

To Assess the Influence of Product Differentiation Strategy on Performance of Commercial Banks' Diaspora Remittances in Kenya

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ABSTRACT

The study was conducted to assess influence of product differentiation strategy on performance of commercial banks' diaspora remittances in Kenya. The evolution of globalization, regionalization and deregulation experienced in the world of business has exposed the business entities to a lot of competitions both locally and internationally. Commercial banks in Kenya have not been spared of the stiff business competitive environment. The commercial banks have resulted into using competitive strategies such as product differentiation strategy. Generic Framework Theory was incorporated in the study since it widely supports the establishment of transaction levies, transmission channels and products innovation. Explanatory research design was used. Both primary and secondary data were collected. Primary data was collected using questionnaire while the secondary data was collected from relevant literature materials, organization's annual reports and website. The data collection instrument of the study was considered reliable since it attained the Cronbach's alpha coefficient of 0.795. The study targeted 126 managers of the commercial banks based in their specific headquarter offices in Nairobi. The sampling procedure was done by use of Krejcie & Morgan sampling table giving a sample of 95 managers. The pilot study was based on 10% of the research population giving 13 respondents that were randomly selected. Descriptive statistics which comprised of mean and standard deviations were computed. Inferential statistics which included correlation and regression analysis were also computed. SPSS version 25 was used to aid in data analysis. The study results established R2 of 0.616. Data was presented using tables. The study concluded that product differentiation strategy has a significant influence on performance of commercial banks' diaspora remittances in Kenya. The study recommends that commercial banks must invest in innovation that can help identify and communicate a product or company's special qualities while highlighting the key differences between that product of a company and others. The study recommended that banks need to adopt product differentiation strategy in order to enhance the performance of Commercial banks' diaspora remittances in Kenya.

Keywords: Product Differentiation Strategy, Transaction Levies, Transmission Channel, Products Innovation.

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I. INTRODUCTION

Increasing interest of diaspora remittances has advanced during the last few years concerning the commercial banks, policy makers, donors, money transmission operators, microfinance organizations, academics, and international financial institutions. A surge of remittances to different countries over the last twenty years was seen to exceed aid and Foreign Direct investment (FDI), especially in developing countries. This reignited a debate on the potential role these elements can play to ensure better development for the receiving countries (Show, 2010). The aspect of diaspora remittances has become an important aspect of development across developing nations mainly because of its impact in increasing such chances as part of improving the strategic

collection of such remittances. Diaspora remittances are aspects that deal with the building of the institutions of a formal banking as well as the financial system in use. The process requires integration into the international financial system, an aspect that makes domestic institutions more elaborate on the most important steps towards speedy securitization of remittances (Demirgüç-Kunt *et al.*, 2011). Developing such remittance competitive strategies such as product differentiation strategy can help in improving diaspora remittance inflow performance because of the varieties offered.

Product differentiation strategy is characterized by use of transaction levies, transmission channels and products innovation. Research on the impact of product innovation

strategy on the performance of commercial banks in Kenya was undertaken by Karanja and Bob (2013).

The data analysis method used was the descriptive research design. According to the study, product substitution and repositioning also helped the bank make money. Process innovation strategies, like cost-cutting and regulatory compliance, also helped the bank make money. Technological advancements also had an impact on how well commercial banks performed. Aggressive anti-competitive marketing campaigns helped the bank make money.

In order to determine the tactics, the EAPC was employing, Mohammed (2014) conducted research. According to the report, East African Portland Cement Company used cost leadership, differentiation, and focus strategies to increase its competitiveness. The study also discovered that the organization was more successful and competitive when it combined its cost leadership and differentiation strategies. The study also discovered a substantial correlation between a company's performance and its approach to product diversification. East African Portland Cement Company was advised by the study to employ differentiation, focus strategies, and cost leadership needed to put more effort into their utilization in order to maintain competitiveness. The quickening of globalization makes transnationalism possible. Therefore, new developments in communication technology are affordable and quick, which facilitates remittances from the diaspora (Vertovec & Cohen, 1999). In contrast, the South-to-South migration has easier and more affordable access to advancements in communication and technology than the South-to-North migration (Ratha & Shaw, 2007). As a result, the technology and communication routes for trans-regional migrants who send and receive money from their nations in the same region are somewhat expensive.

Research on the practices of product diversification used by commercial enterprises in Zimbabwe was done by Dirisu *et al.* (2013). According to the study's findings, companies must pay close attention to product developments and quality control techniques for the goods produced by their organizations. The study came to the further conclusion that a company's product differentiation strategy must be used as a tool to increase competitive advantages. Manufacturing companies must have a strategy for product differentiation based on efficacy and value if they want to remain profitable. The report advised commercial organizations in Zimbabwe to put more effort into their product differentiation strategies if they want to retain their competitiveness.

II. STATEMENT OF THE PROBLEM

Commercial banks have grown largely over the past few decades to become important determinants of economic growth. The commercial banks in Kenya are experiencing immense competition within the industry and other sectors such as Sacco's, microfinance institutions and mobile telephony. The competition faced by the banks has resulted into declining market share, profitability, revenue and Growth Rate (KBS, 2021). Commercial banks have resulted in using various competitive strategies such as product differentiation strategy in an attempt to continue being competitive in attracting more diaspora remittances in the

banking industry to boost their general performance. According to the Kenya Bureau of Statistics (2021), Kenyans working out of the country have sent to the country Sh. 88.75 billion in the first quarter 2021 which show an increase of 17.2 percent, emphasizing the reliability of the inflows and significance to the economy. According to Central Bank of Kenya Data (2021) On year-to-year basis in 2020 remittances received were 333.1 billion, 2019 received 299.2 billion, 2018 received 265.6 billion, 2017 received 208.3 and 2016 the country received 184.5 billion. The remittances have the capacity of increasing banks performance in a significant manner. Due to cutthroat competition, the government policies through interest rate capping among others the banks performance has been declining. The decline in banks performance attracts negative externalities in the economy in terms of declined savings, lending, investments as well as a negative contribution to the gross domestic product (GDP). The researcher sought to establish if product differentiation strategy can assist to tap the immense diaspora remittances and by trajectory improve their performance.

In the last five years, banks have been making stops across the globe looking to tap into the market. Looking at tier one banks in Kenya, Kenya commercial bank has been quick to tap into this market, offering mortgage loans and easier banking systems, where it has set up agents in places like Texas and Washington, D.C. to serve Kenyans living in such areas. Equity Bank has also been doing its marketing, increasing its reach through medical insurance covers, as well as reduction in the transaction levies for money sent via PayPal to improve the chances of getting more remittances from diaspora. Barclays bank set up a free money transfer offer between Kenya and the UK, an aspect that has been well received by its users. Cooperative Bank has also set up a diaspora banking sector that would serve clients on a 24-hour basis throughout the year. In this endeavor, banks spend up to 2% of their annual budget on strategies aiming at attracting the diaspora remittance hence improvement of their performance (CBK, 2020). This is indeed a very expensive venture in case it does not bear the expected results. The study therefore seeks to find out if indeed product differentiation strategy has helped the banks to attract more diaspora remittances which will help the banks performance. This study intends to analyze the product differentiation strategy influence on performance of commercial banks' diaspora remittances in Kenya.

III. RESEARCH OBJECTIVE

To assess influence of product differentiation strategy on performance of commercial banks' diaspora remittances in Kenya.

IV. NULL HYPOTHESIS

H03: Product differentiation strategy has no statistically significant influence on performance of commercial banks' diaspora remittances in Kenya.

V. THEORETICAL FRAMEWORK

The study is based on generic theory. This theory is a proponent of Porter (1980) who attempted to explain the relationship between businesses and competition. The framework is not dependent on the industry and that is why it's called generic. Various forces affect competition in an industry, making it imperative to shape the business operating environment. Porter (1980) endeavored to create a summary of the forces, naming some of them to include new contestants' risk, negotiating muscle of buyers, the rivalry between existing firms, increasing negotiating command of suppliers, and alternative goods. Providers, consumers, alternates, business contenders, and possible contestants play a pivotal role in influencing how an organization addresses the value of its goods. Consumers and providers possess a great deal of influence on the negotiation influence on a company's products. Therefore, this presents a significant possibility that new entrants can create a greater diversion that poses a threat to the products a company produces. Determining how to address this can affect business growth and reshape what Porters defines as the competitive strategies derived from the present competing forces (Barney, 2010).

Porters (1980) illustrates that product differentiation strategies play a role in assisting companies to improve their survivability and consider the impact this has in improving their value. Companies do this by offering different services and products to potential clients. The companies find their strength within the industry and that allows them to build a strong working relationship. Porter (1980) highlights three core strategies that show how this manifest and the role they play. The differentiation strategy highlights the platform that allows firms to find new ways of remaining unique than their competitors are in the market. The process could include the use of price, different packaging color, and product design. As such, Thompson and Strickland (2011) assert that the approach requires a mix of various actions necessary to explore how to produce and deliver goods and services to the clients. The strategy allows companies to extend their services in a quest to meet various client demands within their market. As such, making customers feel considered is critical as it creates a sense of importance for them. Thompson (2010) posits that the differentiation agenda comes out as a go-to attribute that allows companies to consider its relevance when thinking about the role of customer satisfaction in such an element.

To remain competitive, the products must be of a higher quality to keep attracting the clients. Firms can benefit from making such decisions because it allows them to establish ways of minimizing costs on delivery, advertising, and marketing. The company can follow a cost advantage approach that focuses on the exact broad market. Such a motive could work well if the firm establishes new ways of lowering the costs by considering the distinctive ways of sectioning this community and segment it to offer exclusive products. The theory contributes eminently on product differentiation strategy.

VI. METHODOLOGY

A. Research Design

Explanatory research design was incorporated in this study. Explanatory research design allows the scholar to make use of the quantifiable data in order to test hypothesis by collecting information that may support or disagree with the hypothesis of the study (Creswell, 2016). This methodology enables the researcher to gain more understanding of the research problem being studied and to make inferences on causal relationship among study variables. Quantitative data was collected.

B. Target Population

The units of enquiry in this research comprised all the finance Managers, trade finance managers and the marketing managers of all the commercial banks in Kenya. Therefore, the target population of this study was one hundred and twenty-six (126) managers. The managers were considered in the study for they possess valuable information and are knowledgeable on matters regarding the bank's strategies.

C. Research Instrument

A research instrument is a measurement tool used by a researcher to obtain information based on researcher's topic of interest from the respondents of the study (Kothari, 2014). Structured questionnaire was the main research tool. The questionnaire had closed-ended questions. The research instrument contained two sections. Assess influence of product strategy on performance of commercial banks' diaspora remittances in Kenya as independent variable and performance of commercial banks diaspora remittances in Kenya as dependent variable. Questions were based on a 5 Likert scale.

D. Pilot Study

A pilot study was done, and the results used to eliminate ambiguity in the questions in the questionnaires. Kothari (2014) states that pilot study refers to small-scale introductory research which is carried out before the actual main study with an aim of testing the validity as well as reliability of the research tools. Ten percent of the population of one hundred twenty-six (126) had been chosen for the pilot study which totaled to thirteen (13) respondents. The thirteen (13) were randomly selected and each came from a single bank. The respondents for the pilot study were excluded in the final study.

E. Validity and Reliability of the Research Instrument

Data validity was checked for consistency and comparisons. This is important in the sense that it gives the strong basis for the validity of the outcomes. Factor analysis was carried out on the indicators of the variables so as to check on major issues inspiring the variables and also challenging their construct validity. The indicators of the study variables were exposed to Kaiser Meyer-Olkin (KMO) and Bartlett's test. The KMO's grade of sample sufficiency ought to be more than 0.05 to proceed with factor analysis and other statistical analysis such as correlation and regression.

Cronbach's alpha coefficient was proposed to be used to examine research instruments' dependability since it is considered an integral objective measure of reliability. Internal consistency is used to evaluate the degree to which items measuring a similar concept in the test help define the connectedness of such items based on the test conducted. Thus, the use of such an interpretation aims at looking at the correlation of the test to address the element of reliability in itself. Further, if the researcher finds out that the value of alpha is more than 0.5, the conclusion is that it is not reliable but is valid. For the instrument to be considered reliable in this study, it must attain Cronbach's alpha coefficient equal or more than 0.7 as proposed by Kothari (2010) who states that the measures of study variables ought to have a Cronbach's alpha coefficient greater than 0.70. The researcher considered the research instrument with Cronbach's alpha coefficient greater than 0.70 reliable for this study.

F. Data Analysis

Descriptive statistics which comprised of mean and standard deviations for Likert scale in the questionnaire was computed. Inferential statistics was used in an effort to make inferences concerning the data. SPSS version 25 was engaged to facilitate the data analysis.

Factor analysis was carried out on the data before the data was subjected into statistical examinations to verify the data appropriateness for statistical examination. Correlation examination was done so as to measure the degree of power of association amid product, strategies and performance of commercial banks' diaspora remittances. Both the correlation examination and testing of hypotheses on study variables connections was done at 95% confidence level. For quantitative data, quantitative methods were used for the analysis.

The regression analysis was done on the data to come up with the prediction of one variable from the other hence coming up with regression model which can be used in future predictions. A linear transformation was then used to create a relationship between the two pieces of information as acquired so that the modeling process can easily highlight the required information process. The interaction between the study variables is predictable to follow a linear regression model of nature as shown in (1).

$$P = \beta_0 + \beta_1 X_1 + \varepsilon \quad (1)$$

where;

P = Performance of commercial banks' diaspora remittances,

β_0 = Constants,

β_1 = Regression Coefficients,

X_1 = Product strategy,

ε = Error term.

VII. RESULTS AND DISCUSSION

A. Product Differentiation Strategy and Performance of Commercial Banks' Diaspora Remittances in Kenya

The study sought to assess the influence of product differentiation strategy on performance of commercial banks' diaspora remittances in Kenya. Product differentiation

strategy was in terms of transaction levies, transmission channels and products innovation as the parameters of measure.

1) Descriptive statistics

Mean and standard deviation were used for descriptive analysis. The respondents were given a number of statements related to Transaction fees, transmission channels and products innovation against which they were to indicate their level of agreement based on a 5-Likert scale.

TABLE I: PRODUCT DIFFERENTIATION STRATEGY

Transaction fees	Mean	Std. Deviation
The bank has increased its mobilization of its products differentiation strategies abroad	4.24	0.325
Lower transaction fees have helped increase remittance flow in our bank.	4.14	0.420
Our banks performance of diaspora remittances has improved as a result of lower transaction fees charged by the bank.	4.03	0.939
More clients have joined the bank due to lower transaction fees charged by the bank.	4.13	0.823
Transaction fees charged by the banks have led to more diaspora remittances being channelled through our bank.	3.95	0.853
Transmission Channels		
Remittance costs have led to poor performance of diaspora remittances for the bank.	2.51	1.093
Poor performance from incurred costs of remittances has led to closure of foreign accounts.	2.27	1.202
The reduction of cost of remittances will improve performances.	3.88	0.860
The costs of channelling remittances are high.	2.44	1.204
Product Innovation		
Products reengineering led to production of reliable financial service delivery	4.00	0.996
Banks utilizes market intelligence as a data driven strategy to boost performance of Diaspora remittance	3.96	0.923
Banks products are continuously designed as per customer needs to boost performance of Diaspora remittance	3.87	0.800
Average	3.51	0.940

On product differentiation strategy, the study examined transaction levies, transmission channels and product innovation aspects. On transaction levies, the findings in Table I shows that the respondents agreed that the bank had increased its mobilization of its products differentiation strategies abroad (mean score = 4.24) with a std. deviation of 0.325; and that lower transaction fees had helped increase remittance flow in their bank (mean score = 4.14) and with a std. deviation of 0.420. The respondents further agreed that more clients had joined the bank due to lower transaction levies charged by the bank (mean score = 4.13) with a std. deviation of 0.823; and that their banks performance of diaspora remittances had improved as a result of lower transaction fees charged by the bank (mean score = 4.03) and with a std. deviation of 0.939. Moreover, the respondents agreed that transaction fees charged by the banks had led to more diaspora remittances being channeled through their banks (mean score = 3.95) and with a std. deviation of 0.853.

On transmission channels, the respondents agreed that the reduction of cost of remittances would improve performances (mean score = 3.88) and with a std. deviation of 0.860.

On the other hand, the respondents disagreed that remittance costs had led to poor performance of diaspora remittances for the bank (mean score =2.51) with a std. deviation of 1.093; and that the costs of channeling remittances were high (mean score =2.44) with a std. deviation of 1.204. The respondents further disagreed that poor performance from incurred costs of remittances had led to closure of foreign accounts as shown by a mean score of 2.27 and with a std. deviation of 1.202 respectively.

From the findings, it was found out that commercial banks had increased the mobilization of their products differentiation strategies abroad. This is a very important move as argued by Dirisu *et al.* (2013) who conducted a study on product differentiations practices implemented by commercial businesses in Zimbabwe and revealed that businesses must pay more emphasis on product differentiations, as it is an essential strategy or tool for increasing competitive benefits in any company.

The findings further indicate that lower transaction fees had helped increase remittance flow in their banks; and the respondents were in agreement that the performance of diaspora remittances had improved as due to lower transaction fees charged by their banks. This (lower transaction fees) according to the findings led to more clients joining, and it further led to improved performances. These findings are in agreement with those of Karanja and Bob (2013) who found out that process innovation strategies such as reduction of costs contribute to the bank's profitability.

These findings also corroborate with those of Mohammed (2014) who found out that a company accrued benefits by using a combination of differentiation and cost leadership strategy. The study also found out a strong association amongst product differentiation strategy and company success (competitiveness and performance). A study by Khaled (2012) however found out that differentiation strategy did not have any significant influence on structural performance of firms and association was also not of statistically significant.

On product innovation, the respondents agreed that Banks products are continuously designed as per customer needs (mean score = 3.87) with a std. deviation of 0.800; and that Products reengineering led to production of reliable financial service delivery (mean score =4.00) and with a std. deviation of 0.996. In addition, the respondents agreed that Banks utilizes market intelligence as a data driven strategy to boost performance (mean score = 3.96) with a std. deviation of 0.923; the above findings corroborate with those of Getko (2013) who revealed that Brand innovation is a crucial part of business strategy. Brand innovation aids organizations in implementing fresh marketing initiatives through strategic planning. Brand innovation fosters fresh thinking, promotes creativity, and aids marketing departments in developing their business.

2) Inferential statistics

Correlation and regression analysis were used for inferential statistics.

a) Coefficient of correlation of product strategy

In the correlation coefficient, 'r' measures the strength and direction of a linear relationship between two variables.

The value of 'r' is always between +1 and -1, where +1 shows a strong positive relationship and -1 shows a strong negative relationship.

TABLE II: CORRELATION ANALYSIS

Variables		Performance	Product Differentiation
Product Differentiation	Pearson Correlation	0.616**	-
-	Sig. (2-tailed)	0.010	-
-	N	86	86

** . Correlation is significant at the 0.05 level (2-tailed).

The correlation results in Table II shows that there is a positive and statistically significant correlation between product differentiation strategy and performance of commercial banks' diaspora remittances in Kenya as shown by $r = 0.616$ and $p < 0.05$.

B. Regression Analysis of the Influence of Product Differentiation Strategy on Performance of Commercial Banks' Diaspora Remittances in Kenya

The study conducted the regression analysis to establish the kind of relationship that exist between the independent variables - predictors (product differentiation) and the dependent variable (Performance of commercial banks' diaspora remittances in Kenya). The linear regression model was of the following nature:

$$P = \beta_0 + \beta_1 X_1 + \varepsilon \quad (2)$$

where;

P is Performance of commercial banks' diaspora remittances,

β_0 is constant,

β_1 is regression coefficients,

X_1 is product differentiation and ε is error term.

The findings are shown in Table III.

TABLE III: MODEL SUMMARY FOR PRODUCT DIFFERENTIATION STRATEGY AND PERFORMANCE OF COMMERCIAL BANKS' DIASPORA REMITTANCES

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.785	0.616	0.593	0.19812
a. Predictors: (Constant), Product differentiation strategy				

The results in Table III show the adjusted R2 value (adjusted correlation value) as 0.593, which indicates a high degree of correlation between the variables. The R square value/Adjusted R Square (coefficient of determination) indicates how much of the total variation in the dependent variable (performance of commercial banks' diaspora remittances in Kenya) can be explained by the independent variables (product differentiation strategy). In this case, the independent variable has a variation of 0.593 with the dependent variable which implies that the competitive strategy studied (product differentiation strategy) explains 59.3% of performance of commercial banks' diaspora remittances in Kenya. The remaining percentage could be explained by other variables not included in the study.

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. The ANOVA shows how well the regression equation fits the data (i.e., predicts the dependent variable).

TABLE IV: ANOVA FOR PRODUCT DIFFERENTIATION AND PERFORMANCE OF COMMERCIAL BANKS' DIASPORA REMITTANCES

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.022	3	2.674	39.001	0.000
1 Residual	4.764	92	0.058	-	-
Total	12.786	95	-	-	-

a. Dependent Variable: Performance of commercial banks' diaspora remittances

b. Predictors: (Constant), Product Differentiation

The ANOVA results in Table IV shows an F- value ($F = 39.001$) and significance value of $p < 0.05$, which implies that the overall regression model significantly predicts the outcome variable (i.e., it is a good fit for the data). This, therefore, indicates that the regression model predicts the dependent variable significantly well. Therefore the study rejected the null hypothesis.

H01: There is no significant relationship between product differentiation Strategy and performance of commercial banks' diaspora remittances in Kenya.

The regression coefficient results provide information that predict how the predictors/ independent variables being product differentiation strategy, inform or predict performance of commercial banks' diaspora remittances, as well as determine whether the predictors contribute statistically significantly to the model.

TABLE V: REGRESSION COEFFICIENTS FOR PRODUCT DIFFERENTIATION AND PERFORMANCE OF COMMERCIAL BANKS' DIASPORA REMITTANCES

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.065	0.417		2.888	0.040
1 Product Differentiation	0.569	0.066	0.633	3.118	0.024

a. Dependent Variable: Performance of commercial banks' diaspora remittances

The value of "B" for the product differentiation approach is 0.569, according to the regression results in Table V, and the associated significant value (sig) is 0.024 (which is less than 0.05). This demonstrates a favorable and statistically significant association between product differentiation and the success of commercial banks' diaspora remittances in Kenya. As a result, we accept the alternative hypothesis, which states that the Product Differentiation strategy has a statistically significant influence on the performance of commercial banks' diaspora remittances in Kenya, and reject the null hypothesis, which states that Product Differentiation has no statistically significant influence on the performance of commercial banks' diaspora remittances in Kenya.

VIII. CONCLUSION

The study assessed influence of product differentiation strategy on performance of commercial banks' diaspora remittances in Kenya in terms of transaction levies, transmission channels and products innovation. From the findings, it was found out that the respondents agreed that the bank had increased its mobilization of its products differentiation strategies abroad; and that lower transaction fees had helped increase remittance flow in their bank and

also products innovations. The respondents were also in agreement that more clients had joined the bank due to lower transaction fees charged by the bank; and that their banks performance of commercial banks' diaspora remittances had improved as a result of lower transaction fees charged by the bank. In addition, it was found out that transaction fees charged by the banks had led to more diaspora remittances being channeled through their banks; and that the reduction of cost of remittances would improve performances.

On products innovation, the respondents agreed that banks products are continuously designed as per customer needs and that Products reengineering led to production of reliable financial service delivery. In addition, the respondents agreed that Banks utilizes market intelligence as a data driven strategy to boost performance.

The findings of the correlation and regression analyses demonstrated that there is a strong and positive correlation between product distinctiveness and the success of Kenyan commercial banks' diaspora remittances. The r value (correlation value) for the results is 0.616, indicating a strong association between the variables. The coefficient of determination (R square value/Adjusted R Square) shows how much of the total variance in the dependent variable (performance of commercial banks' remittances from the diaspora in Kenya) can be explained by the independent variables (Product differentiation strategy). In this case, the independent variables have a variation of 0.593 with the dependent variable which implies that the competitive strategies studied (Product differentiation strategy,) explains 59.3% of performance of commercial banks' diaspora remittances in Kenya. Other factors that were left out of the study may have contributed to the remaining percentage.

Calculations used in the analysis of variance (ANOVA) reveal the degrees of variability present in a regression model and serve as the foundation for significance tests. How well the regression equation fits the data is demonstrated by the ANOVA (i.e., predicts the dependent variable). The F- value ($F = 39.001$) and significance value of $p < 0.05$ in Table IV's ANOVA findings indicate that the overall regression model strongly predicts the outcome variable (i.e., it is a good fit for the data). This suggests that the regression model significantly and accurately predicts the dependent variable.

The regression coefficient results provide information that predict how the predictors/ independent variables being Product Differentiation, inform or predict performance of commercial banks' diaspora remittances, additionally ascertain whether the predictors statistically significantly contribute to the model.

The value of "B" for the product differentiation strategy, according to the regression results, is 0.569, and the related significant value (sig) is 0.024. (Which is less than 0.05). This demonstrates a favorable and statistically significant association between product differentiation and the success of commercial banks' diaspora remittances in Kenya. As a result, we accept the alternative hypothesis that Product Differentiation has a statistically significant influence on the performance of commercial banks' diaspora remittances in Kenya and reject the null hypothesis that it has no statistically significant influence on those remittances' performance.

IX. RECOMMENDATIONS

Given that product differentiation strategies, design differentiation strategies, product innovations differentiation strategies, and brand differentiation strategies all positively and significantly affect client retention, commercial banks must invest in innovation that can help identify and communicate a product or company's special qualities while highlighting the key differences between that product of a company and others. Creating a compelling value proposition and product differentiation work hand in hand in order to make a product or service appealing to a target market or audience. In order to increase the number of people who can access diaspora banking.

The study further recommends that commercial banks should consider the costs of channeling remittances in order to enhance flow of remittances through their banks. Evidence has shown that high transaction costs would limit flow of remittances into the banks while lower transaction fees would increase remittance flow into the banks. The banks should therefore charge lower transaction fees in order to encourage more customers in the diaspora to channel the remittances through their banks. This would also benefit the banks from increased customer loyalty and increased network traffic and performance of diaspora remittances.

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