

Competitive Strategies and Performance of Selected Commercial Banks in Uasin Gishu County, Kenya

Kenneth Otieno ¹, Dr. Abel Anyieni ²

¹MBA (Strategic Management) Student, ²Senior Lecturer, ^{1,2}Kenyatta University

Abstract: The study sought to examine the association between competitive strategies and performance of commercial banks in Uasin Gishu County. This research was based on theories of resource based view, open systems, strategic balancing, Porter's five forces model and theory of performance. These theories and variables of the study were related with the help of a conceptual framework. The study adopted descriptive research design. Population for the study comprised of 37 commercial banks and their management staff. The sample size was 34 commercial banks from which 102 respondents who were selected through purposive, stratified and simple random sampling. Data collection was done using structured questionnaires. The collected data was coded, cleaned and tabulated through the use of SPSS version 21 software. Descriptive and inferential data analysis including regression analysis were used to analyse the data. Pearson's Product Moment Correlation Coefficient was also used to determine whether there is significant relationship between differentiation strategy, cost leadership strategy, focus strategy and product innovation strategy and performance of commercial banks in Uasin Gishu County. The results of the correlation analysis indicated no evidence of multicollinearity among the variables. Regression results indicated that the use of differentiation, cost leadership, focus and product innovation strategies had a positive and statistically significant influence on the performance of commercial banks with coefficients of (B=0.560, p<0.001), (B=0.314 p<0.001), (B=0.254 p<0.001) and (B=0.516 p<0.001) respectively. These results indicate that for each unit adoption of these strategies, there was a corresponding increase in commercial bank performance by the values of the coefficients. Based on the results of this study, therefore, it was concluded that competitive strategies positively impacted the financial results of banking institutions in Uasin Gishu County. The study recommended that commercial bank's leadership teams should be keen on the use of competitive strategies as the success of a business or strategy primarily depends on the innovativeness, uniqueness, energy and expertise of its management staff.

Keywords: Competitive Strategies, Cost Leadership Strategy, Focus Strategy, Differentiation strategy, Product innovation strategy and Performance.

I. INTRODUCTION

The 21st century is characterized with vibrant markets, frequent changes in technology which has continuously resulted into discussions on sustainability of businesses in their respective industries. Most businesses are under competitive pressure to improve on their quality of service and products, productivity and operational efficiency. Due to this, dramatic organizational improvements have been witnessed worldwide although it has not so far translated into sustainable performance of businesses (Mutua, 2013). Incremental strategic changes are now being developed by businesses in an attempt to achieve competitive advantage. Strategy entails setting a direction and having a future oriented approach for undertaking activities bound to happen in the future. Challenges in the business environment result from various factors such as political, social and economic. Therefore, it is in the best interest of a business to ensure it strives to design a strategy that will make it maintain its competitiveness in the industry. These strategies provide opportunities for business to gain sustainable advantage and achieve greater performance over its business rivals (Njoroge, 2017). It is therefore

apparent that for firms to exploit different industry opportunities, they need to have sound strategies formulated proactively in tandem with industry dynamics. According to Cole (1997), the responsibility for initiating and spearheading organization strategy lies with the top management teams of the organization, because it concerns organization's future positioning and survival. He states that it is this responsibility that differentiates members of top management from the rest in the management structure.

Empirical and theoretical literature have identified a number of competitive strategies that can be adopted by firms to enhance their performance including differentiation, Focus, cost leadership and product innovation strategies. Product differentiation strategy is concerned with provision of unique products and services for different buyer groups in the market. Potter (1998) asserts that a firm should embrace unique services and products or be seen to be unique in these aspects if they want to scout premium pricing. Shao (2015) explains that Product differentiation strategy is concerned with introduction of a significantly improved or new product into an organization. Cost leadership strategy allows businesses to aim at being low-cost operators which enable them to achieve greater returns than their rivals in the market.

Cost leadership strategy is a subject and function of efficiency (Barney et.al, 2014). Focus strategies concentrates efforts and resources of a firm on a niche market with the aim of only serving a specific segment of the market. With this strategy, a business is fully aware of its markets and customers' needs and therefore strives to produce products that lead to satisfaction of the needs of that market. Finally, Product innovation strategies are c improving the characteristics, design, specification and systems that produce a product. The strategy involves four types of innovation; incremental, modular, radical and architectural. Gareth and George (2006), defines organizational performance as a measure of the extent to which managers efficiently and effectively utilize available resources to meet customer needs and achieve strategic goals. From the foregoing, they assert the existence of a proportionate similarity in organizational performance and its efficiency and effectiveness and that businesses are regarded as efficient at a time the managers minimize input resources as well as the time it takes in production. The linkage between a firm's competitive strategies to its performance was a concept put forth by Barney (2002). Performers and competitors were distinguished through their experience and this was on how they constructed and maintained their competitive essence. Organizations are considered effective when they aim at appropriate goals and then accomplish them. Kaiba (2016) came up with an effective generic strategy, which include overall cost leadership, focus or differentiation strategies to achieve optimal performance. Normand and Harry (2009), observe that the usual constraints organizations face in an industry are unparalleled in history; which has occasionally been summed up by dynamic markets, lack of confidence in business executives, terrorism threats, lack of top management support and increasing operational costs.

There are several challenges faced by the banking industry players in their growth and development. According to a report by Fact Pack (2016), the banking sector generally improved with a balance sheet growth rate of 9.2% in 2015. Notable growth indicators have been witnessed in the industry ranging from alternative distribution channels including internet, mobile and agency banking which have so far encouraged growth of customer numbers. However, despite this, the industry still faces challenges with recent developments in the market by the government of Kenya which require they adhere to regulations and enacted laws. The national treasury consistently aligned commercial bank services under the economic pillar of Vision 2030. With all these expectations, banks are called upon to align their systems and processes with these regulations or face the wrath of the regulator, Central Bank of Kenya (CBK). In the last decade, the level of competition in the banking industry in Kenya has tremendously changed. According to the regulator, the number of banking institutions had reduced to 41 as at December 2017 and these included two banks which were placed under statutory management and receivership (CBK 2017). Pointedly, there was also significant reduction on number of bank branches by 1.49%, from a total of 1541 banks in 2016 to 1518 in 2017. The regulator reported that Nairobi County was the most improved with reference to bank branches having witnessed additional 17 in 2016. However, CBK reported that the County also recorded the highest decrease of 14 branches in 2017, resulting into a net increase of only three branches in a period of two years. A number of counties had a decrease in the amount of branches as this could be attributed to improved technology where most banks embraced use of technology and agency banking approach to reach the unbanked population (promoting financial inclusion) as well as make banking more convenient for people on the move thus capitalizing on technology. Uasin Gishu County has a total of 37 commercial banks as at 31st December, 2017, with some banks having more than one branch in different locations within the county totaling 45 branches countywide. This is an increase by 10 banks from 27 commercial banks in 2016 (CBK, 2017).

1. *Statement of the Problem*

In order to maintain their survival and greater performance, majority of commercial banks adopted different competitive ways to ensure survival and greater performance. The approaches entail cost leadership, product differentiation, focus and product innovation strategies (Sifuna, 2014). Wesulah (2016) found out that Barclay's bank had created competitive advantage through depressed pricing models, product differentiation and market segmentation. Ndung'u, Otieno and Rotich (2016) also did a study on competitive business strategies on financial performance of commercial banks in Kenya: case study of Equity Bank Limited. They found out that differentiation, cost leadership as well as organizational capabilities were taken up as some of the strategies by the Equity Bank and had substantial effect on the overall financial performance. Kinyungu and Ogollah (2017) conducted a study on influence of competitive strategies on organizational performance of Kenya Commercial Bank. Their research concluded that product innovation, market focus as well as product differentiation strategies had a statistically significant influence on performance of Kenya Commercial Bank. Finally, Kimencu and Sheikh (2017) conducted a study on influence of competitive strategies on the performance of Barclays Bank in Garissa County. They found out that cost leadership, differentiation and marketing strategies helped Barclays Bank improve efficiency and also attaining competitive advantage. They singled out differentiation strategy as allowing banks to launch and manage several products in the market. From the foregoing, it is indicative that several studies have been done in other regions with limited empirical literature focusing on Uasin Gishu County. In addition, most of the previous studies focused on individual commercial banks with limited focus across selected banks in a particular geographic area. Therefore, this research was intended to fill this gap through establishing the relationship between competitive strategies and performance of selected banks in Uasin Gishu County.

2. *Objective of the Study*

The aim of this study was to establish the relationship between competitive strategies and performance of selected commercial banks in Uasin Gishu County, Kenya. Specific Objectives included:

- i. To find out the influence of differentiation strategy on performance of commercial banks in Uasin Gishu County.
- ii. To determine the effect of cost leadership strategy on performance of commercial banks in Uasin Gishu County.
- iii. Establish effect of focus strategy on performance of commercial banks in Uasin Gishu County.
- iv. Investigate the influence of product innovation strategy on performance of commercial banks in Uasin Gishu County.

II. LITERATURE REVIEW

1. *Theoretical Review*

Resource Based View: The resource based view (RBV) theory delves on relationship that exists between a firm's resources and competition. Developed by Wernerfelt in 1984, the theory provides an understanding of how resources held by a firm can effectively contribute to its performance by emphasizing on how they compete for resources and how well they use their resource to compete in the market. Barney (1991) argues that resources and superior capabilities are required in a business to gain a marketing edge. Resources are the specific assets that a business has and it is through these resources that it can gain a competitive edge. Barney (1991) further argues that the resources should be non-substitutable, imperfectly imitable, valuable and rare for the business to succeed in creation of a competitive advantage. It is only through creation of a competitive strategy that the resources can be manipulated in a manner that promotes business sustainability in the industry. The firm's resources were classified into three types by early researchers which included; physical, human and monetary. These resources according to Barney (2014) includes all assets, abilities, processes of the organization, information, knowledge, skills and firm attributes that a firm controls and further help the firm in implementation of effective and efficient strategies. The RBV theory is therefore relevant to the study as it helps in addressing critical questions as to why firms within an industry differ in efficiently achieving competitive advantage using their resources. In the quest of trying to remain competitive, banks should ensure that they optimally utilize their resources to their advantage. Moreover, banks can struggle to produce their products or offer services at costs lower than those created by their rivals in the market thereby making them cost leaders (Barney, 2014).

Porter's Five Forces Model: The theory is anchored on a micro-economic environment which has over the years continuously shaped strategic management practices of businesses worldwide (Porter, 1980). Additionally, it argues that a corporate strategy must ensure that it meets threats and opportunities in the firm's external environment. He identifies five

competitive forces that a business should consider when designing strategies. Porter (1998) identifies these forces combined strongly indicate the level of competition in the industry and subsequently attractiveness and profitability of the industry. It is therefore important that banks understand the main competitive forces within their industry as it is only through this knowledge that they will be able to design efficient strategies to counter these forces. Different industries face different competitive forces and thus it is critical that each industry gets insights into its competitive forces. Porter (1998) argues that if a business figures out the forces that bring about competition in its industry, then it will lay a good foundation for developing a strategy. If the forces are extremely high, then businesses within the industry will fail to earn great profits and if the forces are low, then the businesses will be profitable. The most common strategies as identified by Porter (1998) include focus, differentiation as well as cost-leadership. In other cases, he argues that businesses, banks, can opt to pick on more than one strategy depending on their capability and intensity of competition in the industry. The model is important in examining the main competitive forces in the market and determining their strength. The main objective of competitive strategy should be to counter these forces in such a way that it will improve on the organization's positioning. The bank's management should critically examine the forces and ensure the banks remain competitive in the industry. Further this will help banks to develop different strategic options that will ensure they continuously improve on their overall performance and strategic positioning

2. Empirical Review

Differentiation Strategy and Performance: Product differentiation strategy is concerned with provision of unique products and services for different buyer groups in the market. Potter (1998) asserts that a firm should embrace unique services and products or be seen to be unique in these aspects if they want to scout premium pricing. Shao (2015) explains that the strategy goes further to appeal a product's particular attributes to its customers that cannot be replicated elsewhere. Product differentiation strategy is concerned with introduction of a significantly improved or new product into an organization. This new product would have improved characteristics, specification and systems which produce it. It is important in the event that a business wants to remain competitive, sustainable and relevant in its industry (Kamakia, 2014).

Ngari and Bichanga (2017) conducted a study on effect of competitive strategies on customer satisfaction among commercial banks in Kenya. They found that differentiation strategy enhanced the competitiveness of banks by offering customized services through innovation, product, market, and pricing to its customers thereby increasing customer satisfaction levels. The differentiation strategies that commercial banks had applied were in terms of innovation, product, market, and pricing. From the findings, it was concluded that, quality, service, purpose and value affected application of differentiation strategies in commercial banks. Wesulah (2016), in her study on competitive strategies employed by Barclays Bank Limited found out that the institution employed differentiation strategy and this increased its strategic positioning due to the advancement of technology. A study by Kaiba (2016), found that main source of competitiveness for banks originated from differentiated product range, a competent work force, and internal resources owned by the banks. She concluded that in areas in which competitive strategies had influenced most were increased level of competitiveness and increased market share and revenues.

Cost Leadership Strategy and Performance: Cost leadership strategy allows businesses to aim at being low-cost operators which enable them to achieve greater returns than their rivals in the market. Cost leadership strategy is a subject and function of efficiency (Barney et.al, 2014). The cost leadership strategy is majorly concerned with how well a business uses its capabilities to minimize cost of input or services with the aim of ensuring they achieve a low-cost position in the market. The main aim is to ensure that a business maintains low cost operational processes in the industry. This strategy includes use of modern technology, pursuing economies of scale and maintaining low operational costs (Maikah, 2015). When a business entity can encourage low cost production compared to its competitors and sell it to a large customer base, it will expand its market share and enjoy economies of scale due to resultant competitive advantage and customer traffic. To ensure that the approach is sustainable, the organization needs to be innovative and indulge in cost reduction and efficient management and organizational improvement initiatives. The organization should outsource products whose costs of production is high (Lechner and Gudumundsson, 2014), thus avoiding to incur the inherent costs associated with product development of service provision. To this end, Banks which desire to remain competitive should scrap away activities which are not cost effective (Sifuna, 2014). They may as well outsource these activities to other banks or micro finance institutions which have a cost advantage over them. Effective cost leadership strategies require that businesses have a larger market share that can be efficiently achieved through leveraging on technology, mass

production, products design and innovation, achievable input costs and maximum resource utilization (Warui, Njeru, Gongera and Bichanga, 2019).

Focus Strategy and Performance: This approach concentrates efforts and resources of a firm on a niche market with the aim of only serving a specific segment of the market. With this strategy, a business is fully aware of its markets and customers' needs and therefore strives to produce products that lead to satisfaction of the needs of that market. A study by Kinyungu and Ogollah (2017) on the influence of competitive strategies on organizational performance of Kenya Commercial Bank, concluded that performance of Kenya commercial bank was greatly influenced by market focus strategy, and also added that differentiation significantly contributed to its performance during the time scope. They further recommended that for Kenya commercial bank to remain competitive, the institution should create workable marketing departments and do a thorough monitoring on its cost of operations. They recommended that there was a need for the bank to do research into the market in order to keep track of customers' tastes and preference.

Sheikh and Kimencu (2017) conducted a study on Barclays Bank in Garissa County and found out that the bank concentrated mostly on brand marketing and product innovation instead of efficiency in an attempt to achieve a competitive advantage using focus strategy. Conclusion made from the study was that strategies adopted by the bank helped in improving their operational efficiency and profitability thus making them attain a competitive advantage.

Product Innovation Strategy and Performance: Research by Kamakia (2014) on the effect of product innovation on performance of commercial banks in Kenya found out notable results. First, for commercial banks to command a higher market share they needed to come up with new innovative ideas which the employees felt affected performance of the banks greatly. The research therefore, concluded that product innovation has a great influence on bank's reputation making them stand out. Also to note was that a bank considered to be competitive is one which rapidly comes up with great innovations. Secondly, aspects relating to product innovation and overall competitiveness of banks included but were not limited to; bank reputation, costs, physical location and accessibility of banks, branch network distribution, product range, processes and systems, customer service and innovation. He further recommended that services and products offered by commercial banks should strive to be innovative to achieve sustainability. A study by Njoroge (2016) on effects of competitive strategies on the results of the Kenyan commercial banks concluded that investment strategies such as product quality, reputation, efficiency and reliability, competitive rewards, adoption of modern technologies and rationalizing diversification enhanced efficiency. Further, the banking industry should mostly focus on effective strategies and not because other industries are engaging but only if the management feels that the strategies will add value to the bank's performance as per his recommendation. Mbai et al (2018) concluded that cost leadership strategy influenced efficiency at Standard Chartered Bank (K) Limited. Kinyungu and Ogollah (2017) recommended that Kenya Commercial Bank creates a marketing department as well as keep track of changes in their customers' tastes and preferences in order to align product and service development and delivery with market expectations.

III. METHODOLOGY

1. Research Design ,Target Population and Sampling

The study used a descriptive research design as it majorly sought to describe different group characteristics, proportion estimate of people with similar characteristics and finally make a prediction. This approach was useful in determining the relationships existing between the study variables. The population for this study was 37 commercial banks operating within Uasin Gishu County. The unit of analysis were staff at the management level of the respective commercial banks including top management, middle management and lower level management. The study targeted the management level employees because they are actively involved in strategy formulation and implementation within the respective banks. These included Branch Managers, Relationship Managers, Credit Managers, among others. There were 37 commercial banks in Uasin Gishu County that formed the basis from which the study sample size was generated. The study adopted the Kothari (2004) finite population size formula with a 5 percent margin of error to derive the study's sample size. A sample size of 34 banks was selected and from each of these, 3 respondents (from the three levels of management, top, middle and lower level) were selected to give a total sample size of 102. The equation is illustrated underneath;

$$n = \frac{z^2 pq N}{(N - 1)e^2 + z^2 pq} \quad (1)$$

Where; n is sample size, N is population size, p is proportion of the population containing variables of interest estimated to be 0.5, q is the weighting variable computed as $q = 1 - p$, hence, $q = 0.5$, z is the confidence level at 95% (standard value is 1.96) and e is the sampling error term at 0.05%.

$$n = \frac{1.96^2 \times 0.5 \times (1 - 0.5) \times 37}{(39 - 1)0.05^2 + 1.96^2 \times 0.5 \times (1 - 0.5)}$$

$$= 33.83$$

Stratified sampling procedure was used to group the employees in the three levels of management. Then from each of the three levels, one respondent was selected randomly to give a total of 3 respondents per bank, resulting into total of 102 respondents.

2. Research Instruments and Data Collection

Structured questionnaire was used and this incorporated closed-ended questions to ensure relevance of the answers provided and ease of analysis. The questions were structured using Likert scale for ease of analysis. The researcher obtained letter of authorization from the school of business and subsequently secured research licence from the National Commission for Science, Technology and Innovation (NACOSTI). The researcher then sought consent from the bank management before data collection was executed. Study questionnaires were administered to respondents in their places of work, initially opting to wait for the respondents to fill the questionnaire. Those who were not in a position to fill immediately on that day, were given a few days after which the researcher went back to collect the questionnaires. Pilot study was conducted to pre-test data collection instrument. Three banks with nine staff were identified using purposive sampling procedure and contributed to the pilot survey. The information generated during piloting was used in ensuring validity and reliability of the questionnaire. The study ensured the validity of the questionnaire used by getting the opinion of the supervisor and other strategic management experts. The suggestions of the supervisor and other strategic management experts was used to improve the questionnaires before actual data collection. The Cronbach co-efficient correlation results for all variables were above 0.76 which was considered acceptable (Kothari, 2004).

3. Data Processing and Analysis

Once the process of gathering data was complete, the information was subjected to editing, coding, classification and tabulation so that they were amenable to analysis (Mugenda and Mugenda, 2003). Purpose of this process was to prepare raw data for presentation and statistical inference. The data was analysed using descriptive statistics including means, percentages, and standard deviations. The analysed data was interpreted and presented in frequency tables and graph. Pearson's Product Moment Correlation Coefficient was used to determine whether there is significant relationship between differentiation strategy, cost leadership strategy, focus strategy and product innovation strategy and performance of commercial banks in Uasin Gishu County. The researcher also deployed simple and multivariate regression analysis to assess the causal effect link between dependent and independent variables. The regression analysis was made possible using statistical model shown in equation (3). SPSS version 21 software and Microsoft Excel 2010 was used for data analysis. The regression equation is shown below;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad (3)$$

Where: Y = Performance, X_1 = Cost Leadership Strategy, X_2 = Differentiation Strategy, X_3 = Focus Strategy and X_4 = Product Innovation Strategy, β_0 = Intercept, β_1 , β_2 , β_3 and β_4 are regression coefficients and ε = error term.

The regression coefficients were tested at 95% confidence level where a p-value less than 0.05 would mean the specific competitive strategy has a significant effect on performance of commercial banks.

IV. RESULTS AND DISCUSSIONS

1. Descriptive Analysis

Demographic information: comprising 52% of the participants with the remaining being females. Regarding their age brackets, majority (67.6%) of respondents fell between the ages of 18-35 years, 29.4% fell within 36-45 years, while minority (2.9%) were above 46 years. This implies that the staff are still youthful and should be able to implement

competitive strategies aggressively to enhance firm performance. In relation to education level of respondents, majority (83.3%) of the respondents had bachelor's degree as their highest academic qualification, 13.7% had post-graduate education, and 2.9% were diploma holders while 1.0% had certificate as their highest academic level of qualification. These findings indicate that majority of the employees in commercial banks were young graduates who had at least a degree. The education distribution of the respondents reveals that majority had a first degree hence they should be well conversant with issues of competitive strategies suggested by porter and should be in a position to implement the strategies to improve performance of commercial banks.

Differentiation Strategy in Commercial Banks

The study sought to establish the extent to which the commercial banks had implemented differentiation strategies. The respondents were expected to respond to a number of statements on product differentiation. The responses were based on a 5-point Likert type scale where SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree. The results are presented in Table 1.

Table 1: Perception on Differentiation Strategy on Performance

Differentiation Strategy	SD%	D%	N%	A%	SA%	Mean	Std. Dev
We offer more product features than our competitors	2	4	31	38	27	3.82	0.938
Our firm is strategically located	1	5	18	40	38	4.07	0.915
We offer suitable business timing (operating days/ hours)	1	4	8	48	41	4.22	0.828
Our products are complex and cannot be easily imitated	5	8	19	42	28	3.78	1.087
We have enabled linkages in internal functions for smooth operation	0	3	18	40	41	4.17	0.822
We have mutually beneficial links with other firms	1	2	17	43	39	4.15	0.837
We allow product customization (tailor-made products)	3	1	14	40	44	4.19	0.920
We have a competitive product mix offering a wide variety of products to our customers	0	5	17	39	41	4.14	0.868
We have distribution channels to reach our customers	1	6	21	30	44	4.08	0.982
We undertake intensive consumer marketing	4	6	15	45	32	3.93	1.027
We offer superior customer service and support and relationship management	2	3	12	38	47	4.23	0.911
Our prices are flexible	1	4	15	36	46	4.20	0.901
Average Mean Score						4.08	0.919

The analysis on Table 1 show that 89% of the participants were persuaded that their banking institutions offered suitable business timing (operating days or hours) as a part of differentiation strategy. The mean and the standard deviation of ($\mu_x = 4.22$ and $\sigma_x = 0.828$) also tended towards strongly agree outcomes. The 85% also agreed that they offered superior customer service and support as well as relationship management. The mean response ($\mu_x = 4.23$) also tended towards strong agreement with a narrow standard deviation ($\mu_x = 0.911$) away from the mean. In addition, 84% of the respondents also agreed that their commercial banks allow product customization (tailor-made products) for their customers, the mean response ($\mu_x = 4.19$) also showed agreements that bank products are customized with a narrow standard deviation ($\mu_x = 0.920$). Majority (82%) of the respondents agreed that they have mutually beneficial links with other firms and flexible prices. The mean response and standard deviation also tended towards agreement ($\mu_x = 4.15$ and $\sigma_x = 0.837$). In addition, 81% agreed that they have enabled linkages in internal functions for smooth operation as evidenced further by mean and standard deviation tending towards agreement ($\mu_x = 4.17$ and $\sigma_x = 0.822$). The study established also that 80% agreed that their commercial banks have a competitive product mix offering a wide variety of products to our customers. The mean response ($\mu_x = 4.14$) also tended towards and standard deviation ($\sigma_x = 0.868$) was also narrow around the man. Whereas 78% of the commercial banks' respondents agreed that their banks are strategically located as evidenced further by mean and standard deviation that tended towards agreement ($\mu_x = 4.07$ and $\sigma_x = 0.915$). The study also revealed that 77% agreed that they undertook intensive consumer banking initiatives. The statement is further supported by mean and

standard tending towards agreement ($\mu_x = 3.93$ and $\sigma_x = 1.027$). The study also showed that 74% also agreed that they had distribution channels to reach their customers. The statement was also evidenced further by mean responses ($\mu_x = 4.08$ and $\sigma_x = 0.982$) while 70% also agreed that their products are complex and cannot be easily imitated as evidenced further by mean responses and standard ($\mu_x = 3.78$ and $\sigma = 1.087$) tending towards agreement. However, only 65% agreed that they offered more product features than their competitors as evidenced further mean response ($\sigma_x = 3.82$) tending towards agreement and a narrow standard deviation ($\sigma_x = 0.938$). The overall mean score ($\mu_x = 4.08$) tended to agreement implying that differentiation strategy was used by most commercial banks studied. The overall standard deviation ($\sigma_x = 0.919$) was narrower around the mean.

Cost Leadership Strategy in Commercial Banks

The study sought to establish the extent to which the commercial banks had implemented cost leadership strategies. The respondents were expected to respond to a number of statements on cost leadership. The responses were based on a 5-point Likert type scale where SD =strongly disagree: D = disagree: N= neutral: A =agree: SA =strongly agree. The results are presented in Table 2.

Table 2: Perception on Influence of Cost Leadership Strategy on Performance

Cost Leadership	SD%	D%	N%	A%	SA%	Mean	Std. Dev
We invest in innovation and improvement of our products	1	3	26	30	42	4.07	0.936
We charge low prices on products and services due to low cost of production	8	4	22	40	28	3.75	1.140
We offer high prices due to added features and/or high quality	6	4	21	37	29	3.73	1.145
We change with Technology (latest) in our operations	2	3	17	33	47	4.18	0.948
Overall Mean score						3.93	1.042

In the data presented in Table 2 majority of the respondents (80%) agreed that their commercial banks changed in their operations with the latest technology as evidenced further by a mean and standard deviation tending towards agreement ($\mu_x = 4.18$ and $\sigma_x = 0.948$). In addition, 72% agreed that they invested in innovation and improvement of their products as shown by mean response ($\mu_x = 4.07$) tending towards strong agreement and a narrow standard deviation ($\sigma_x = 0.936$). In addition, 68% of the respondents agreed that they charge low prices on products and services due to low costs of production with a low mean score of 3.75 and standard deviation of 1.140. In addition, 66% further agreeing that they offered high prices due to added features and or high quality as evidenced further by mean and standard deviation ($\mu_x = 3.73$ and $\sigma_x = 1.145$) tending towards agreement. The overall mean score ($\mu_x = 3.93$) was tending towards agreement with various statements about cost leadership. In addition, the standard deviation ($\sigma_x = 1.042$) was narrow around the mean.

Focus Strategy in Commercial Banks

The study sought to establish the extent to which the commercial banks had implemented focus strategies. The respondents were expected to respond to a number of statements on focus strategy. The results are presented in Table 3.

Table 3: Perception on Influence of Focus Strategy on Performance

Focus Strategy	SD%	D%	N%	A%	SA%	Mean	Std. Dev
We focus on selling products/services to a particular market niche only	15	9	29	31	18	3.27	1.275
We devote our resources to maintain market leadership in this niche	5	9	17	36	35	3.85	1.138
We innovate products for niches	6	8	20	40	28	3.75	1.123
Overall Mean Score						3.62	1.178

From the data in Table 3, 71% of the respondents agreed that they devoted their resources to maintain market leadership as evidenced further by mean score ($\mu_x = 3.85$) tending towards agreement and a narrow standard deviation ($\sigma_x = 1.138$). The study also revealed that 68% agreed that their commercial banks innovated products/services as shown further by mean and standard deviation ($\mu_x = 3.75$ and $\sigma_x = 1.123$) tending towards agreement. In addition, only 49% agreed that they

focused on selling products/services to a particular market niche only as evidenced further by mean score ($\mu_x=3.85$) and standard deviation ($\sigma_x=1.138$). The overall mean score ($\mu_x=3.62$) was slightly weaker but still tending towards agreement implying that focus strategy was not strongly practiced.

Product Innovation Strategy of Commercial Banks

The study sought to establish the extent to which the commercial banks had implemented product innovation strategies. The respondents were expected to respond to a number of statements on product innovation. The responses were based on a 5-point Likert type scale where SD =strongly disagree; D = disagree; N= neutral; A =agree; SA =strongly agree. The results are presented in table 4.

Table 4: Perception on Influence of Product Innovation Strategy on Performance

Persuasion	SD%	D%	N%	A%	SA%	Mean	Std. Dev
The level of innovation determines choice of bank	2	2	26	42	30	3.94	0.899
Customers would change to a bank with more innovative products	2	3	18	36	43	4.13	0.941
There is a relationship between product innovation and performance	1	1	16	47	37	4.16	0.793
How a bank communicates matters a lot	1	4	10	40	47	4.25	0.864
It is all about target market not product innovation	6	4	22	38	32	3.84	1.097
Product innovation creates a competitive edge for banks	1	2	15	43	41	4.19	0.829
Customer value proposition is linked to innovation	0	0	18	49	35	4.17	0.705
Customer service is now about new solution offerings	1	4	10	43	44	4.23	0.855
To command a higher market share, you need innovative ideas	1	1	6	32	62	4.50	0.741
Innovation creates a competitive edge for banks	1	1	10	26	64	4.48	0.793
Overall Mean Score						4.18	0.851

Table 4 provides data that shows that majority (94% and 90%) of survey participants were persuaded that for commercial banks to command a higher market share, they needed to have innovative ideas and that innovation created a competitive edge for the banks in general. These is evidenced further by mean responses and standard deviation ($\mu_x=4.50$ and $\sigma_x=0.741$) and ($\mu_x=4.48$ and $\sigma_x=0.793$) respectively. Moreover, 87% of the respondents agreed that customer service is now about new solution offerings and how a bank communicates in this regard matters a great deal as shown further by mean responses($\mu_x=4.23$) tending towards strong agreement and a narrow standard deviation ($\sigma_x=0.855$) around the mean. Additionally, 84% agreed that customer value proposition is linked to innovation and that there is a relationship between product innovation and performance. The mean response ($\mu_x=4.17$) was stronger with a narrow standard deviation ($\sigma_x=0.705$) around the mean. Whereas 77% agreed that customers would change to a bank with more innovative products as evidenced by further a mean score ($\mu_x=4.13$) and standard deviation ($\sigma_x=0.941$). The study also showed that 72% were in agreement that the level of innovation determines choice of bank as shown by a mean score ($\mu_x=3.94$) and a narrow standard deviation ($\sigma_x=0.899$). The study also revealed that 70% agreed that it is all about target market not product innovation. This is supported further by a mean score ($\mu_x=3.84$) tending towards agreement and a narrow standard deviation ($\sigma_x=1.097$). From these findings, it is apparent that most of survey participants were of the persuasion that product innovation positively affected performance of the banks within the County as evidenced further by mean core ($\mu_x=4.18$) tending towards agreement and a narrow standard deviation ($\sigma_x=0.851$) around the mean.

Performance of commercial Banks

The study sought to establish the the extent of satisfaction of the respondents with performance indicators of their commercial banks. The respondents were expected to respond to a number of statements on satisfaction with performance. The responses were based on a 4-point Likert type scale where LE=low extent; ME=moderate extent; GE=great extent; GrE=greater extent. The results are presented in Table 5. The researcher wanted to find out the extent of satisfaction of the respondents with performance indicators of their commercial banks.

Table 5: Perception on Extent of Satisfaction on Performance Indicators

Performance indicators	Low extent %	Moderate extent %	Great extent%	Greater extent%	Mean	Std. Dev
Return on Assets	6	30	41	25	2.83	0.868
Return on Equity	4	39	41	18	2.72	0.801
Profitability	3	28	42	29	2.95	0.825
Market share	10	27	39	26	2.79	0.937
Competitiveness	4	30	42	26	2.88	0.836
Customer satisfaction and loyalty.	4	21	39	38	3.09	0.857
Overall Mean Score					2.87	0.854

Table 5 shows majority of the respondents (77%) were greatly satisfied with customer satisfaction and loyalty within their commercial banks. The statement is further evidenced by mean score ($\mu_x = 3.09$) around agreement to a great extent and a narrow standard deviation ($\sigma_x = 0.857$). The study also revealed that 71% were satisfied with profitability as shown further by mean and standard deviation of ($\mu_x = 2.95$ and $\sigma_x = 0.825$), 68%, 66% and 65% were also satisfied with the bank's competitiveness, return on assets and market share respectively. The statements were further supported by mean responses tending towards agreement to great extent and small standard deviation around the mean scores respectively ($\mu_x = 2.88$ and $\sigma_x = 0.836$), ($\mu_x = 2.83$ and $\sigma_x = 0.868$) and ($\mu_x = 2.79$ and $\sigma_x = 0.937$). However, only 59% of the respondents were satisfied largely with return on equity of their respective commercial banks as evidenced further by mean and standard deviation around moderate agreement ($\mu_x = 2.72$ and $\sigma_x = 0.801$). The overall mean score ($\mu_x = 2.87$) was around moderate agreement with a narrow standard deviation ($\sigma_x = 0.854$). Majority also felt that the impact of these strategies were not quite much towards increasing market share. The findings agree with a research conducted by Kariuki (2014) which found out that respondents were not only knowledgeable about their banks' performance but also satisfied with the competitive strategies employed by the banks.

2. Correlation Analysis

In this study, Pearson's Product Moment Correlation Coefficient was used to determine whether there is significant relationship between differentiation strategy, cost leadership strategy, focus strategy and product innovation strategy with performance of commercial banks. The following section presents the results of Pearson's Product Moment Correlation on the relationship between the independent variables and dependent variable. The table 6 indicates that the correlation coefficients for the relationships between performance and its independent variables are linear and positive ranging from substantial to strong correlation coefficients.

Table 6: Pearson Inter-correlation between Variables

	Differentiation	Cost leadership	Focus	Product innovation	Firm Performance
Differentiation	1	0.452**	0.384**	0.513**	0.560**
Cost leadership		1	0.475**	0.286**	0.314**
Focus			1	0.313**	0.254**
Product innovation				1	0.010**
Firm Performance					1

**** Correlation is significant at $p < 0.01$ level (2-tailed)**

As it is clearly indicated in the above Table 6, a strong positive relationship was found between differentiation strategy and performance of commercial banks ($r = 0.560$, $p < 0.01$), cost leadership strategy and performance of commercial banks ($r = 0.314$, $p < 0.01$), focus strategy and results of banking institutions ($r = 0.254$, $p < 0.01$) and product innovation strategy and performance of commercial banks ($r = 0.516$, $p < 0.01$), which are statistically significant at 99% confidence level. This implies that at a 1% significance level, it was discovered that differentiation, cost leadership, focus and product innovation strategies play a significant role in determining the performance of commercial banks in Uasin Gishu County.

Table 4.12 further presents the association between the selected variables. From the results all correlations are significant ($p < 0.01$). There was statistically significant relationship between cost leadership and differentiation strategies ($r = 0.452$, $p < 0.01$), focus and differentiation strategies ($r = 0.384$, $p < 0.01$) and product innovation and differentiation strategies ($r = 0.513$, $p < 0.01$). In addition, the results indicate that, there is a substantial positive correlation between focus and cost leadership strategies ($r = 0.475$, $p < 0.01$) and product innovation and cost leadership strategies ($r = 0.286$, $p < 0.01$), which is statistically significant at 99% confidence level. There also existed a positive relationship between focus and product innovation strategies ($r = 0.313$, $p < 0.01$) which was statistically significant at 99% confidence level. According to Hair *et al.* (2006), for the data not to be suspected to have serious collinearity problems, the correlation coefficient between each pair of independent variables in the Pearson's correlation should not exceed 0.90. The results indicate that the highest correlation was between differentiation strategy and performance of commercial banks which was 0.560 although it was still less than 0.90. Hence, it was assumed that there was no multicollinearity problem among the variables. The findings of this analysis were then compared against the objectives of this study.

3. Regression Analysis

The study carried regression analysis to establish the causal effect association between the dependent variable and independent variable. The study utilized both simple linear and multiple regression. The study independent variable was competitive strategies and the dependent variable was performance of commercial banks. The study first examined the effect of each independent variable on performance of commercial banks based on simple regression. The study then finalized with multivariate regression analysis where all the independent variable combined were regressed against the dependent variable performance of commercial banks. The regression output were inform of model summary, ANOVA and regression coefficients.

Table 7: Influence of Differentiation Strategies on Performance of Commercial Banks

Model summary						
Model	R	R ²	Adj. R ²	Std. Error		
1	0.560	0.314	0.307	0.40570		
ANOVA						
Model	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.537	1	7.537	45.793	<0.001 ^b
	Residual	16.459	100	0.165		
	Total	23.996	101			
Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	Beta	Std. Error	Beta			
(Constant)	1.434	0.270			5.30	0.000
Differentiation	0.443	0.065	0.560		6.767	<0.001

a. Predictors: (Constant), Differentiation Strategy

b. Dependent Variable: Performance of commercial banks

Regression results in Table 7 show significant [$F(1,100) = 45.793, P < 0.001$] link between differentiation and performance of banks. The use of differentiation strategies by commercial banks in Uasin Gishu County was further discovered to significantly influence their performance ($\beta=0.560$, $p<0.001$). From the results, for every unit increase in use of differentiation strategies, there was a corresponding increase in commercial bank performance by about 0.560 units. With $R^2 = 0.314$, the model indicates that differentiation strategies explained 31.4% of the variance in financial results. It could not explain 68.6% variance, which points to the fact that there are other influences on financial results not captured or explained in the model. The model equation states thus stated in equation (1)

$$\text{Performance} = 1.434 + 0.560 \text{ Differentiation Strategy} \dots\dots\dots(1)$$

Where Y is performance of commercial banks, X₁ refers to differentiation strategies. Since the p-value was less than 0.05, it was concluded that the relationship between differentiation strategies was statistically significant. It is, therefore, the conviction of the researcher that the type of differentiation strategy used by commercial banks should be in consonance with the prospects and requirements of their performance. The empirical literature indicated that differentiation strategies greatly affected commercial bank results in Uasin Gishu County, in a statistically significant manner. This is to mean that if a commercial bank used differentiation strategy exhaustively, then its overall performance would improve. These findings affirmed those of previous research which investigated the influence of differentiation strategy on overall firm performance. The research by Kinyungu and Ogollah (2017), found out that differentiation strategy significantly contributes to performance of organizations. If a bank effectively adopts differentiation strategy, then it increases its chances at better performance. Differentiation aspects can come in through increased promotional campaigns and proper use of the 4Ps strategies (product, place, price and promotion).

Table 8: Effect of Cost Leadership Strategies on Performance of Commercial Banks

Model summary						
Model	R	R ²	Adj. R ²	Std. Error		
1	0.314	0.099	0.090	0.4651		

ANOVA						
Model	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.364	1	2.364	10.930	<0.001 ^b
	Residual	21.632	100	0.216		
	Total	23.996	101			

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	Beta	Std. Error	Beta			
(Constant)	2.373	0.267			8.888	0.000
Cost leadership	0.221	0.067	0.314		3.306	<0.001

a. Predictors: (Constant), Cost Leadership Strategy

b. Dependent Variable: Performance of commercial banks

Table 8 presents regression results' coefficients. From these, it is clear cost leadership strategy has a positive and significant influence on commercial bank performance [$F(1,100) = 10.930, P < 0.001$]. The standard coefficient of the regression was (B=0.314 p<0.001) implying that for every unit increase in the use of cost leadership strategy, there was a corresponding increase in commercial bank performance by about 0.314. With R² = 0.099, the model implies that cost leadership strategy explained 10% of the variation in performance hence failing to explain 90% of the total variation in performance. This means that there are other influences affecting bank performance which this model could not explain. The model equation reads thus was estimated as shown in equation (2).

$$\text{Performance} = 2.273 + 0.314 \text{ Cost Leadership Strategy} \dots\dots\dots(2)$$

Since the p-value was less than 0.05, it was concluded that there is a statistically significant relationship between cost leadership as a competitive strategy on the financial results of commercial banks performance in Uasin Gishu County. The empirical results of this research indicated that cost leadership strategies significantly influenced commercial bank performance in Uasin Gishu County. This implies that when a commercial bank implements and uses a cost leadership strategy, its performance increases.

Table 9: Influence of Focus Strategies on Performance of Commercial Banks

Model summary						
Model	R	R ²	Adj. R ²	Std. Error		
1	0.254	0.065	0.055	0.4738		

ANOVA						
Model	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.549	1	1.549	6.902	<0.010 ^b
	Residual	22.447	100	0.224		
	Total	23.996	101			

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	Beta	Std. Error	Beta			
(Constant)	2.792	0.178			15.730	0.000
Focus	0.124	0.047	0.254		2.627	<0.010

a. Predictors: (Constant), Focus Strategy

b. Dependent Variable: Performance of commercial banks

The regression results in Table 9 show that the relationship between focus strategies and commercial bank performance in Uasin Gishu County was statistically significant [$F(1,100) = 6.902, P < 0.001$]. The results indicated that focus strategies had a positive and significant influence on performance of commercial banks in Uasin Gishu County ($B=0.254$ $p<0.001$) implying that for every unit increase in uptake of focus strategies, there was a corresponding increase in bank performance by about 0.254. With $R^2 = 0.065$, the model implies focus strategies explained 6.5% of the performance variation. Therefore, it could not explain 93.5% variation, which implies there were other influences on bank performance which were not covered in the model. The model is presented in equation (3).

Performance = 2.792 + 0.254 Focus Strategy(3)

In which case Y refers to performance of commercial banks while X_3 refers to focus strategies. The p-value was less than 0.05, which then lead to conclusion that there is a statistically significant role played by focus strategies on financial results of commercial banks in Uasin Gishu County. The study concluded that focus strategies statistically and significantly influenced performance of commercial banks. When a commercial bank considered focus strategy as a competitive strategy, its performance would increase. These results are consistent with previous studies that investigated how focus strategy influenced performance of banks. This concurred with Kimencu and Sheikh (2017) who found that focus strategies played a great role in enhancing commercial banks performance. They further recommended that commercial banks should center their operations on already existing markets so that they can be able to create a competitive edge against their rivals. Therefore, the overall influence of focus strategies is increased performance of commercial banks. This implies that essentially there exists a strong relationship between focus strategies and commercial banks performance in Uasin Gishu County. It is, therefore, the view of the researcher that, the focus strategies implemented and used by the commercial banks should be in line with their expectations as well as needs if they need to perform well, since the study has established that commercial banks that implemented focus strategies greatly influenced their performance.

Table 10: Influence of Product Innovation Strategies on Performance of Commercial Banks

Model summary						
Model	R	R ²	Adj. R ²	Std. Error		
1	0.516	0.267	0.259	0.4195		

ANOVA						
Model	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.396	1	6.396	36.344	<0.000 ^b
	Residual	17.600	100	0.176		
	Total	23.996	101			

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	Beta	Std. Error	Beta		
(Constant)	1.453	0.300		4.850	0.000
Product innovation	0.427	0.071	0.516	6.029	<0.000

a. Predictors: (Constant), Product innovation Strategy

b. Dependent Variable: Performance of commercial banks

The regression results in Table 10 presents the relationship between product innovation strategies and performance of commercial banks in Uasin Gishu County was statistically significant [$F(1,100) = 36.344, P < 0.001$]. The results indicated that product innovation strategies positively influenced performance of commercial banks in Uasin Gishu County ($B=0.516, p<0.001$) showing that for every single adoption of product innovation strategy, there were matching improvement in commercial bank results by around 0.516. With $R^2 = 0.267$, the model implies that product innovation strategies explained 26.7% of the total variation of performance. This therefore means that the model failed to explain 73.3% of the variation indicating that there are other influences that impacted results of commercial banks in Uasin Gishu County that were not captured by the model. The model is presented in equation (4).

Performance = 1.453 + 0.516 Product Innovation Strategy.....(4)

Since the p-value was less than 0.05, it was concluded that there is a statistically significant relationship between product innovation strategies on performance of commercial banks in Uasin Gishu County. The study findings indicated that product innovation strategies statistically and significantly influenced performance of commercial banks in the county, which implies that if a commercial bank in Uasin Gishu County adopted and implemented a product innovation strategy, then its performance with regard to revenue and value for shareholders increases in the financial market. These results are consistent with previous studies which investigated the effect of product innovation strategies on performance of commercial banks. The findings of a study conducted by Kamakia (2014) indicated found out that product innovation strategies are key for attainment of organizational goals. The findings further revealed that the product innovation strategy led to higher customer satisfaction, market access, increased market share and made banks stand out. For commercial banks to achieve greater performance, they needed to aim at formulating and implementing product innovation strategies. The overall influence of product innovation strategies is increased commercial bank performance in line with industry indicators. It is, therefore, the view of the researcher that the type of product innovation strategy the commercial bank adopts should be in line with its expectations and market needs so as to register better financial results and to increase value for shareholders.

V. CONCLUSION

1. Conclusion

From the study findings, the use of differentiation strategy was found to have a positive and significant relationship with the performance of commercial banks in Uasin Gishu County. The regression results indicated that there was a strong linear relationship between differentiation strategy and commercial banks performance. Hence, the use of differentiation

strategy is expected to lay strong foundation for increase in performance of commercial banks which was also affirmed by most of the respondents agreeing that the strategy played a great role on financial results posted by the banks. Therefore, it can be concluded that to ensure greater performance by commercial banks in Kenya, it is imperative that the banks consider adopting differentiation strategy as it significantly influences their overall performance. Based on the findings, cost leadership strategy positively and substantially affected the financial results of commercial banks in Uasin Gishu County. However, the regression analysis results demonstrated that cost leadership strategy had no substantive association with the results with a 5% confidence level. Therefore, from the findings, it can be concluded that cost leadership strategy does not significantly influence the results of the banks in the county. From the study, the relationship between focus strategy and performance of commercial banks was determined to be statistically insignificant at 5% confidence level. The results further indicate that fewer commercial banks had adopted the use of focus strategy in their operations, and it is safe to conclude that focus strategy does not impact significantly on performance of commercial banks in Uasin Gishu County. Based on the findings from the regression analysis results on product innovation strategy, it was confirmed that indeed the strategy had a significant influence on performance of commercial banks. The results further indicate that most commercial banks had adopted the use of product innovation strategy in order to improve on their performance results on profitability, market share and sales growth.

2. Recommendations

The study established that differentiation strategy has a greater influence on the performance of commercial banks in Uasin Gishu County. The study therefore recommend that banking institutions do adopt the use of differentiation strategy in their business processes. With the increase in the number of financial institutions and advancement in technology coupled with interest rate cap, the researcher recommends that commercial banks should embrace the use of differentiation strategy so as to remain resilient to changes and competition in the banking industry. Based on the finding that cost leadership had a significant effect on performance of commercial banks. The study suggest that commercial banks should focus also on achieving cost leadership. The implementation of cost leadership should be should be paramount since cost leadership strategy significantly influenced performance of commercial banks, the increase in its adoption as a strategy will positively increase the banks performance in the long run. The study also establishes that the relationship between focus strategy and performance of commercial banks was determined to be statistically insignificant at 5% confidence level. The study therefore suggest to management of commercial banks should also concentrate on focus strategy. The commercial banks should come up with customized products that can attract customers to their products. The study further established that product innovation strategy had a greater contribution on the financial results of commercial banks in Uasin Gishu County. Therefore, the banks' decision makers have to ensure that their institutions continually renew their competences from time to time especially in their product development domain. Therefore, to ensure they are competitive in the ever changing financial market, commercial banks need to ensure they sustain their commitment to continuous product innovation strategy. The survey concluded that differentiation and product innovation strategies played a positive and significant role in the performance of commercial banks in Uasin Gishu County. Further to this, the researcher would like to recommend the following areas for future studies in line with the major findings of the study: evaluate the effects of product innovation on organizational change management; establish the effect of marketing strategies in the performance of commercial banks; and establish the influence of growth strategies on performance of commercial banks.

REFERENCES

- [1] Arasa, R., &Gathinji, L. (2014). The relationship between competitive strategies and firm performance: A case of mobile telecommunication companies in Kenya. *International Journal of Economics, Commerce and Management*, 2(9), 1-15.
- [2] Audenaert, M., Decramer, A., George, B., Verschuere, B., & Van Waeyenberg, T. (2019). When employee performance management affects individual innovation in public organizations: The role of consistency and LMX. *The International Journal of Human Resource Management*, 30(5), 815-834.
- [3] Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of management*, 17(1), 99-120.
- [4] Barney, J. B. (2002). *Gaining and Sustaining Competitive Advantage*. Addison-Wesley Publishing Company.
- [5] Barney, J. B. (2014). *Gaining and sustaining competitive advantage*. Pearson Higher Ed.

- [6] Belsley, D. A, Kuh, E. & Welsch, R. E. (1980). Regression Diagnostics. Identifying Influential Data and Sources of Collinearity. New York: John Wiley & Sons.
- [7] Burden, R. (2018). Systems theory and its relevance to schools. In Problem behaviour in the secondary school (pp. 28-36). Routledge.
- [8] Camisón, C., & Villar-López, A. (2014). Organizational innovation as an enabler of technological innovation capabilities and organization performance. *Journal of business research*, 67(1), 2891-2902.
- [9] Carroll, A. B., and Buchholtz A. K. (2000). *Business and Society: Ethics and Stakeholder Management* (5th edition). Australia: Thomson South-Western.
- [10] Central Bank of Kenya (2017). Bank Supervision Annual Report 2016. Government Printer.
- [11] Central Bank of Kenya (2018). Bank Supervision Annual Report 2017. Government Printer.
- [12] Cole, G. A. (1997). *Strategic Management: Theory and Practice* (2nd Edition). Cengage Learning EMEA, UK.
- [13] Cooper, D. J., Ezzamel, M., & Qu, S. Q. (2017). Popularizing a management accounting idea: The case of the balanced scorecard. *Contemporary Accounting Research*.
- [14] Cooper, D. R., & Schindler, P. S. (2003). *Business research methods* (8th edition) McGraw-Hill: New York.
- [15] Cooper, D. R., Schindler, P. S., & Sun, J. (2006). *Business research methods* (Vol. 9). New York: McGraw-Hill Irwin.
- [16] Creswell, J. W. (2009). Mapping the field of mixed methods research.
- [17] Ebimobowei, A. & Ekankumo, B. (2012). Customers' Service Strategy and Commercial Banks Survival in a Post-Consolidation Era in Nigeria. *American Journal of Contemporary Research*, 2(8), 142-153.
- [18] Fact Pack. (2016). The Financial Services Sector in Kenya. Retrieved on December 2, 2018 from <https://www.businesssweden.se/contentassets/973edbf79dd74f37afb1a5d97fe55d8c/fact-pack---financial-services-kenya.pdf>
- [19] Felter, Jr, E. L. (2013). Administrative Adjudication Total Quality Management: The Only Way to Reduce Costs and Delays Without Sacrificing Due Process. *Journal of the National Association of Administrative Law Judiciary*, 15(1), 3-10.
- [20] Foss, N. J., & Saebi, T. (2018). Business models and business model innovation: Betweenwicked and paradigmatic problems. *Long Range Planning*, 51(1), 9-21.
- [21] Freeman, C., & Louçã, F. (2001). *As Time Goes By: From Industrial revolutions to Information Revolution*, Oxford University press.
- [22] Gareth R. J. & Jennifer M. G. (2006). *Contemporary Management* (4th Edition). McGraw-Hill, New York, USA
- [23] Gathogo, M., (2011). *Competitive strategies adopted by commercial banks in Kenya*. (Unpublished MBA project): University of Nairobi.
- [24] Gongera, K. (2007). A tractor and labour-based routine maintenance system for un-paved and rural roads, Low Cost Road Surfacing Project. Working Paper No 5.
- [25] Kaiba, M. S. (2016). *Competitive Strategies and Performance of Commercial Banks in Kenya*, (Unpublished MBA Thesis). University of Nairobi, Kenya.
- [26] Kamakia, P. (2014). *Effect of product innovation on performance of commercial banks in Kenya*, (Unpublished MBA Thesis). University of Nairobi, Kenya.
- [27] Kariuki, M. W. (2014). *Competitive Strategies used by Commercial Banks in Kenya to Attract Corporate Customers* (Unpublished MBA thesis). University of Nairobi, Kenya.
- [28] Kenworthy, T. P., & Verbeke, A. (2015). The future of strategic management research: Assessing the quality of theory borrowing. *European Management Journal*, 33(3), 179-190.

- [29] Kimotho, T. (2012). Impact of competitive strategies on the financial performance of CFC Stanbic Bank Limited, (Unpublished MBA thesis), University of Nairobi.
- [30] Kinyungu, R. N. & Ogollah, K. (2017). Influence of competitive strategies on organizational performance of Kenya Commercial Bank. *International Academic Journal of Human Resource and Business Administration*, 2(3), 201-221
- [31] Kireru. N., Ombui. K., & Omwenga. J. (2016). Influence of product differentiation strategy in achieving competitive advantage in commercial banks: A Case of Equity Bank Limited. *International Journal of Business & Law Research* 4(2):40-52
- [32] Kothari, C. R. (2004). *Research Methodology: methods and Techniques* (2nd Revised Edition). New Age International (P) Limited, Publishers, India.
- [33] Kothari, C. R. (2014). *Research Methodology: Methods and Techniques* (3rd Edition). New Age International (P) Limited, Publishers, India
- [34] Lechner, C., & Gudmundsson, S. V. (2014). Entrepreneurial orientation, organization strategy and small organization performance. *International Small Business Journal*, 32(1), 36-60.
- [35] Loretta, N. W. (2016). *Competitive Strategies Employed by the Banking Industry in Kenya. A Case of Barclays Bank of Kenya Ltd* (Unpublished MBA Thesis), United States International University – Africa.
- [36] Lunenburg, F. C. (2011). Goal-setting theory of motivation. *International journal of management, business, and administration*, 15(1), 1-6.
- [37] Maikah, S. J. (2015). *Competitive strategies and organizational performance at East African Portland cement company* (Unpublished MBA Research Project). University of Nairobi.
- [38] Mbai, E., Ngui, T. & Ndiao, O. (2018). Competitive strategies implementation and quality service delivery in Standard Chartered Bank (K) Ltd. *International Academic Journal of Human Resource and Business Administration*, 3(1), 246-265.
- [39] Miller, E. A. (2017). *To balance or not to balance: alignment theory and the Commonwealth of Independent States*. Routledge.
- [40] Mugenda, O. M. & Mugenda, A. G. (2003). *Research methods: quantitative and qualitative approaches*. Nairobi: Acts Press.
- [41] Mugenda, O. M. & Mugenda, A. G. (2013). *Research methods: qualitative and quantitative approaches*. African Centre for Technology Studies. Nairobi, Kenya.
- [42] Muigai, N. N. (2017). *Effect of Competitive Strategies on the Performance of Strathmore University in Kenya* (Unpublished MBA Project). University of Nairobi.
- [43] Mutua, N. M. (2013). *Growth strategies and the competitive advantage of commercial banks in Kenya* (Unpublished MBA Project), University of Nairobi.
- [44] Ndung'u., M., Otieno, W., and Rotich, G. (2016). Competitive Business Strategies on Financial Performance of Commercial Banks in Kenya: Case Study of Equity Bank Limited. *International Academic Journal of Economics and Finance*, 2(1) 41-58
- [45] Njoroge, M. M. (2016). *Effect of Competitive Strategies on the Performance of the Banking Industry in Kenya* (Unpublished MBA Project). University of Nairobi.
- [46] Njoroge, N. M. (2017). *Effects of competitive strategies on the performance of Strathmore university in Kenya* (Unpublished MBA Project). University of Nairobi.
- [47] Oyiela, B. M. (2011). *Competitive Strategies and Performance of Commercial Banks in Kenya*. (Unpublished MBA Project). University of Nairobi.

- [48] Popovich, M. G., & Brizius, J. A. (1998). *Creating high-performance government organizations: a practical guide for public managers*. New York, NY: Jossey-Bass.
- [49] Porter, M. E. (1980). *Competitive strategy: techniques for analyzing industries and competitors*. New York: The Free Press.
- [50] Porter, M. E. (1998) *Competitive Strategy*. The Free Press
- [51] Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). *Measuring Organizational Performance: Towards Methodological Best Practice*. *Journal of Management*, 35(3), 718-804.
- [52] Saunders, M, Lewis, P., & Thornhill, A, & A. (2003). *Research Methods for Business Students United Kingdom*: Pearson Education.
- [53] Shao, S. H. (2015). *Competitive strategies and Porter's five forces model by the insurance companies in Kenya (Unpublished MSc Project)*. University of Nairobi.
- [54] Sheikh, A. M. & Kimencu, L. (2017). *Influence of Competitive Strategies on the Performance of Barclays Bank in Garissa County, Kenya*. *International Journal of Contemporary Aspects in Strategic Management (IJCASM)*, 1(II), 50-58.
- [55] Sifuna, I. N. (2014). *Effect of competitive strategies on performance of public universities in Kenya (Unpublished MBA Project)*. Kenyatta University.
- [56] Simiyu, R. (2014). *Product Innovation Strategies among Banks in Eldoret Municipality, Kenya*. *British Journal of Marketing Studies*, 2(4)1-8.
- [57] Susan, B. & Titus, K. (2017). *The Influence of Competitive Strategies on Performance of Hotels in Kenya. A Survey of Hotels in Mombasa County*. *The Strategic Journal of Business and Change Management*, 4(2-10), 138 - 158.
- [58] The Centre for Research on Financial Markets and Policy (2017), *Kenya Bankers Economic Bulletin, Quarter 2 2017, Volume 20*; Kenya Bankers Association, Nairobi-Kenya.
- [59] Von Bertalanffy, L., & Rapoport, A. (1956). *General systems*. *Year book of the society for the Advancement of General System Theory*, 1(6) 23-35
- [60] Warui, S. K., Njeru, P., Gongera, G., & Bichanga, J. (2019). *Merger strategy and its effects on profitability for commercial banks listed in the NSE in Kenya*.
- [61] Wesulah, L. N. (2016). *Competitive Strategies Employed in the Banking Industry in Kenya: A Case of Barclays Bank of Kenya Limited (Unpublished MBA Project)*. United States International University – Africa.
- [62] Zhao, E. Y., Fisher, G., Lounsbury, M., & Miller, D. (2017). *Optimal distinctiveness: Broadening the interface between institutional theory and strategic management*. *Strategic Management Journal*, 38(1), 93-113.