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ASSESSING THE DIGITAL STRATEGIES USED BY COMMERCIAL BANKS IN IMPROVING THEIR COMPETITIVENESS IN KENYA (A case of Equity Bank)

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Abstract: **This research project was aimed at assessing the digital strategies used by commercial banks in improving their competitiveness in Kenya. A commercial bank is a type of financial institution that provides services such as accepting deposits, making business loans, and offering basic investment products. The objectives of this study were: to determine the relationship between digital diversification and competitiveness of the commercial banks in Kenya, to determine the correlation between digital differentiation and competitiveness of commercial banks in Kenya. The study also assessed the correlation between digital differentiation and competitiveness of commercial banks in Kenya, the study sought to establish the contribution of digital cost efficiency on the competitiveness of financial institutions in Kenya and finally to establish the impact of digital customer retention and acquisition strategy on the competitiveness of commercial banks. The study looked at theories advanced on the research variables. Those theories included: strategic conflict theory, competitive dynamic theory and resource advantage theory. The study looked at: the independent variables which were diversification, differentiation and cost efficiency strategies, the moderating variable was customer acquisition strategy and the dependent variable which was competitiveness. The study included a conceptual framework which showed how the variables were connected. The study looked at other related research papers on the topic and sought to point out the research gaps. The study applied a descriptive research design. The target population of the study was Equity bank customers and staff. Questionnaires were used in this study. After collection, the data was arranged, edited, and coded by use of frequencies and percentages. The study was presented in frequency tables and pie charts. The study found out that there was a direct relationship between digital diversification and bank competitiveness, a positive correlation between digital differentiation and banks competitiveness, digital cost efficiency strategies contributed to banks competitiveness and also digital customer acquisition strategies had a moderating effect on the competitiveness of commercial banks. The study concluded that few banks had migrated to the digital platform. Further the study recommended that commercial banks, other financial institutions and even public institutions should fully embrace digitization.**

Keywords: **Digital, Commercial, Competitiveness.**

1. INTRODUCTION

Background of the Study:

A commercial bank is a type of financial institution that provides services such as accepting deposits, making business loans, and offering basic investment products. Financial institutions encompass a broad range of business operations within the financial services sector, including banks, trust companies, insurance companies, and brokerage firms or investment dealers. Virtually everyone living in a developed economy has an ongoing or at least periodic need for the services of financial institutions (Dallegro, 2016).

The early version of what was considered online banking began in 1981. New York City was the first place in the United States of America to test out the innovative way of doing business by providing remote services as four of its major banks — Citibank, Chase Manhattan, Chemical Bank and Manufacturers Hanover — made home-banking access available to their customers. Throughout online banking history, customers have been slow to adopt this new method of banking. In 1981, customers didn’t take to the new initiative, so the online banking system failed to gain momentum until the next wave of innovation in the mid-1990s (Ruth, 2016).

Digital disruption may help the healthy part of the financial sector to survive the pressures of low growth, waning profitability and tough regulation, and to solidly re-establish its customers’ trust and its reputation with society. If banks could offer a better user experience, they would again come closer to what customers demanded and needed to satisfy their aspirations and take advantage of the opportunity of this new age, since they were already living exposed to the digital transformation in nearly all aspects of their lives.

Statement of the Problem:

Most banks have relied on Technology to reduce cost as a competitive measure. But the underlying question is, “Has digital banking solved the underlying problems in the industry?” Andrew Moela in 2016 looked at challenges faced by banks in the digital banking era, which include cost. Although various studies have been carried out on the Digital strategies used by financial institutions in Kenya, the researcher did not come across a study that has focused on differentiation and diversification strategies. Cost efficiency as a digital strategy has not been conclusively researched. The study will therefore focus on the contribution of cost efficiency strategy on competitiveness as it seeks to determine its relationship with diversification strategies on the digital platform. The study will also focus on correlation of differentiation strategies and competitiveness of financial institutions.

2. LITERATURE REVIEW

Strategic Conflict Theory:

One competition-based theory of business strategy is strategic conflict. The strategic conflict approach complements Porter's strategies in that it recognizes the ability a firm has to manipulate its market environment, thus improving its competitive outlook. Utilizing a game theoretic foundation, strategic conflict can help firms identify and pursue a preferred position within their industry. As firms take action, they also anticipate what action they believe their rivals will take (Smith, K. 2001).

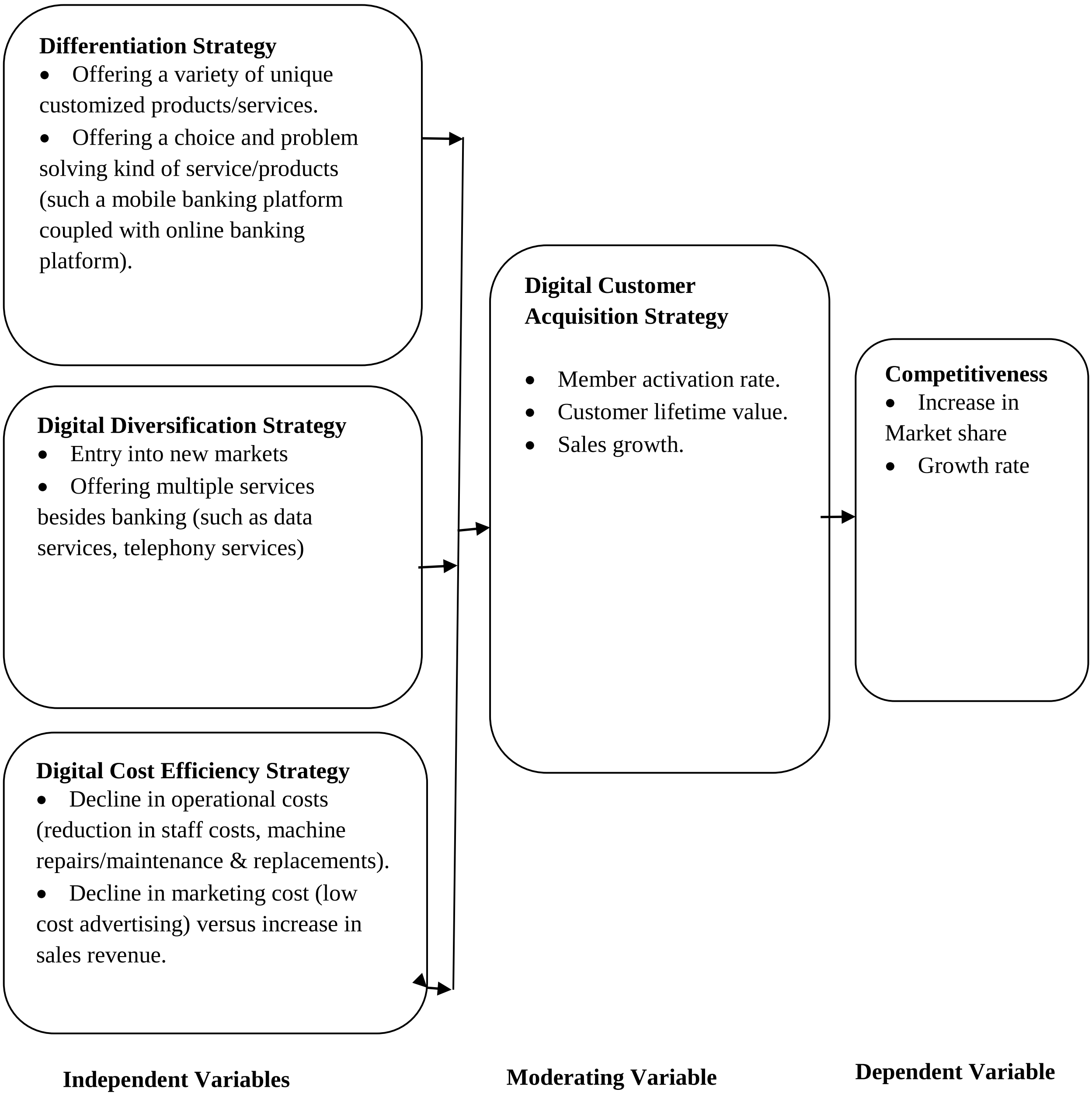
Competitive Dynamics Theory:

Competitive dynamics theory helps explain the interaction and impact of firm actions and competitor reactions in a given industry. Action can relate to any observable decision made by a firm for the purpose of defending their current competitive position or attempting to gain a new competitive position. Examples of actions may include making price changes, initiating special marketing activities, introducing new products, or withdrawing from a market (Smith et al, 2015).

The competitive dynamics model looks at both the firm initiating a competitive move as well as the reacting rival firm. Several characteristics of the initiating firm's action are considered by the competitor before formulating a response. First, the magnitude of the action is assessed. For example, an action that required significant financial investment or resources would be considered high magnitude and warrant more competitive attention. Second, the scope of the action is relevant. An action that has an impact on multiple competitors is more potentially threatening than an action that has an impact on only one competitor firm. Third, the type of action (tactical/temporary versus more strategic) is considered (Smith et al, 2015).

Conceptual Framework:

A conceptual framework represents the researcher’s synthesis of literature on how to explain a phenomenon. It is the researcher’s understanding of how the particular variables in his study connect with each other. Thus, it identifies the variables required in the research investigation. (Regoniel, 2015).



3. RESEARCH METHOLOGY

Target Population

According to Mugenda and Mugenda (2003), target population is the members of a real or hypothetical set of people, events or objects the researcher wishes to generalize the results of in the research. The target population of the study was comprised of 250 respondents, that is, 170 members of staff and 80 high end clientele of Equity Bank. The bank has a huge clientele base while the number of the members of staff is also high. The study therefore used an optimum number of respondents which was 250.

4. DATA PRESENTATION AND ANALYSIS

The overall purpose of the study was to assess the digital strategies used by commercial banks in improving their competitiveness in Kenya. For the purpose of showing the relationships between the variables the data was analyzed using percentages and presented in tables and pie charts and also regression equation to establish relationship. This chapter was guided by the study's research questions and the objectives.

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Pilot Test Results/ Reliability of the Results

Table 1: Reliability of the Pilot Test

	Test	Retest	a	b	a * b	a^2	b^2
Digital Diversification	20	22	-1.5	-1	1.5	2.25	1
Digital differentiation	32	30	13.5	7	94.5	182.25	49
Digital Cost Efficiency	12	19	-6.5	-4	26	42.25	16
Digital Customer Acquisition	10	21	-8.5	-2	17	72.25	4
Total	**74**	**92**			**139**	**299**	**70**

Mean of the test 74/4 =18.5 mean of the retest 92/4 = 23

Correlation = 139/144.67

Correlation = 0.961

A correlation of 0.961 shows a high positive correlation indicating a reliability of the pilot test.

Table 2: Gender of the Respondents

GENDER	FREQUENCY	PERCENTAGE (%)
Male	11	53.3%
Female	9	46.7%
TOTAL	**20**	**100%**

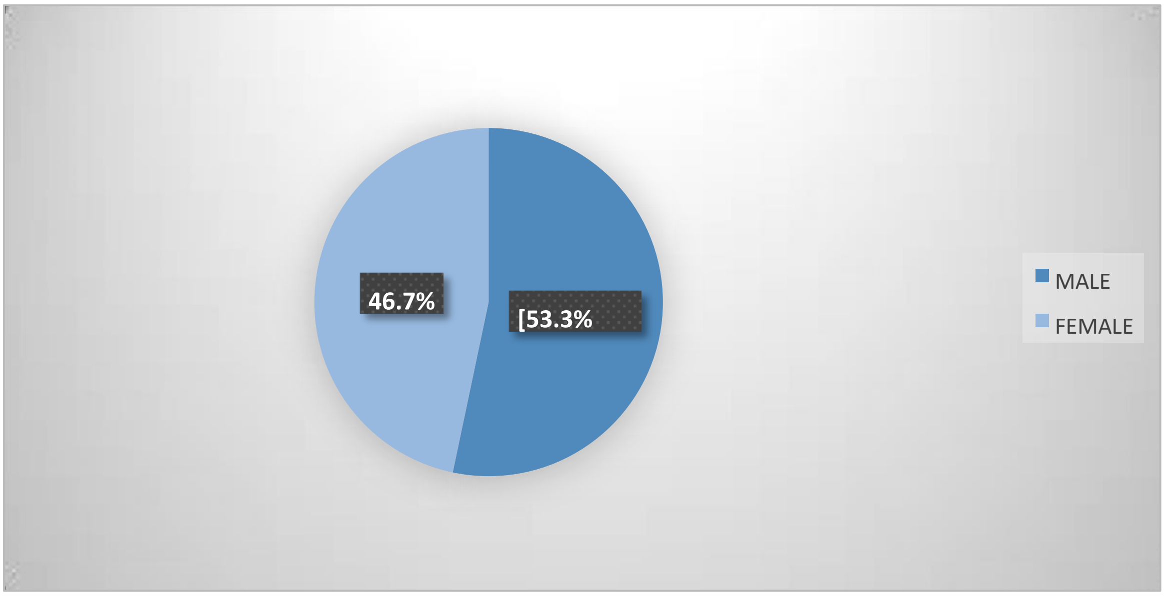

Figure 1: Pie chart representing the gender of the respondents

As can be seen from the pie chart 53.3% of the respondents were men while only 46.7% were women from the pilot study.

Table 3: Age of the respondents

AGE	FREQUENCY	PERCENTAGE (%)
20-25	20	17.39%
26-30	40	34.78%
31-35	25	21.74%
36-40	20	17.39%
Above 41	10	8.70%
TOTAL	**115**	**100%**

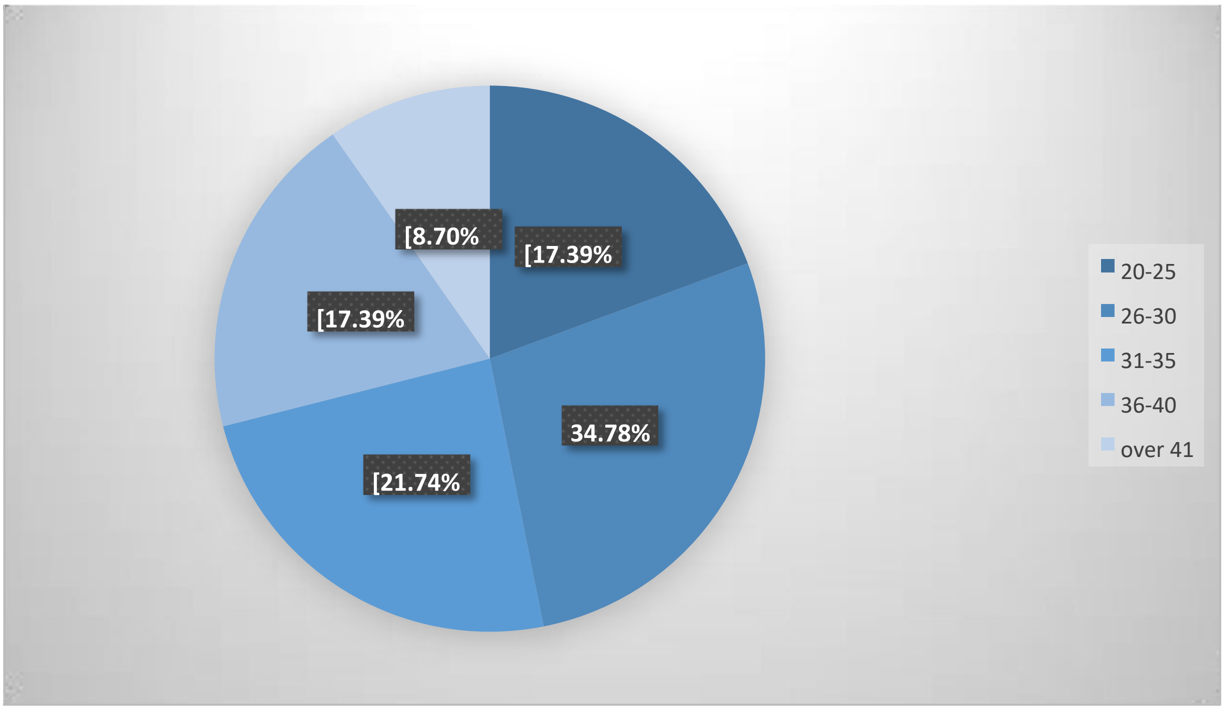

Figure 2: Pie chart representing age distribution among respondents

From the analysis, the largest number of respondents, 34.78%, lay in age group 26-30 years, followed by age group 20-25 which constituted 21.74% of the total respondents. This meant that a great percentage, that is, 73.91% of the respondents were between the ages of 20 to 35 and could therefore have been the majority of employees and bank customers in the sampled areas. Respondents in the age group of 36-40 years constituted 17.39% of the total respondents and finally the least number of respondents 8.70%, comprised of respondents above the age of 41 years.

Descriptive Statistics

Table 4: Response Rate by Department.

DEPARTMENT	NUMBER OF RESPONDENTS	PERCENTAGE (%)
Bank Operations	40	34.8%
Credit	35	30.4%
Banc assurance	25	21.7%
Investment Banking	10	8.70%
Strategy/Executive	5	4.34%
TOTAL	**115**	**100%**

From table 4.3 above, the highest number of respondents were from Bank Operations who comprised of 34.8%, followed by Credit, Banc assurance and investment banking with 8.70% each and the least being Strategy/Executive with 4.34% of the total respondents.

Table 5: Response Rate by Rank.

RANK	NUMBER OF RESPONDENTS	PERCENTAGE (%)
Directors& General Managers	10	8.70%
Seniors & Mid-level managers	30	26.09%
Low level managers& Senior Officers	35	30.43%
Corporate & Individual customers	40	34.78%
TOTAL	**115**	**100%**

Source: research data

The highest number of respondents was from Corporate & Individual customers with 34.78% followed by Low level managers& Senior Officers with 30.43% and the least being Directors& General Managers with 8.70% of the total respondents.

Table 6: Response Rate by the length of Service/Relationship

LENGTH OF SERVICE/RELATIONSHIP	NUMBER OF RESPONDENTS	PERCENTAGE (%)
Less than 1 year	15	13.11%
1 – 3 years	25	21.7%
3 – 6 years	35	30.4%
6- 10years	30	26.09%
More than 10 years	10	8.70%
TOTAL	**115**	**100%**

The highest number of respondents was from those who have served in the bank or have been bank's customers for a period of between 3 to 6 years comprising of 30.4% of the total respondents. It was then followed by those with 6 to 10 years of service in the bank or have enjoyed the bank's products/services comprising of 26.09% and the least being those whose length of service/relationship exceed 10 years comprising 8.70% of the total respondents.

Table 7: Response Rate by the Level of Differentiation of the Bank's Product/Service

PERCENTAGE OF DIFFERENTIATION	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Less than 20%	15	13.04%
20 % – 40 %	10	8.70%
40% - 50%	20	17.39%
50% - 70%	30	26.09%
Above 70 %	40	34.78%
TOTAL	**115**	**100%**

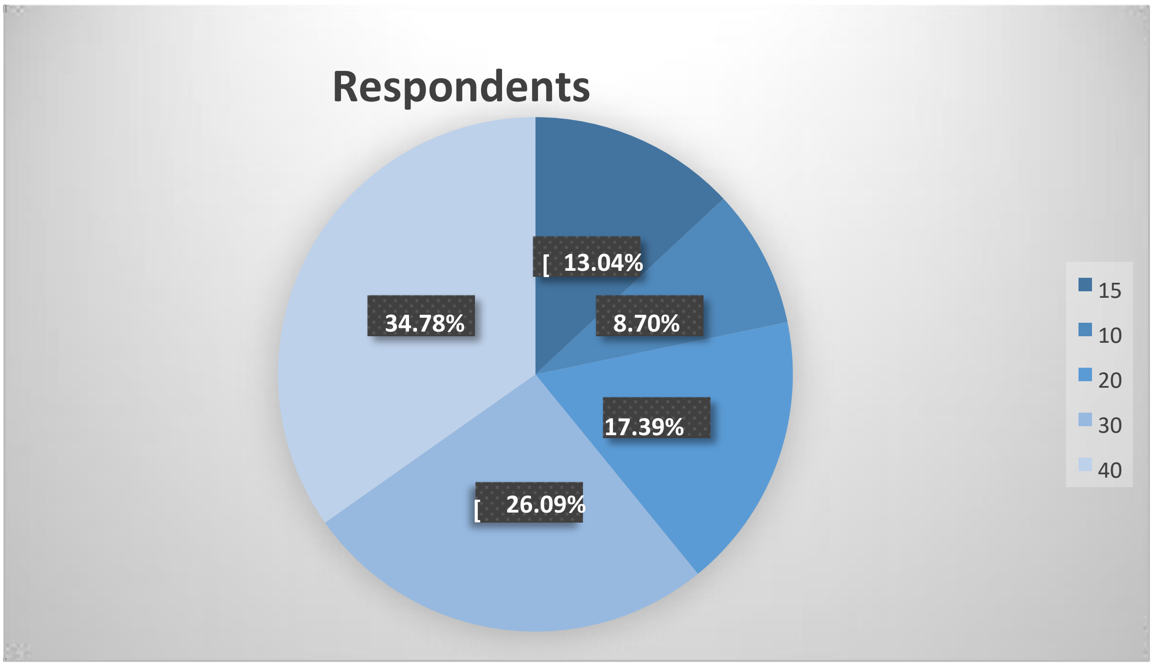

Figure 3: Pie chart representing distribution of respondents views on the extent/level of differentiation of the bank's product/service.

Table 8: Response Rate by the Impact of Diversification Approaches on the Bank's Competitiveness on the Digital platform.

PERCENTAGE OF IMPACT	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
0%(No impact)	5	4.35%
Below 25%	10	8.70%
25% - 50%	20	17.39%
50% - 75%	35	30.43%
Above 75%	45	39.13%
Total	**115**	**100%**

The highest number of respondents was from those who feel the bank's diversification strategies have a very high impact on its competitiveness comprising of 39.13% of the total respondents. It was then followed by those who feel the bank's diversification strategies have a considerable level of impact on its competitiveness comprising of 30.43% and the least being those who feel the bank's diversification strategies have no impact on its competitiveness comprising of 4.35% of the total respondents.

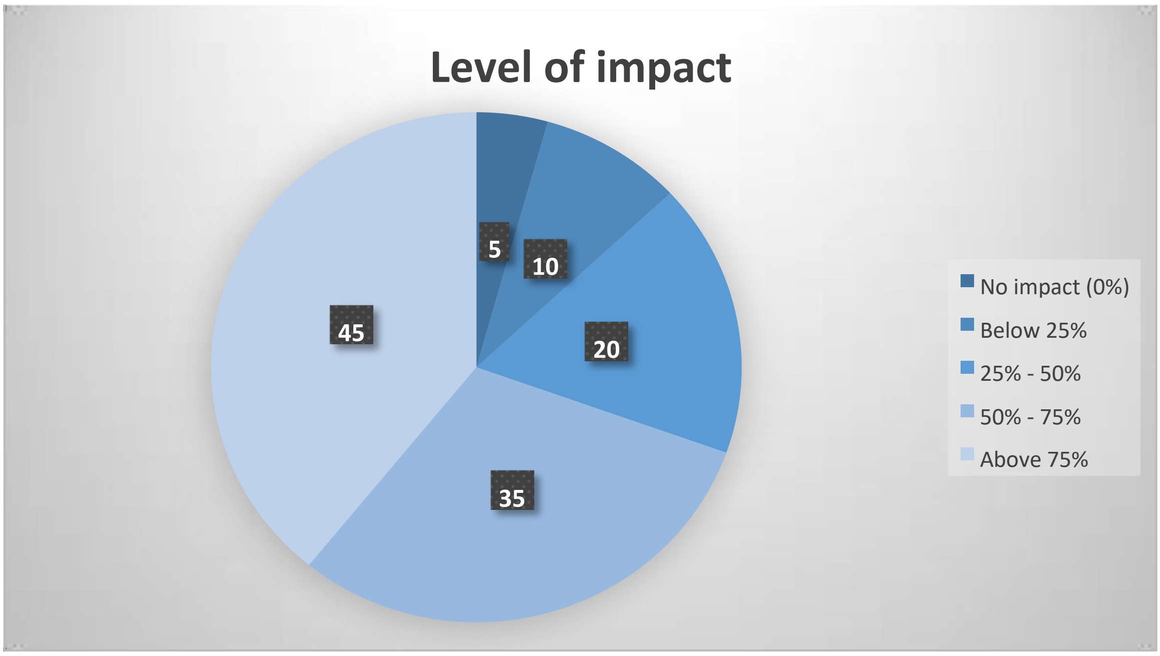

Figure 4: Pie chart representing distribution of respondents views on the level of impactof diversification approaches on the bank's competitiveness.

Table 9: Response Rate on the level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform

LEVEL OF CONTRIBUTION	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
0 – 20%	3	2.61%
20% - 40%	9	7.83%
40% - 60%	18	15.65%
60% - 80%	37	32.17%
Above 80%	48	41.74%
Total	**115**	**100%**

The highest number of respondents was from those who feel the bank has adopted cost efficiency strategies that have a high contribution on reduction if marketing cost on the digital platform thus improving its competitiveness comprising of

41.74% of the total respondents. It was then followed by those who feel adopted cost efficiency strategies have a considerably high level of contribution on its competitiveness comprising of 32.17% and the least being those who feel the bank's cost efficiency strategies have no contribution or have a very low level of contribution on its competitiveness comprising of 2.61% of the total respondents. The highest number of respondents was from those who feel the bank has adopted cost efficiency

Table 10: Response Rate on the Effects of Digital Customer Acquisition.

LEVEL OF CONTRIBUTION	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
0 – 10%	10	8.70%
10% - 30%	18	15.65%
30% - 50%	20	17.39%
50% - 75%	28	24.35%
Above 75%	39	33.91%
Total	**115**	**100%**

The highest number of respondents was from those who feel the bank has adopted very strong digital customer acquisition strategies by introducing customized digital products and services, also by availing unique open ended products/services on the digital platform that has earned it more customers.This number comprised of 33.91% of the total respondents. It was then followed by those who feel adopted digital customer acquisition strategies have a considerably high level of contribution on its acquisition mechanisms comprising of 24.35% and the least being those who feel the bank's digital customer acquisition strategies have no effect or have a very low effect comprising of 8.70% of the total respondents.

Table 11: Response Rate on the Bank's Growth Rate on the Digital Platform.

GROWTH RATE	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
0 – 20%	7	6.09%
20% - 40%	13	11.30%
40% - 60%	25	21.74%
60% - 80%	35	30.43%
Above 80%	35	30.43%
Total	**115**	**100%**

The highest number of respondents was from those who think the bank has grown or is growing at a very high rate comprising of 30.43% of the total respondents. A similar percentage of 30.43% constitutes those who view the bank's growth rate being considerably thus improving its competitiveness. The least being those who view the bank growing at a very low rate and this comprise of 6.09% of the total respondents.

Competitiveness as indicated by market share and growth rate is a factor of digital differentiation, digital diversification, digital cost efficiency and digital customer retention/acquisition.

5. INFERENTIAL ANALYSIS

Correlation Analysis:

Table below shows the correlation analysis between the variables. It is evident that all the independent variables have a positive relationship with Bank Growth Rate on the Digital Platform this is justified by the specific correlation coefficient of the specific variables: Level of Differentiation of the Bank's Product/Service (r=0.566), Impact of Diversification Approaches on the Bank's Competitiveness(r=0.634), cost efficiency strategies on reduction of the bank's marketing cost on the digital platform (r=0. 644), and the Effects of Digital Customer Acquisition (r=0.658). Additionally, it is imperative to note that all the relationships are significant because their p values are less than 0.05. It implies that Bank Growth Rate on the Digital Platform is likely to improve. Equity bank has successfully improved its competitiveness by putting in place several strategic planning practices.

Table 12: Correlation Analysis

		Level of Differentiation of the Bank's Product/Service	Impact of Diversification Approaches on the Bank's Competitiveness	level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform	the Effects of Digital Customer Acquisition	Bank Growth Rate on the Digital Platform.
Level of Differentiation of the Bank's Product/Service	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	115				
Impact of Diversification Approaches on the Bank's Competitiveness	Pearson Correlation	.469**	1			
	Sig. (2-tailed)	.000				
	N	115	115			
level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform	Pearson Correlation	.459**	.656**	1		
	Sig. (2-tailed)	.000	.000			
	N	115	115	115		
the Effects of Digital Customer Acquisition	Pearson Correlation	.547**	.510**	.606**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	115	115	115	115	
Bank Growth Rate on the Digital Platform.	Pearson Correlation	.566**	.634**	.644**	.658**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	115	115	115	115	115

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

Regression Analysis:

In determining the relationship between dependent (Bank Growth Rate on the Digital Platform) and independent (firm competitiveness), the study used multiple regression analysis. Additionally, to quantify the goodness of fit regression equation, it was prudent to use a correlation coefficient between the dependent and the independent variables. The results of these analyses are shown in table 4.9. It is evident that the model has a positive relationship between the independent and the dependent variables because their Pearson correlation value is 0.774. Furthermore, a determination coefficient value of 0.599 and 0.584 when adjusted indicates that the independent variables make up 59.9% of the change in firm growth rate on digital platform. Durbin-Watson test to ascertain that the residual of the model was not auto-related owing to the fact that the independence of the residual is a basic hypothesis of regression analysis. The DW value was 1.543, which is close to the prescribed value of 2.0. It indicates that there was no autocorrelation.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.295	4	9.324	41.081	.000[b]
	Residual	24.966	110	.227		
	Total	62.261	114			

a. Dependent Variable: Bank Growth Rate on the Digital Platform.

b. Predictors: (Constant), the Effects of Digital Customer Acquisition, Impact of Diversification Approaches on the Bank's Competitiveness, Level of Differentiation of the Bank's Product/Service , level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform

Analysis of Variance (ANOVA):

ANOVA was used to test a simultaneous association between two or more means. Precisely, it was used to examine the extent of relationship between the dependent and the independent variables, which helped in expressing the significance of the regression model. The results are presented in table 4.9.1. It is evident that the regression model had a margin error of 0.00, which implies that the model presents a risk of 0% of giving a false prediction. Additionally, the table shows that the F-ratio (F=41.081, p=0.149) was statistically significant. It implies that this used an appropriate model and the association of the variables was not by chance.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
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	Residual	24.966	110	.227		
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a. Dependent Variable: Bank Growth Rate on the Digital Platform.

b. Predictors: (Constant), the Effects of Digital Customer Acquisition, Impact of Diversification Approaches on the Bank's Competitiveness, Level of Differentiation of the Bank's Product/Service , level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform

Table:-shows the results of the estimated coefficient, which illustrates the contribution of the independent variables to the variation in the dependent variable. It is evident Impact of Diversification Approaches on the Bank's Competitiveness (β=.235, *p*=.002) significantly and positively affected the Bank Growth Rate on the Digital Platform. Furthermore, the results indicated that level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform (β=.207, *p*=.019), the Effects of Digital Customer Acquisition (β=.329, *p*=.000), and Level of Differentiation of the Bank's Product/Service (β=.180, *p*=.015)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.758	.293		2.591	.011
	Level of Differentiation of the Bank's Product/Service	.180	.073	.186	2.483	.015
	Impact of Diversification Approaches on the Bank's Competitiveness	.235	.076	.257	3.095	.002
	level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform	.207	.087	.209	2.372	.019
	the Effects of Digital Customer Acquisition	.329	.091	.298	3.613	.000

a. Dependent Variable: Bank Growth Rate on the Digital Platform.

To ascertain the relationship between the dependent and the independent variables, this study used the regression analysis highlighted below.

$$\gamma = \beta_0 + \beta_1 X_{po} + \beta_2 X_{fs} + \beta_3 X_{iw} + \beta_4 X_{cfr} + \varepsilon$$

Where:

β_0Is the regression constant for the y-intercept

γBank Growth Rate on the Digital Platform

$\beta_1, \beta_2, \beta_3$, and β_4 Are regression coefficient po: Impact of Diversification Approaches on the Bank's Competitiveness

fs: level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform

iw: the Effects of Digital Customer Acquisition

cfr: Level of Differentiation of the Bank's Product/Service

$$\gamma = 0.758 + 0.235X_{po} + 0.207X_{fs} + 0.329X_{iw} + 0.180X_{cfr} + \varepsilon$$

The established regression equation indicates that c*eteris paribus,* Bank Growth Rate on the Digital Platform is 0.758units. Additionally, *ceteris paribus*, an Impact of Diversification Approaches on the Bank's Competitiveness by one unit increases digital growth by 23.5%, an increase in level of contribution of cost efficiency strategies on reduction of the bank's marketing cost on the digital platform by one unit will increase digital growth by 20.7% an increase in the Effects of Digital Customer Acquisition by one unit increases digital growth by 32.9%, and an increase in Level of Differentiation of the Bank's Product/Service by one unit increases firm competitiveness by 18%. Thus, this study has established that among the four predictors used in this study, product optimization practices have the greatest contribution to Bank Growth Rate on the Digital Platform.

6. SUMMARY, CONCLUSION AND RECOMMENDATION

Summary of Findings:

The objective of the study was to assess the digital strategies used by commercial banks in improving their competitiveness in Kenya. The study found out that there exists a direct relationship between digital differentiation strategies such as digital customization of products/services and competitiveness of commercial banks. The study also found out that there was a positive correlation between digital diversification strategies and improving competitiveness of commercial banks. Digital cost efficiency strategies contributed to improvement of competitiveness of commercial banks. Finally the study found out that there was a moderating effect of digital customer acquisition strategies on improving the competitiveness of commercial banks in Kenya.

The study supported the need for banks to digitize their processes, products and services. This was attributed to the fact that the world is headed the digital way. The study established that Equity Bank had digital strategies that have seen it be on the leading front in various parameters. This was achieved by digital differentiation which included services such as loan application, self-appraisal and loan processing digitally without the intervention of the bank officers. The bank stood out with unique, customized digital products such as the Eazzy Banking Suite which include: EazzPay to allow bills payment to also payment of goods and services, EazzyNet which enables full access to account for individual account holders, EazzApp which is an online platform for accessing the accounts and also Eazzy Chama which enables group/chamas/saccos to maintain their records in softcopy, reconcile them and also view the bank balances.

The bank's digital diversification strategy helped it enter the Telco industry. The bank was able to introduce a mobile banking tool branded Equitel. The tool which is a sim-card enables transactions to be conducted electronically. Besides that, the sim card was enabled to do telephony services which included: voice calls and messaging. This triggered the telco industry as it posed a great challenge to the players in the industry who included Safaricom, Airtel and Telkom.

The study also found that the bank had extended its digital diversification strategy through provision of internet services. The bank's customers were and still are able to purchase internet bundles through the Equitel sim card, in order to access the internet thus challenging other major internet service providers such as Access Kenya, Jamii Telkom, Safaricom, Airtel, Telkom and Zuku.

As part of digital customer acquisition, the bank introduced a platform known as self service which enables customers to use their bank accounts to access funds from Paypal accounts, a service is offered by an American firm. The bank also partnered with other digital service providers such as TransFast, PayPal, Visa (Visa Personal Payments-VPP), Pesalink, Uber and Zoom in a move to be a one stop shop and retain its customers on the digital platform. Through its platforms, Eazzy 247, Eazzynet and EazzyApp, non customers are able to open bank accounts online. Through this, the bank is able to acquire more customers in huge numbers by use of its huge digital muscles.

Through digitization, the bank was able to introduce cost efficient services. These services are cost effective both to its customers as well as the bank. The digital platforms offered to the customers have reduced their turnaround time. For instance, salary processing by various employers has been simplified and is now being done from the employers' offices on the EazzyBiz platform. Through engaging with small and medium enterprises, the bank is able to offer a wide range of services at the agents' locations. This therefore has helped decongest banking halls, thus reducing rented space and also reduction of manpower.

Conclusion:

Digitalization is a major wave that has hit businesses, major organizations and in this context, commercial banks. It has shaped how things are done, how services are offered and also how products reach the end consumer. It has not only brought speed but also variety, choice, preference and also much convenience with services migrating to online self service. Few players in various industries have fully embraced it. In the banking industry, the few banks who have fully embraced the wave have reaped massively from it. Equity bank has not just adopted it but has served as a pioneer in the digital journey.

The strategies adopted by the bank have helped it to create a niche market for itself. More customers have come on board with a desire to consume the bank's digital products. More of the existing customers have shown confidence in the usage of the digital services the bank has continued to offer. According to the Nairobi Stocks Exchange (NSE) report, Equity bank had the largest market share in terms of customer base, thanks to its solid digital customer acquisition strategies, trolling other large competitors such as Kenya Commercial Bank (KCB) which led in terms of asset base. Its digital diversification strategies has seen it successfully compete with other large international brands such as CFC Stanbic and Standard Chartered Bank by establishing its presence in most of the East and Central African region and having a grip of regional control in the African continent.

Recommendations of the study:

Technological change is an external force that organizations have no control of. It is therefore dynamic. Digitization is an element of technological change that has hit various industries like a storm. It is therefore imperative for players in various industries to fully embrace it. The financial industry precisely the banks will not only need it for survival but more so to be competitive especially on the global scale.

Digitization should also be embraced by public institutions. This would help improve service, reduce the turnaround time, increase speed, improve convenience and enhance globalization.

Implication of the Study:

The study would be used to align the industry to the technological changes affecting the players. The study would trigger more research to be done on commercial banks and other financial institutions. The study would guide the regulator in drafting policies affecting the industry. The study would be used by the government to caution the industry players on the effects of macro-environmental factors.

Suggestion for further research:

The study investigated the digital strategies used by commercial banks in improving their competitiveness. The study suggests a similar study to be done on public/government institutions, to assess the level of digital absorption of services. The study also suggests further research to be done on the effects of consumption of digital products/services. The study suggests a study on the digital strategies used by micro financial institutions, in order to determine how strong they are to survive the digital wave.

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