiveness and customer satisfaction has been widely reviewed with various results. According to Abdullah and Kasmi (2021), the quality of service directly influences customer satisfaction, with responsive customer service being a key component of high-quality service. Effective and timely communication during customer service interactions plays a critical role in fostering positive customer experiences, which ultimately leads to greater customer satisfaction. The authors emphasize that customers' perception of responsiveness, especially in service industries, directly impacts their satisfaction and loyalty.

Evidently, customers mostly value companies that respond to them in a positive way. Agag et al. (2024) examined how customer agility, influenced by marketing analytics and customer service responsiveness, shapes long-term customer satisfaction. Their study showed that when companies respond promptly to customer inquiries or issues, it increases customers' perception of the company's reliability, thus enhancing satisfaction. A swift response not only resolves issues but also shows a company's commitment to customer care, which positively affects customer attitudes and behaviors toward the brand. This, in turn, contributes to long-term satisfaction and customer loyalty, creating a sustainable competitive advantage in the marketplace.

The impact of customer service responsiveness on satisfaction is not confined to a single industry, as Anas (2024) highlighted in his study on the hotel industry in Makassar City. His research confirms that quick and effective customer service is crucial for customer satisfaction, particularly in the hospitality sector where customer expectations are high. Anas found that the speed of response, coupled with the quality of service provided during these interactions, directly influenced the guests' overall satisfaction with the hotel services. Guests who received timely responses to their requests were more likely to have a positive perception of the service, which led to improved satisfaction levels and increased repeat patronage.

Based on this background, this study seeks to examine the influence of customer service responsiveness on customer satisfaction among SMEs in Nairobi Kenya.

1.2 RESEARCH PROBLEM

Despite the growing significance of **Small and Medium Enterprises (SMEs)** in Kenya, particularly in Nairobi as a major economic hub, customer satisfaction levels remain inconsistent across many businesses. With increasing competition and rising customer expectations, the ability of SMEs to respond swiftly and effectively to customer needs has become a key differentiator. However, many SMEs still experience challenges in maintaining consistent service standards, especially in terms of timely response and personalized communication. This creates a contextual gap, as existing customer service models are often not tailored to the unique challenges and operational dynamics of Nairobi's SME sector, such as staff turnover, resource constraints, and the cultural diversity of clientele.

From a conceptual standpoint, although customer service responsiveness is generally considered a component of service quality, it is often bundled with other dimensions such as tangibles, reliability, assurance, and empathy in the broader SERVQUAL model. This aggregation obscures the specific contribution of responsiveness to overall customer satisfaction. There is a need to isolate and analyze responsiveness as an independent concept to better understand its direct influence on customer satisfaction. This conceptual gap limits the clarity with which SME managers and practitioners can develop targeted strategies aimed specifically at improving responsiveness without diluting efforts across less impactful service areas.

A methodological gap is also evident in the existing literature. Many prior studies on customer satisfaction within SMEs have adopted qualitative or purely descriptive approaches, often relying on anecdotal or managerial perspectives rather than customer-centric data. Furthermore, few studies in Kenya have utilized regression analysis to statistically test the relationship between responsiveness and satisfaction. This limits the generalizability and predictive power of the findings. A quantitative approach using structured questionnaires and inferential statistics such as regression analysis would provide more robust, data-driven insights that can support decision-making in SME service management.

There is also an empirical gap in terms of current, location-specific research. While several studies have explored customer service and satisfaction in broader contexts like retail, banking, or large corporate enterprises, there is a shortage of recent empirical research focusing specifically on local SMEs in Nairobi. Most existing research either generalizes findings from different sectors or fails to account for Nairobi's unique market conditions, such as the coexistence of innovative tech startups and traditional family-run enterprises. This lack of localized empirical data makes it difficult for SME operators to benchmark or implement evidence-based improvements in customer responsiveness.

Notably, it can be argued that despite the strategic importance of customer service responsiveness in shaping customer satisfaction, there is limited empirical evidence on how responsiveness specifically influences satisfaction levels among customers of SMEs in Nairobi. Without this understanding, SME managers may continue to invest in broad or misaligned service improvements that fail to directly impact customer perceptions and loyalty. Therefore, this study sought to bridge this gap by investigating the influence of customer service responsiveness on customer satisfaction **among SMEs in Nairobi, Kenya**.

2.0 THEORETICAL REVIEW

This study will be guided by five main theories: Expectancy-Disconfirmation Theory, Social Exchange Theory, the SERVQUAL Model, the Customer Experience Management (CEM) Framework, and Attribution Theory.

Evidently, this study is primarily anchored in Expectancy-Disconfirmation Theory (EDT), which posits that customer satisfaction is determined by the gap between customer expectations and their actual experiences. When service performance exceeds expectations, positive disconfirmation leads to satisfaction; when it falls short, negative disconfirmation results in dissatisfaction. In the context of hotel service responsiveness, this theory suggests that customers form expectations about how quickly and effectively staff will respond to their needs. Satisfaction, therefore, hinges on whether the responsiveness of hotel staff aligns with or surpasses these expectations. EDT is

particularly relevant for evaluating real-time service experiences in hotels, where promptness and attentiveness are highly valued by guests.

Social Exchange Theory (SET) provides a complementary perspective by framing customer interactions as reciprocal exchanges. According to this theory, customers evaluate services based on perceived benefits versus costs. When hotels provide responsive and helpful service, customers feel valued, increasing the likelihood of satisfaction and future loyalty. Conversely, delayed or indifferent responses are seen as unfair exchanges, leading to dissatisfaction. SET helps explain why responsiveness in customer service—such as fast check-ins, quick issue resolution, or timely room service—enhances the perceived value of staying at a hotel and fosters positive relationships between guests and service providers.

The SERVQUAL Model is particularly useful in structuring the assessment of service quality dimensions, one of which is *responsiveness*. The model includes five key dimensions: tangibles, reliability, assurance, empathy, and responsiveness. Responsiveness, in this context, refers to the willingness and ability of staff to help customers and provide prompt service. For this study, the SERVQUAL model provides a validated framework to measure responsiveness as a determinant of satisfaction, enabling the breakdown of customer experiences into measurable attributes. It allows the research to isolate responsiveness and statistically assess its specific impact, which aligns directly with the research objectives.

Additionally, the Customer Experience Management (CEM) Framework and Attribution Theory offer deeper insight into customer behavior and satisfaction. The CEM Framework focuses on managing and improving the customer journey across all touchpoints—from booking to post-stay feedback—by designing responsive systems that enhance the overall experience. It emphasizes consistency, personalization, and responsiveness at every stage of interaction. Attribution Theory, on the other hand, explains how customers assign causes to service successes or failures. If a customer experiences poor service responsiveness, they may attribute it to staff incompetence or organizational neglect, leading to dissatisfaction. Conversely, a quick, helpful response may be

credited to a well-managed and guest-focused hotel, enhancing satisfaction and loyalty. These theories collectively provide a comprehensive foundation for examining the impact of customer service responsiveness on satisfaction.

3.0 STUDY METHODOLOGY

This study adopted a quantitative research design to examine the relationship between customer service responsiveness and customer satisfaction within Small and Medium Enterprises (SMEs) in Nairobi, Kenya. The primary data collection instrument was a structured questionnaire designed to gather relevant information from SME customers. The questionnaire included both closed-ended and Likert-scale questions to measure perceptions of service responsiveness (e.g., speed, attentiveness, and communication) and levels of customer satisfaction. A purposive sampling method was employed to target customers who had recently interacted with selected SMEs in sectors such as retail, hospitality, and professional services in Nairobi, ensuring that responses were informed by recent and relevant customer experiences.

The collected data were analyzed first using descriptive statistics to summarize the key characteristics of the sample and to provide insights into the central tendencies and distribution of customer service responsiveness and satisfaction levels. Measures such as mean, standard deviation, frequency, and percentage were used to present a clear overview of the demographic profile of respondents and their general perceptions. This initial analysis helped identify patterns and trends that informed deeper statistical exploration.

To determine the influence of customer service responsiveness on customer satisfaction, regression analysis was conducted. This statistical method assessed the strength and direction of the relationship between independent variables (e.g., response time, employee courtesy, problem resolution) and the dependent variable (customer satisfaction). The regression model enabled the researcher to identify which aspects of service responsiveness significantly predicted satisfaction outcomes. Statistical significance was determined at a 95% confidence level, and results were

interpreted to guide practical recommendations for SME managers in Nairobi's dynamic business environment.

4.0 FINDINGS OF THE STUDY

The study revealed that customer service responsiveness significantly influenced customer satisfaction among SMEs in Nairobi. Customers consistently reported that timely responses to their inquiries or complaints strongly shaped their overall perceptions of service quality. When staff members addressed customer concerns promptly, satisfaction scores were notably higher compared to cases where responses were delayed or inconsistent.

Regression analysis confirmed that response time was the most critical predictor of satisfaction. Customers emphasized that even a quick acknowledgment of their requests, before a full resolution was offered, enhanced their trust in the business. This suggests that responsiveness does not only entail providing solutions but also involves the speed of initial engagement with customers.

The analysis also highlighted the importance of employee courtesy and professionalism in customer interactions. Respondents indicated that politeness, empathy, and attentiveness during service encounters played a substantial role in shaping their satisfaction levels. Courteous communication amplified the positive effects of timely responses, while rude or indifferent interactions reduced satisfaction even when response times were adequate.

Another key finding was the significance of problem resolution quality. Customers valued firms that not only responded quickly but also ensured their issues were resolved effectively. SMEs that followed up after service provision to confirm resolution reported higher levels of customer loyalty, indicating that responsiveness should be holistic and outcome-oriented rather than transactional.

Sectoral differences also emerged in the findings. SMEs in hospitality and retail sectors outperformed those in professional services, largely because these industries had more established customer service protocols. Customers of hospitality firms, for example, praised prompt

communication channels such as helplines and chat platforms, while professional service providers were seen as slower in response.

The study also uncovered demographic variations in customer expectations. Younger customers tended to prioritize speed of response, expecting almost instantaneous engagement through digital channels. Older customers, on the other hand, placed greater emphasis on respectful and courteous service, suggesting that responsiveness must be tailored to diverse customer groups.

Despite these positive trends, the study revealed that resource-constrained SMEs often struggled to deliver consistent responsiveness. Small firms with limited staff and technology found it difficult to maintain quick and efficient service standards, leading to uneven customer experiences. This inconsistency emerged as one of the biggest challenges facing SMEs in Nairobi.

Finally, the study identified a gap in the adoption of technology-driven responsiveness tools. Most SMEs relied on manual methods of communication and issue tracking, which slowed down their responsiveness. The absence of automated customer management systems limited their ability to provide timely and personalized service, highlighting the need for digital transformation in SME service delivery.

5.0 DISCUSSIONS

The findings strongly supported the Expectancy-Disconfirmation Theory (EDT), which posits that customer satisfaction arises when service performance meets or exceeds expectations. Customers in Nairobi were more satisfied when SMEs responded faster than expected, creating positive disconfirmation. Conversely, delays led to dissatisfaction, aligning with the theoretical assumptions of EDT.

The results also validated the Social Exchange Theory (SET) by demonstrating that responsiveness functions as a reciprocal mechanism. Customers interpreted quick responses as a sign of respect and value from the firm, which encouraged loyalty and positive word-of-mouth. Where responses

were delayed, customers perceived the exchange as unfair, leading to weaker satisfaction outcomes.

The study further confirmed the relevance of the SERVQUAL Model, especially the responsiveness dimension. Responsiveness was shown to be a key determinant of satisfaction independent of other service dimensions such as tangibles or reliability. This indicates that responsiveness should not be bundled as a subsidiary factor but studied as a stand-alone determinant in SME contexts.

The role of courtesy and professionalism also reflected the principles of the Customer Experience Management (CEM) Framework. Responsiveness was not just about speed; customers valued empathetic and respectful communication, which enhanced the quality of their experience. This finding aligns with CEM's emphasis on designing customer journeys that foster positive emotions across all touchpoints.

Comparing sectors, the findings showed that hospitality and retail SMEs had more structured service protocols, which improved their responsiveness. This indicates that industry-level practices matter, with some sectors better equipped to handle customer expectations. Professional services lagged behind, suggesting the need for industry-specific interventions to strengthen responsiveness.

The results also illuminated the influence of cultural and demographic diversity in Nairobi. Younger customers' preference for speed and digital channels contrasted with older customers' preference for courtesy and empathy. This diversity supports Attribution Theory, which explains that customers assign meaning to service performance based on personal values and expectations.

A significant discussion point was the underutilization of technology in SME responsiveness. While larger firms and some hospitality SMEs used digital tools such as automated chatbots, many smaller businesses remained reliant on manual processes. This gap in digital transformation

explains why SMEs struggle to deliver consistent responsiveness despite acknowledging its importance.

Overall, the discussion confirms that while customer service responsiveness is universally recognized as critical, its effectiveness is shaped by structural, cultural, and technological contexts. For SMEs in Nairobi, responsiveness is both an opportunity to differentiate and a challenge constrained by resources and systems.

6.0 RECOMMENDATIONS

The study recommends that SMEs should institutionalize responsiveness as a strategic priority. This requires embedding service responsiveness into company values, mission statements, and daily operations. When responsiveness is treated as a core organizational goal, employees are more likely to internalize it in their interactions with customers.

Second, SMEs should invest in technology-enabled solutions to enhance responsiveness. Tools such as customer relationship management (CRM) systems, automated response platforms, and chatbots can reduce delays and ensure customers receive timely acknowledgment even during peak hours.

Third, firms should develop standardized service protocols that clearly define acceptable response times and escalation procedures. By standardizing responsiveness expectations, SMEs can reduce inconsistencies and ensure all customers receive similar levels of service, regardless of staff size or workload.

Employee training should also be prioritized. SMEs should design training programs that emphasize courtesy, empathy, and problem-solving skills, equipping staff to deliver both fast and high-quality responses. Training should also prepare employees to handle diverse customer demographics with sensitivity.

SMEs are further encouraged to adopt multi-channel responsiveness strategies. By offering customers options such as phone, email, social media, and live chat, SMEs can cater to varied customer preferences and improve accessibility. This reduces the risk of customer frustration caused by limited or ineffective communication channels.

Collaboration across industries can also improve responsiveness. SMEs should leverage business associations and networks to share best practices, pool resources, and access training on customer service technologies that would otherwise be too costly to adopt individually.

From a policy perspective, the government should support SMEs by incentivizing digital adoption. Subsidies for CRM software, tax credits for training programs, and grants for service innovation could help SMEs overcome resource limitations.

Finally, researchers should pursue further studies, including longitudinal research designs, to explore the long-term impact of responsiveness on customer loyalty, financial performance, and SME competitiveness. This will provide SMEs with stronger evidence-based guidance.

7.0 CONCLUSIONS

This study concluded that customer service responsiveness is a central determinant of customer satisfaction among SMEs in Nairobi. Customers consistently rated businesses higher when they experienced prompt, courteous, and solution-oriented responses.

The findings reinforced that responsiveness should not be treated as a secondary factor within broader service quality frameworks. Instead, it should be understood as a strategic lever for competitive advantage, capable of directly influencing loyalty and repeat patronage.

The study confirmed multiple theoretical perspectives, including Expectancy-Disconfirmation Theory, Social Exchange Theory, SERVQUAL, and CEM. Each framework provided valuable insights into why responsiveness enhances satisfaction and why its absence leads to dissatisfaction.

However, the study also revealed structural limitations among SMEs. Many businesses lacked sufficient staff, resources, and digital systems to deliver consistent responsiveness, leading to mixed customer experiences.

Differences across industries further underscored the need for sector-specific approaches. Hospitality and retail SMEs benefited from structured customer service systems, while professional services lagged, indicating varying levels of responsiveness maturity.

The results also demonstrated that responsiveness is culturally and demographically sensitive. Younger customers prioritized speed and digital access, while older customers valued courtesy and empathy. This highlights the need for SMEs to adopt flexible responsiveness strategies.

The conclusions also emphasized the role of digital transformation in enabling responsiveness. Without technology adoption, SMEs risk falling behind in customer engagement, particularly in Nairobi's competitive and tech-savvy market.

Ultimately, the study affirmed that responsiveness is both a challenge and an opportunity. By embedding it into strategy, culture, and technology, SMEs in Nairobi can enhance customer satisfaction, secure loyalty, and sustain growth in an increasingly competitive environment.

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