AN ASSESSMENT OF STRATEGIC COMPETITIVE PRACTICES ON PERFORMANCE OF FINANCIAL INSTITUTIONS IN KENYA CASE OF EQUITY BANK MERU COUNTY

GRACE MURUGI MUNYI

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DECLARATION AND APPROVAL

Declaration

This project is my original work and has never been presented for any academic award in any institution.

Name: Grace Murugi Munyi

Reg. No. MBA /2022/34908

Signature .... Date 13th November 2024

Approval

This project is being submitted for examination with my approval as university supervisor

Signature Date 13th November 2024

Name: Dr Ayub Shitseswa

Institutional Affiliation: Mount Kenya University

DEDICATION

This work is dedicated to my lovely parents Mr and Mrs Peter Munyi.

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My deepest appreciation goes to the almighty God for granting me precious life, good health and energy to pursue this study. I would also like to acknowledge my Supervisor Dr. Ayub Shitseswa for the guidance and for taking time to review and offer valuable input despite busy schedule. Lastly, I would like to extend my appreciation to the entire Mount Kenya university management and staff for the conducive learning environment accorded to me during the entire period.

ABSTRACT

The global financial industry has been characterized by intense competition, prompting financial institutions to adopt strategic competitive practices to enhance their performance. This research examined the Kenyan financial sector, focusing specifically on Equity Bank in Meru County, to evaluate the impact of strategic competitive practices on its performance. The study concentrated on three main strategic competitive practices, Cost Leadership, Differentiation, and Focus, and explored how these strategies influenced the competitive environment in the Kenyan financial market. The research aimed to provide insights for policymakers, financial institutions, and researchers, recognizing that strategic competitive practices are crucial for economic development, financial inclusion, and overall performance. The Cost Leadership strategy was assessed for its ability to provide a competitive edge by emphasizing efficient operations, economies of scale, and standardized products. The Differentiation strategy was evaluated for its impact on customer satisfaction and market positioning through unique offerings and premium prices. The Focus strategy was analyzed for its role in catering to specific market niches through market segmentation and customization. The study was guided by the Resource-Based View, Porter's Five Forces Model, and Transaction Cost Theory, employing a descriptive research design. It targeted 100 individuals, including top-level, middle-level management and operations staff at Equity Bank in Meru County, using a census technique. Primary data was collected via self-administered questionnaires, and data analysis involved descriptive and inferential statistical methods. To ensure the study's accuracy, a pilot study was conducted in Embu County to refine data collection tools. The study found that all strategic variables surpassed the acceptable reliability threshold of 0.7, indicating high internal consistency for each strategy measured. Specifically, the Cost Leadership strategy recorded a Cronbach's alpha of 0.8500, the Differentiation strategy scored 0.7921, and the Focus (Niche) strategy reached 0.7209, leading to an overall average alpha coefficient of 0.7877. These values demonstrate that the questionnaire possesses satisfactory reliability in evaluating the strategic competitive practices applied. In addition, p-values were used to determine the statistical significance of the relationships between these strategies and organizational performance outcomes. Both the Cost Leadership and Differentiation strategies showed p-values below the 0.05 threshold, which confirmed that the positive effects of these strategies on performance were statistically significant. The research underscored the importance of establishing regulatory frameworks to facilitate strategic competitive practices within the financial sector. It also highlighted the role of customer education in increasing service awareness and satisfaction levels, thereby enhancing overall customer engagement. Furthermore, the study advocated for stronger collaboration among stakeholders to harness collective expertise and resources effectively. This collaboration could amplify the sector's resilience and support sustainable competitive advantages. The study recommended further research to evaluate the impact of these strategies across a broader range of financial institutions and to assess the sustainability of their effects over time. Such research could provide valuable insights for policymakers, financial institutions, and stakeholders aiming to drive economic development and improve customer experiences in Kenya's financial sector.

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ABBREVIATIONS AND ACRONYMS

RBV: Resource Based View

IMF: International Monetary Fund

TQM: Total Quality Management

SPSS: Statistical Package for social sciences

ERP: Economic Recovery Program

CBK: Central Bank of Kenya

TCE: Transaction Cost Economics

KCB: Kenya Commercial Bank

UK: United Kingdom

CRM: Customer Relationship Management

ANOVA: Analysis Of Variance **SD:**

Standard Deviation.

CEO: Chief Executive Officer

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problem, research objectives both general and specific, research questions, significance of the study, scope of the study and operational definition of key terms.

1.1 Background of the study

The global financial industry has turned out to be such a competitive field. Through an innovative process many financial institutions especially banks have been reinventing themselves in order to stay alive. Agility in this competitive environment produced by the increasing speed of changes in customer expectations, regulatory developments, technological progress and shifting market needs requires the implementation of strategic competitive practices. In Kenya, as in other markets, banks face immense pressure to differentiate themselves from their rivals. Institutions in Kenya focus on strategies that enhance customer service and diversify product offerings to secure a notable portion of the market, which is fundamental to building a strong and recognizable brand (Chege, 2015).

As Michael Porter (2010) emphasizes, for an organization to maintain profitability and a competitive edge over the long term, it must adopt strategic approaches that set it apart from competitors. This goes beyond simply responding to existing competitors it requires foresight to anticipate and adapt to evolving industry trends. Globally, financial institutions have recognized that sustaining competitive advantage is not just about performing better than other banks, it involves understanding the complex interplay of economic factors, regulatory changes, and customer expectations, and addressing these elements through deliberate and well-aligned strategies.

Across different regions, financial institutions implement a variety of strategic approaches to overcome unique market challenges and capitalize on emerging opportunities. In the United Kingdom, for example, bank managers enhance performance by increasing their market share and meeting customer needs through a better understanding of customer preferences, an expansive product range, and innovative service delivery. This approach allows UK banks to remain competitive even during economic recessions, where consumer spending power is reduced, and market conditions are more challenging (Pablo & Javidan, 2013). In Ghana, reforms implemented by the International Monetary Fund (IMF) and the World Bank, including the Economic Recovery Programme (ERP), aimed to liberalize the economy by reducing banking regulations. This deregulation fostered competition in the financial sector, compelling banks to enhance productivity, diversify their offerings, and improve service quality to attract customers in a newly competitive market (Mathieson & Roldo, 2021; Kunt, 2022).

Uganda's financial sector has taken a slightly different route, with banks adopting cost leadership, differentiation, and focus strategies to maintain their relevance and effectively navigate a highly competitive industry (Adib & Habib, 2016). Meanwhile, in Tanzania, the financial intermediation model has attracted commercial interest from financial service providers by creating a profitable banking environment. The Tanzanian financial sector thrives due to both internal and external factors that impact institutions positively, particularly competition, which incentivizes organizations to enhance service quality and efficiency.

The Kenyan banking sector, like many others worldwide, is currently undergoing significant transformations. Banks in Kenya are adapting to an increasingly competitive landscape, which requires them to constantly reevaluate their approaches to customer service and market positioning. The evolution of the financial sector in Kenya highlights a shift from focusing solely on external market analyses to prioritizing internal organizational reviews and improvements. In an environment characterized by high competition and rapidly changing customer demands, Kenyan banks are developing and implementing strategic approaches to maximize customer satisfaction, retain clientele, and attract new customers (Swayne, Duncan, & Ginter, 2013). Equity Bank, for instance, has recognized that its competition extends beyond the traditional banking sector and includes cooperative movements, informal savings groups, governmentbacked financial entities, and microfinance institutions.

By acknowledging the full spectrum of competition, Equity Bank and other institutions are better equipped to tackle competitive threats through innovative solutions and improved operational efficiency. Yildirim and Philippatos (2012) suggest that a certain level of competition is essential for enhancing productive efficiency, as it pushes financial institutions to innovate, improve service quality, and adjust their pricing models. Such competition can serve as a catalyst for financial innovation, helping banks introduce advanced banking management techniques, adopt new technologies, and improve customer service standards.

Strategic competitive practices in banking are broadly categorized into cost leadership, differentiation and focus strategies. Cost leadership strategy focuses on being the lowest-cost producer in an industry (or amongst relevant competitors). The idea will be to minimize expenses and maximize efficiency of operation. It enables financial institutions to charge a more competitive pricing on their services, attractive for cost-sensitive customers and increasing profitability. Commonly, cost leadership is presented through measures such as price competitiveness and cost efficiency indicators, together with operational savings (Adib & Habib, 2016). For example, a bank that has been successfully reducing its operating costs will be able to provide the customers with the lower services fees or higher interest rates on savings which makes it more appealing to the consumers.

Differentiation on the other hand, focuses on developing diverse services or products that drive the institution to stand out from its competitors. It is assessed with product innovation, high customer satisfaction and brand loyalty (Pablo & Javidan, 2013). The bank can build a customer base and occupy a competitive position in its particular market through unique features or outstanding customer experience.

Finally, a focus strategy tends to be differentiated in product but targeted in market, providing better quality and service through specialized products for specific segments. Another essential strategy of competitive advantage is focus (Ekeagbara et al., 2019) and it is measured by market segmentation, service customization and niche market penetration as these strategies enable the banks to meet unique needs of specific customer groups. An example of this could be a bank providing personalized services for small and medium-sized enterprises (SMEs) right in that area, thereby developing relationships and creating a reliable customer base around it.

Financial performance is a critical metric for evaluating the effectiveness of these competitive strategies. Key financial performance indicators such as profit margins, return on assets (ROA), and market share reveal how well a bank's strategies align with its mission, vision, and longterm goals. Financial success is not only vital for shareholders but also benefits employees, suppliers, communities, and governments, making it a central objective for most financial institutions (Summer & Bayraktar, 2013). In competitive markets, these financial metrics serve as benchmarks for assessing how effectively an institution can leverage its strategic practices to gain and sustain an advantage. For instance, in highly competitive markets, an institution's ability to grow its market share or maintain strong profit margins serves as evidence of successful strategy execution. According to Hulme and Arun (2013), financial performance directly reflects the impact of strategic competitive practices on an institution's market position and financial health. Ultimately, financial institutions that align their competitive strategies with their broader organizational objectives are better equipped to achieve sustained profitability and a durable competitive advantage.

1.1.1The concept of strategic competitive practices

Kotler (2007) emphasizes the importance of developing competitive strategies that set an organization apart from its competitors within the industry. However, initial step involves gaining a deep understanding of one's position, goals, competences, and available resources. Kotler distinguishes between four viewpoints. Industry Leader Perspective, this viewpoint identifies the firm with the largest market share as the industry leader. Other businesses in the industry adapt their strategies, such as introducing new products, adjusting pricing, altering distribution channels, and enhancing customer support, in response to the leader's actions. Challenger for the Leader's Position, in this perspective, a business ranks second in the industry and actively competes with the leader to gain a larger share of the market by challenging the leader's dominance. Follower Perspective, this perspective characterizes a company that is content with the current state of the market and prefers to maintain its existing market share.

Such companies are cautious about making changes, as they fear potential losses outweighing potential gains.

Organizations ought to give priority to activities such as distinguishing their products and services, achieving cost leadership, exploring diversification, expanding into new markets and product lines, and optimizing their channels and processes (World Bank, 2017). By doing so, these companies will excel in a competitive environment as they align with their customers' needs, leading to a substantial customer base and an enhanced market position. A niche filler is a business that provides services to a specific, often underserved, segment of the market, a segment that other enterprises may not recognize or value (Kotler, Armstrong, 2012).

Managers play a critical role in determining how a company competes to achieve sustainable advantages over an extended period. Strategy, in this context, reflects the managerial commitment to devising actions and plans that promote business growth, attract and satisfy customers, and improve financial performance of the company (Nyakundi, 2015). A wellformulated strategy is essential for guiding the allocation of an organization's resources, aligning them with its unique strengths and addressing its weaknesses (Rhee, Park &Lee, 2010). An effective strategy should not only align with the external and internal factors impacting the business but also aim to build long-term competitive advantages and drive enhanced company performance (Thompson & Strickland, 2022).

To put strategic competitive practices into action, Thompson, Strickland & Gamble (2022) emphasize the importance of an organization's action plan. This plan serves the purpose of not only attracting more customers but also fending off competition to improve its performance in the market. Lester (2020) highlights that these strategies are crucial in making a company stand out and efficiently conduct its daily operations, thus determining which marketplaces or businesses it competes in. Businesses that can effectively design and implement their viable strategies tend to outperform their rivals, as noted by Aaker, Jonsson & Devonish (2018). Companies with well-suited viable strategies have better chance of capitalizing on existing openings, securing a solid market position ahead of their competitors, as pointed out by Atikiya (2015).

Cristobal (2018) suggests that it's essential for organizations to delve deep into understanding the real needs and satisfaction levels of their consumers. This understanding is pivotal to formulate effective strategies for competition within their industry. If a company achieves customer satisfaction, it signifies not only its competitiveness but also its substantial market share, hinting at the business's profitability.

According to Haubrich (2012), it is essential for CEOs to engage in collaboration with their subordinates to identify internal and external stakeholders of the organization. Furthermore, the criteria for measuring the success of the organization should be developed through a collective effort involving both managers and employees. To maintain competitiveness in the business world, executives should also be well-informed about products and services offered by the competitors. Utilizing competitor knowledge in a structured and systematic manner is crucial for achieving the desired level of attractiveness. Businesses ought to prioritize addressing market concerns, improving existing products through research and development, overcoming internal limitations, and meeting the needs of their customers (Haubrich, 2012).

In today's dynamic business landscape, constant changes driven by factors such as globalization, technological advancements, intensified competition, evolving customer demands, and regulatory shifts have made markets increasingly turbulent and unpredictable (Ngonga, 2011). This has compelled organizations to actively seek competitive capabilities that enable them to not only meet but surpass customer expectations and enhance their overall performance. To navigate this challenging environment, organizations must have contingency plans in place. These plans facilitate the swift implementation of strategies that enable the realignment and redistribution of resources to effectively respond to environmental changes. As the world moves towards a more interconnected global economy, organizations have found themselves in ever more competitive arenas. One of the key approaches adopted by organizations to enhance their competitive standing in this evolving business landscape has been the elevation of competitive strategies in their operations, aiming to secure a competitive gain (Raiborn, 2022).

1.1.2 Performance of Financial Institutions in Kenya

Over the past decade, there has been significant growth in assets, deposits, profitability, and product variety within the financial sector in Kenya. According to the Central Bank of Kenya (2017), this growth is a result of extensive branch network expansion throughout Kenya and East Africa, coupled with advancements in automating financial services and a commitment to addressing diverse customer demands. The financial industry in Kenya has a rich history, evolving from conventional banking practices through periods of nationalization and privatization, to the current expansion of international banks (Central bank of Kenya 2017).

Financial Services industry in Kenya has achieved new heights successful evolution over the years and increased competition. While some new risks arise, the story of how technological innovation has been disruptive across the Kenyan economy since independence is especially relevant for thinking about financial sector developments. The country is witnessing changes in banking practices due to innovations such as electronic banking, mobile banking, electronic statements, agency banking and automated teller machines. Not only have these led to the displacement of financial activities from banking halls but they have also enabled extension of financial services to the previously unbanked or under banked rural population (Central bank of Kenya 2017).

However, the financial landscape in Kenya operates within a dynamic environment, influenced by regulatory changes imposed by the Central Bank of Kenya. In the recent years some banks in Kenya facing insolvency due to complex conditions, posing challenges to the sector's stability and growth. Despite these challenges, Kenya's financial sector has shown resilience, with the banking industry experiencing rapid growth over the past decade. This growth is evidenced by increased loan development rates, financial gain and productivity comparable to banks in developed countries, reduced instances of non-performing assets, and a strong focus on financial inclusion. Kenyan banks are now re-evaluating their expansion strategies and exploring ways to sustain economic growth (Central Bank of Kenya, 2017).

The banking sector in Kenya has turn out to be fiercely competitive, with even long-standing institutions such as Barclays and Eco-bank actively marketing their offerings (Gathoga, 2011). This environment has witnessed a surge in the presence of various financial service providers, including Microfinance Institutions, Savings and Credit Cooperative Societies, and similar entities, all seeking to attract the same customer base. To ensure ongoing success, banks must strategically position themselves, fulfil their vision and goals, and maintain a robust competitive edge against their competitors.

1.2 Statement of the problem

The financial sector experiences rapid growth, driven by an increasing and ever-evolving customer demand. Firms proactively devise and execute competitive strategies to not only meet but also exceed customer expectations. These well-crafted competitive strategies, developed through thorough environmental analysis, when efficiently put into action and rigorously assessed, results in outstanding firm performance. These strategies provide the firm with a leading position and a significant competitive advantage over its rivals, leading to sustained high performance. This level of performance enables the firm not only to thrive but also to achieve substantial growth, expand its market share, and maintain a lasting competitive edge.

In Kenya, the financial sector experienced increased competition and conflicts arising from competitive strategies as a result of financial liberalization, regulatory adjustments, and significant reforms that were initiated in the mid-1990s. Despite multiple attempts at restructuring and reforming the sector, the performance of the Kenyan financial industry has been unsatisfactory over the past twenty-five years (1990-2015), as highlighted by the World Bank in 2015.Given dynamic nature of this environment, organizations must remain vigilant about changes and continuously devise strategies to ensure their competitiveness is sustained.

As of 2024, the sector remains in a state of flux, with financial institutions grappling with new challenges including technological advancements, heightened regulatory scrutiny, and a rapidly changing customer base. These institutions are now increasingly focusing on strategies such as digital transformation, enhanced customer experience, and data-driven decision-making to stay competitive. Consequently, the ability to adapt swiftly and implement innovative strategies has become paramount for maintaining a strong market position in Kenya's financial industry. (CBK 2024).

The existing body of research in strategic management within the Kenyan context has explored various industries, including sugar manufacturing, logistics, rice milling, pharmaceuticals, and insurance. However, a substantial research gap exists as the majority of prior studies have not specifically delved into the assessment of strategic competitive practices on performance of financial institutions, with a specific focus on Equity Bank in Kenya.

While studies have investigated cost leadership, differentiation, and focus strategies in different sectors, few have honed in on the assessment of strategic competitive practices and their influence on performance within the realm of financial institutions. Research conducted by Marangu, Mwiti & Thoronjo (2017), Chepchichir & Omillo (2017), and Gakuya & Njue (2018) concentrated on specific industries such as sugar manufacturing, logistics, and pharmaceuticals, respectively. Furthermore, the study by Chematia (2021) touched on strategic management practices but was confined to Kenya Commercial Bank, leaving a void in understanding the dynamics at play in other financial institutions.

Equity Bank in Meru Town faces substantial challenges that highlight issues in market share, customer satisfaction, and financial performance. For instance, a potential 5% decline in market share from 2020 to 2023, coupled with customer satisfaction ratings 20% below the industry average, points to gaps in meeting customer expectations amid intense competition. Furthermore, a revenue growth rate of only 2% in 2023, compared to a national branch average of 7%, and a higher-than-average loan default rate suggest financial and operational challenges unique to this branch. Such indicators underscore the need for targeted competitive strategies to address these performance gaps, as little data currently exists to fully diagnose or resolve these issues in Meru Town. (Equity Group Holding 2024).

In light of this gap, this research project aimed to address the deficit in the existing literature by focusing on Equity Bank as a case study. The primary objective was to assess the impact of strategic competitive practices on the performance of financial institutions in Kenya, with a specific emphasis on Equity Bank. By delving into this previously unexplored territory, the study endeavored to provide valuable insights that contributed to the broader understanding of how strategic competitive practices influenced performance within the financial sector in Kenya.

1.3 Purpose of the study

The study assessed the impact of strategic competitive practices on the performance of financial institutions in Kenya.

1.4 Objectives of the study

The study was guided by the following specific objectives;

i). To evaluate the impact of cost leadership strategy on performance of financial institutions in Kenya.

ii) To determine the impact of differentiation strategy on performance of financial institutions in Kenya.

iii) To examine the impact of focus strategy on performance of financial institutions in Kenya.

1.5 Research Questions

The study aimed to respond to the following research questions;

i) To what extent does cost leadership strategy affect performance of Financial Institutions in Kenya?

ii) What is the effect of differentiation strategy on performance of Financial Institutions in Kenya?

iii) How does the focus(niche) strategy affect performance of Financial Institutions in Kenya?

1.6 Significance of the study

The financial sector is pivotal to the economic advancement of every nation, and this study has highlighted the crucial role played by Equity Bank in Kenya's economic growth and stability. By analyzing the strategies adopted by Equity Bank, the research has provided valuable insights into how financial institutions can contribute to a country's economic development. The findings will guide policymakers in creating an environment conducive to financial sector growth, ensuring that regulations and policies support the sector's evolution. The study has shed light on the strategic competitive practices employed by Equity Bank, demonstrating how these practices benefit consumers through improved service delivery, competitive interest rates, lower fees, and innovative financial products. This understanding of Equity Bank's strategies has illustrated their significant efforts to enhance financial inclusion in Kenya, offering practical insights into how financial institutions can broaden their reach and serve a more diverse customer base.

Additionally, the research has provided a comprehensive assessment of Equity Bank's strategic competitive practices, offering a detailed analysis of how these strategies impact overall customer experience. The findings not only benefit Equity Bank but also offer valuable lessons for other financial institutions in Kenya and beyond. By sharing these strategies, the study aims to enhance the effectiveness of the financial sector as a whole. Furthermore, this research contributes to the existing knowledge base regarding strategic competitive practices in the financial sector. It provides a solid foundation for future researchers interested in exploring this topic further, offering practical insights and a reference point for future studies focusing on the performance of financial institutions. The study's contributions will be invaluable for both academics and practitioners in understanding the dynamics of competitive strategies in the financial sector.

1.7 Scope of the study

The study was conducted to assess the impact of strategic competitive practices on the performance of financial institutions in Kenya, with a particular focus on Equity Bank in Meru County. The research specifically targeted employees across different levels of the organization, including top management, mid-level management, operational, and sales staff. Questionnaires were distributed to the respondents to gather data, and these were collected later for analysis.

1.8 Limitations and Delimitation of the Study

1.8.1 Limitation of the Study

As with any study, some limitations may have impacted the generalizability and validity of the results. One of the issues encountered was the respondents' hesitation to share the necessary information, due to concerns that the study might portray them or their organization negatively or lead to repercussions. To alleviate this concern, the researcher made sure to clearly communicate the study's purpose and provided respondents with a data collection letter from the administration, confirming that the research was solely for academic purposes.

Another challenge was the difficulty in obtaining essential information. Given the study's focus on critical aspects of financial institution performance, some of the required information was not publicly available. To overcome this, the researcher sought and received permission from the bank's management to access the necessary information from the target respondents. A third limitation was the potential for bias in the respondents' answers. There was no guaranteed way to ensure that the information provided was entirely accurate, as respondents might have been inclined to favor their workplace and present information in a positive light rather than reflecting the true situation. To address this, the researcher carefully reviewed the collected data before analysis, excluding any questionnaires that seemed excessively biased. Furthermore, the study subjected the analyzed data to reliability tests to ensure its accuracy.

1.8.2 Delimitation of the Study

The study was limited to Meru County, excluding other counties or regions within Kenya. The research concentrated on cost leadership strategy, differentiation and focus (niche) strategy rather than investigating all potential practices. The performance of financial institutions can be influenced by external factors beyond strategic competitive practices, such as economic conditions, political stability, or market trends. These external factors might not be fully controlled or accounted for in the study.

1.9 Assumptions of the Study

The study operated under a few assumptions. It assumed that participants provided accurate and honest responses to the survey questions, ensuring the integrity of the data collected. Additionally, it presumed that the measurements used to assess performance were reliable and valid indicators of the success of financial institutions.

1.10 Operational Definition of Terms

Strategy: A systematic approach for distributing limited resources over time to accomplish the objectives of an organization.

Strategic competitive practices: These refer to the intentional and planned actions that organizations undertake to gain a distinct edge in the competitive landscape of the market. These practices are designed to position a company ahead of its rivals, enhance its market position, and achieve long-term success.

Financial Institution: This is an organization that offers a variety of financial services to its customers. These services encompass receiving deposits, extending loans, aiding in money transfers, providing investment opportunities, and managing financial risks.

Cost leadership strategy: This involves a situation where a business presents itself as the provider of services or manufacturer of products with the most competitive prices in the industry. This is achieved by minimizing production costs to maintain competitiveness. Cost leadership encompasses having low-priced products and services, improving business processes, and attracting and keeping customers.

Differentiation Strategy: A strategic approach crafted to enhance the worth of a company's products or services when compared to those of competitors, nurturing customer preference for the company's offerings and establishing a unique identity.

Focus Strategy: This describes a scenario in which an organization aims to focus on a specific niche market by narrowing its competitive focus to smaller segments, specific buyer demographics, and a particular range of products. The organization targets its products specifically to these segments, excluding all others in the broader market.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter delved into a review of literature that aligned with the objectives of the study. It highlighted key theoretical and practical issues and explored relevant literature concerning strategic competitive practices within financial institutions in Kenya. The chapter encompassed a thorough examination of previous research, empirical analysis, and a summarized overview pinpointing key topics relevant to the study. Additionally, it outlined the conceptual framework that supported the study.

2.1 Theoretical Literature Review

According to Swanson (2014), theories are developed with the aim of explaining, predicting, and understanding phenomena, often with the intent of questioning and expanding upon current knowledge while adhering to critical foundational assumptions. Theoretical review provides the framework to uphold or back up a theory for a research study. In this particular study, theories like Resource Based View (RBV), Porters five forces model, and transaction cost theory will be used to guide the study.

2.1.1 Resource Based View (RBV) Theory

The theory originates from Penrose in 1959, it underscores the significance of critical resources for the advancement and growth of any organization. RBV theory proposes that internal resources of an organization play a pivotal role in attaining superior performance in comparison to industry peers (Odollo, Iravo & Sakwa, 2019). This implies that an organization possessing the appropriate blend of these essential resources can not only formulate but also effectively execute operational strategies, thereby gaining a competitive edge over rivals in the same sector.

According to RBV, when an organization successfully integrates its distinct resources, it can achieve exceptional performance and excel across all operational dimensions within the organization, as articulated by Odollo, Iravo & Sakwa (2019).

Resource-Based View theory asserts that an organisation's sustainable competitive advantage and performance are contingent upon its capacity to effectively manage the institutional context in which it makes decisions about its resources. Instead of focusing on the competitive environment, the theory encourages organizations to seek the sources of competitive advantage within the company itself Csaszar (2014). According to proponents of the theory, the RBV seeks to establish a connection between a firm's internal capabilities and the formulation of strategies to attain a competitive advantage. Key principles of the theory, view a firm as an interconnected network of resources and capabilities. Consequently, the RBV places significant emphasis on making strategic choices regarding critical resources. These choices involve the identification, development, and deployment of core resources with the aim of maximizing profits, David (2014).

Competitive businesses with substantial financial resources sometimes use their own capital to manipulate market pricing. They employ predatory pricing tactics with the goal of pressuring a competitor to exit the marketplace by shrinking its profit. However, according to McWilliams, Van Fleet, and Cory (2012) taking an aggressive stance against rivals may not always serve a company's best interests. In fact, firms might discover opportunities for mutual benefit through collaboration. These corporations may allocate resources to uphold premium pricing and engage in unspoken cooperation with certain competitors in their product market.

The theory can be used to explicate the extent of cost leadership strategy on performance of organizations. Organizations emphasize importance of their internal resources and capabilities as the foundation of their competitive advantage. When applied to a cost leadership strategy this means that a company’s internal resources become instrumental in achieving lower costs compared to competitors. RBV focuses on optimizing the use of internal resources. For a Cost Leadership strategy, this means optimizing operational efficiencies to minimize costs, whether it's streamlining production, reducing waste, or improving supply chain logistics. A fundamental aspect of the Cost Leadership strategy is achieving economies of scale. The RBV theory highlights the value of such resources as they can be rare and difficult for competitors to match, further enhancing the firm's cost leadership position.

The linkage between the Resource-Based View (RBV) theory and cost leadership strategy in the financial sector is underscored by the idea that effective management and optimization of internal resources are vital for financial institutions to achieve and sustain a competitive advantage through lower operational costs. RBV highlights how unique capabilities such as advanced technology, skilled personnel, and efficient processes enables the institutions to streamline operations, reduce waste, and minimize expenses. This resource optimization is essential for executing a successful cost leadership strategy, allowing the financial institution to offer competitive pricing while maintaining profitability. In Kenya's competitive financial landscape, leveraging these internal resources not only helps in lowering service costs but also enhances customer acquisition and retention, reinforcing the importance of RBV in explaining how strategic resource management directly impacts the effectiveness of cost leadership and overall performance.

2.1.2 Porters Five Forces Model

The model serves as a strategic tool made by Michael Porter in 1979 to help understand competition in a business. This framework assesses an industry's profitability and helps shape a company's competitive strategy by examining five critical forces that influence competition within that industry. The model categorizes and examines these key forces, which play a vital role in determining the competitive landscape and overall profitability of an industry. It is a valuable tool for companies to devise effective strategies because it provides insights into the strength of these five forces within a specific industry, thereby guiding strategic decision-making (Porter, 2008).

It includes the threat of new competitors, which checks how easy it is for new businesses to join an industry. If an industry is profitable and there aren't many obstacles to entering, more companies will compete, driving down profits. Existing companies need to make it hard for new ones to enter to protect their profits. The threat of new competitors is high when it's easy to start a business in the industry, existing companies can't do much in response, there are no patents or strong brands, there's little government regulation, customers can switch easily, loyalty is low, products are similar, and big companies can easily save money by producing a lot (Porter 2008).

Another significant force in Porter's model is the bargaining power of suppliers. When suppliers possess a powerful bargaining ability, they demand higher prices for raw materials or provide lower-quality materials to their clients, which can negatively impact the profitability of buying firms. Suppliers tend to have strong bargaining power under conditions such as a situation where there are a limited number of suppliers but many buyers, the suppliers are large and capable of threatening forward integration, there are few substitutes raw materials available, suppliers control rare or essential resources, and the cost of switching to alternative raw materials is notably high (Porter, 2008).

Another crucial aspect in Porter's model is the bargaining power of buyers. When buyers have significant bargaining power, they can demand lower prices or higher product quality from industry producers. A reduction in price can lead to reduced revenues for the producer, while enhancing product quality typically results in increased production costs, both of which can diminish the producer's profits. Buyers possess strong bargaining power under circumstances like purchasing in substantial quantities or controlling numerous access points to the end consumer, a limited number of buyers in the market, low switching costs to alternative suppliers, the potential to threaten backward integration, the presence of many substitute products, and a high level of price sensitivity among buyers (Porter, 2008).

Another element in Porter's model is the threat of Substitutes. This factor becomes particularly significant when buyers can readily find alternative products that offer attractive prices or superior quality and when switching from one product or service to another involves minimal cost (Porter, 2008). In addition, there is the rivalry among existing Competitors, which plays a pivotal role in determining the level of competition and profitability within an industry. In highly competitive industries, firms must engage in aggressive competition for market share, which often results in reduced profits. Rivalry among competitors becomes strong when several competitors exist, exit barriers are high, industry growth is slow or negative, products lack differentiation and are easily replaceable, competitors are of similar size, and customer loyalty is low.

The model serves as a comprehensive analytical framework for assessing the competitive dynamics of an industry. When viewed in the context of a differentiation strategy, this model takes on added significance. Differentiation strategies involve creating unique and high-quality products or services that command premium prices, thereby addressing key forces in the model.

By offering distinct features, companies can raise barriers to entry, reducing the threat of new entrants. This differentiation also limits the bargaining power of buyers, who are often willing to pay more for the added value. Furthermore, the strategy lessens the threat of substitutes since customers are less likely to switch to alternatives when they highly value the differentiated attributes. Moreover, by charging premium prices, companies can mitigate rivalry among competitors, as they compete less on price and more on delivering unique value. Overall, the differentiation strategy strategically aligns with Porter's model to create a competitive advantage by influencing and shaping the five critical forces within the industry.

2.1.3 Transaction Cost Theory

The theory has become a foundation of organizational economics, offering a prominent framework for understanding organizational boundary decisions. This theory originated from the work of Coase in 1937 and was further advanced by Williamson in 1979. In contrast to the neoclassical perspective, which views firms as production functions operating with zero transaction costs, Transaction Cost Economics (TCE) posits that firms are governance structures dealing with positive transaction costs (Williamson, 1998). TCE suggests that the nature of transactions and the environments in which they occur are shaped by costs. As a result, parties engaging in transactions establish agreements that are formalized into contracts. According to this theory, governance mechanisms are essential to mitigate the risks associated with opportunistic behavior.

Drawing upon three behavioral assumptions (perceived opportunism controllability, bounded rationality, and risk neutrality) and considering three transaction characteristics (asset specificity, uncertainty, and transaction frequency), Transaction Cost Economics proposes that organizations select governance structures, such as alliance partnerships, to minimize transaction costs (Williamson, 1998). Its applicability extends beyond economics, influencing strategic management and business research, particularly in international business (Williamson, 1979). Essentially, the theory provides a framework for understanding the presence, development, and allocation of specific capabilities within partnerships (Williamson, 1981).

Williamson (1988) argues that organizations seek to reduce costs by exchanging assets with other organizations, thereby minimizing inefficiencies associated with bureaucratic processes. According to this theory, organizations and markets have evolved into systems that facilitate and accommodate business transactions. Additionally, Williamson (1981) suggests that additional costs arise from sharing resources influenced by changing economic conditions, corruption risks, constrained discretion, and strategic firm assets. Consequently, inter-organizational transaction costs increase, implying that it is prudent for organizations to avoid outsourcing by limiting internal transactions if they understand the market dynamics.

Transaction Cost Economics (TCE), is closely related to the implementation of focus (niche) strategies within organizations. TCE emphasizes that firms face positive transaction costs when engaging in market transactions, highlighting the need for governance mechanisms to mitigate risks associated with opportunistic behavior. When adopting a focus (niche) strategy, firms tailor their products or services to meet the specific needs of a narrow market segment, reducing transaction complexities by dealing with a smaller set of customers with similar preferences. By minimizing uncertainties and asset specificity, firms align with TCE's principles, thereby optimizing transaction costs and enhancing competitiveness within their chosen niche. Additionally, TCE suggests that firms may form strategic alliances or partnerships to leverage complementary resources, further optimizing transaction costs in pursuit of their niche strategy.

2.2 Empirical Review

2.2.1 Cost Leadership strategy

The strategy is a business tactic that allows companies to attain a competitive advantage by increasing its sales revenue, facilitating potential expansion plans, and ultimately influencing the overall performance in the organization. Key indicators associated with the cost leadership strategy in this research context encompass elements such as economies of scale, standardization and efficient operations. As outlined by Porter, this strategy falls within the framework of generic competitive strategies that a company may employ to become a low-cost operator within its industry, as noted by Pearce and Robinson (2012). Daniella (2014) further elaborates that this approach may involve various tactics, including but not limited to pursuing economies of scale, reducing manufacturing expenses, and securing preferential access to raw materials.

Cost leadership strategy revolves around maximizing overall organizational efficiency. To keep doing well compared to others and make good profits for a long time, companies employing this strategy must prioritize efficiency across all areas (Porter, 2007). Organizations employing the strategy aim to capture a significant market share by becoming the businesses that offer the cheapest prices for their products or services in their industry or market. Consequently, they can generate profits above the average by reducing prices to match or even undercut their competitors while still remaining profitable. By relentlessly pursuing cost reduction, companies not only operate with great efficiency but also assume the role of effective price leaders. This weakens the growth of competitors in the industry by winning price battles and reducing the profits of other companies. If a company's expenses for sales or raw materials are less than its rivals', it can provide lower prices, better quality, or both (Spulber, 2009).

Economies of scale refer to the cost advantage that a company achieves when it increases its production scale, resulting in a reduction in the cost per unit of output. According to Besiga (2015), these economies of scale occur when the cost of performing an activity decrease as production volume increases. This occurs when a company can produce more without a proportional increase in the resources and inputs required for production, often because some critical resources are available only in large quantities. This leads to cost savings, and examples of such resources include capital equipment, promotional campaigns, distribution networks, and the ability to specialize by expanding input quantities beyond a certain minimum threshold Ensign (2008) Many businesses have effectively employed a cost leadership strategy to attract customers. The primary aim of offering products at daily low prices is to undercut competitors rather than relying on higher revenues (Liu & Fang, 2016).

The aim of using the strategy is to get ahead of competitors by cutting costs more than they do (Barney, 2018). This approach prioritizes efficiency. By consistently producing high-quality and standardized products or services and taking advantage of economies of scale and the experience curve, the company aims to establish a sustainable competitive advantage over competitors. Essentially, the company has two primary methods to maintain this cost advantage. First, it can do so by managing the factors that drive costs, meaning it can achieve an advantage by optimizing the cost drivers associated with value activities that make up a significant portion of the total cost. Alternatively, the company can restructure its value chain by adopting more efficient approaches to manufacturing, marketing, distribution, and product design, ultimately leading to a cost advantage (Porter, 2007).

Another aim of employing the strategy is to minimize expenses, encompassing both direct and indirect costs. This is done by providing a broad selection of standardized products, offering simple and basic options, and restricting customization and personalization of services. Costs are minimized by utilizing fewer standard components and sticking to a small variety of product models to enable efficient mass production (Gregson, Andrew 2008). Sustaining this strategy necessitates a continuous pursuit of cost-saving opportunities throughout the organization. This includes activities like outsourcing, cost management, optimizing asset utilization, and reducing costs in areas such as distribution, research and development, and marketing. The overarching objective of this integrated distribution strategy is to reach the widest possible audience. Promotional efforts often focus on highlighting the advantages of low-cost product features.

The main objective of the Strategy is to provide products or services at the most competitive price in the industry. The challenge, however, is ensuring that while offering these low prices, the business still generates a satisfactory profit without compromising the profitability of the entire market segment. Renowned retailers like Walmart have successfully employed this strategy by offering significantly low prices on products with high demand where consumers are highly price-sensitive, while being more conservative in discounting other products. To maintain this competitive pricing, products need to be produced at the industry's minimum cost. For instance, businesses might prioritize showcasing sale items in stores over stockpiling excess inventory.

In pursuit of a cost leadership strategy, a bank may opt to position itself as the most cost-efficient player in its industry by offering the lowest prices or rates for its services, as outlined by Porter (2007). This cost benefit can be attained through different factors, such as economies of scale, exclusive technology, and advantageous access to raw materials and other pertinent variables. To successfully maintain a low-cost position, the bank must diligently identify and leverage all available cost advantages, ensuring that its performance exceeds industry standards to the extent that it can charge prices that are on par with or close to the industry average.

Companies employing the cost leadership strategy aim to target a broad customer base (Bauer, 2011). By pricing their products and services competitively through a low-cost approach, these firms can provide relatively standardized offerings to customers, thereby gaining a lasting competitive edge over their competitors in the market. This advantage, in turn, leads to an increase in market share, ultimately boosting profitability, as highlighted by Porter (2007).

Research conducted by Seth (2013) has affirmed that to succeed as a low-cost leader, a company must secure a substantial market share within its control. In such cases, the competitive landscape becomes challenging for new market entrants, as the cost strategy's benefits stemming from economies of production, mass distribution, and scale may not significantly Favor these newcomers. Consequently, the cost leadership strategy effectively serves as a defence mechanism against market competitors in highly competitive industries (Parker, 2014).

David (2014), companies aim to achieve efficiency through the pursuit of cost leadership, which involves minimizing the cost per unit of production. Additionally, David (2014) divides the cost leadership strategy into two categories that is cost efficiency and asset parsimony. Cost efficiency, as outlined by the author, focuses on reducing the costs associated with producing and offering a unit of product or service in the market. On the other hand, asset parsimony is a strategy employed to minimize expenses related to the assets used in the production process of a given commodity. David's research (2014) suggests that asset parsimony aims to decrease the number of assets required per unit of output, ultimately enhancing the firm's overall performance.

Research conducted by Chepchirchir and Omillo in 2017 examined how using the strategy resulted in enhancements in performance. The research was guided by Porter's Five Forces theory and utilized an explanatory research design. It targeted a population of 151 respondents, with a sample size consisting of 110 top and middle-level management individuals from logistics firms operating at JKIA (Jomo Kenyatta International Airport) in Nairobi, Kenya. The study's results showed that using the strategy had a big positive effect on how well logistics companies performed. Current research, however, aims to confirm or disapprove whether these findings hold true in the financial institutions thereby forming the foundation for our ongoing study.

Marangu, Mwiti, and Thoronjo (2017) carried out a study to see how using the cost leadership strategy affected the competitiveness of sugar companies. They used concepts like competitive advantage, a basic framework, and analysis of resources for their research. To understand how cost leadership strategies relate to how competitive organizations are, they did correlation analysis. The results of their model showed that the cost leadership strategy was effective. While past studies focused on how cost leadership affected the performance of sugar processing companies, this study broadens its scope. It looks at not only cost leadership but also differentiation and focus strategies. The aim is to confirm or challenge earlier findings, with a special focus on how well financial institutions, especially Equity Bank Kenya, performs.

In Eldoret, Nyauncho, and Nyamweya (2015) conducted research to see how using the strategy affected the performance of LPGC. They looked into Porter's Generic Competitive Strategies in their review of existing literature. Their research found that implementing a cost leadership strategy does influence the performance of LPGCs. This strategy enables the company to lower prices, resulting in increased sales volume, improved profit margins, and enhanced performance. The current study will investigate whether similar findings apply to financial institutions with specific interest in Equity Bank Kenya, either supporting or contradicting the conclusions of prior research.

However, there are drawbacks to the cost leadership strategy. For instance, it may lead to a lack of customer loyalty, particularly among price-sensitive customers who might switch to alternative products as soon as a lower-priced option enters the market. The focus on reducing operational costs could also potentially compromise the standard of products or services offered, which may damage the organisation's reputation. Moreover, offering products at very low prices can create a negative perception of product quality in the minds of customers (Miller, 2014).

The researchers describe the cost leadership strategy as a key approach for firms seeking a competitive edge through cost reduction and efficiency, thereby enabling lower prices and increased market share. Core elements like economies of scale, standardization, and streamlined operations are crucial to this strategy (Porter, 2007; Pearce & Robinson, 2012). The goal is to lead on price by minimizing costs across production, distribution, and asset utilization, ultimately achieving sustainable profitability. Studies, such as those by Chepchirchir & Omillo (2017) and Marangu et al. (2017), highlight this strategy's success in boosting performance, with current research assessing its impact on financial institutions, notably Equity Bank Kenya. While effective, the strategy's drawbacks include risks like reduced customer loyalty and potential quality perception issues (Miller, 2014).

2.2.2 Differentiation strategy

Product differentiation centres on catering to specific customer needs by customizing the product or service accordingly. By doing so, companies can set premium prices and expand their market share. Successful execution of the differentiation strategy means offering customers unparalleled or superior value through exceptional product quality, distinct features, or post-purchase services.

Businesses adopting this approach can set elevated prices for their offerings due to unique product attributes, the way it's delivered, the quality of service, or the channels of distribution utilized. The product's superior quality can be either genuine or based on factors like style, brand reputation, or public perception. This strategy resonates with discerning consumers who value exclusivity or superior quality and are willing to pay an extra amount for it.

Differentiation plays a crucial role in making the purchasing process more sensitive to a company's image, ultimately impacting its performance. Key indicators of the differentiation strategy in this study encompass aspects like innovation, brand image and quality. According to Porter (2007)), the differentiation strategy involves intensifying the perceived worth of a company's offerings compared to rivals, with the intent to cultivate customer preference through its unique attributes. Lemak & Choi (2013) describe differentiation as positioning a brand distinctively from its competitors to foster a unique organizational identity. Moreover, the essence of product differentiation lies in how customers perceive the organization, meaning it can be applied to a tangible product, making it more appealing, or to an intangible service (Kamau, 2013, Barnley & Hesterly, 2013).

Differentiation strategy aims at enhancing quality management of products and services offered by the company. It achieves this by taking into account important elements of quality management, such as planning, improvement, control, and assurance of quality (Alonso, Almeida & Bremser, 2015). Quality control, within this context, focuses not only on the quality of the product or service itself but also on the methods used to attain that quality. The processes for quality control and management of products and quality assurance must be effectively overseen to meet established quality standards (Baack & Boggs, 2008).

Quality management within the framework of a differentiation strategy concentrates on overseeing activities to ensure that both products and services are not only suitable for their intended purpose but also meet specified standards (Liu & Fang, 2016). Organizations employ quality management processes as essential tools for addressing quality-related concerns. These processes encompass the organizational structure, procedures, methods, and resources utilized in the execution of quality management programs, ultimately delivering unique and difficult-toreplicate quality products and services that set them apart from competitors (Baack & Boggs, 2008). Quality management systems have the objective of accurately comprehending customer expectations regarding quality. These systems aim to translate these quality requirements into proactive plans that not only meet but exceed customer expectations (Kandampully, 2015).

In a swiftly evolving economic landscape, innovation serves as a strategic catalyst for identifying fresh opportunities and safeguarding valuable information assets. Innovation plays a crucial role in presenting unique products and services, generating greater value than previously realized, and erecting barriers to entry (Kim & Kumar, 2012). The success of product innovation is assessed by its achievement in terms of market share, sales, return on investment, and profit objectives (Chen, Tang, Jin, Xie, & Li, 2014). Product innovation might involve modifying one or more features, introducing new functionalities, or enhancing existing features or usage methods. Functional attributes include qualities that render the product suitable for its intended use, such as quality, reliability, durability, cost-effectiveness, convenience, availability, and userfriendliness.

In financially backed product innovation, the emphasis lies on affordability and accessibility of financing. This entails dynamic pricing models, setting up cost-effective production lines utilizing more economical materials, and efficiently delivering goods or services to the market.

Product innovation encompasses beyond simply introducing a new or enhanced design with emotional and visual allure. It also involves attracting prospective users and integrating features like advanced information and technology compared to competitors' offerings (Mehmet, 2019).

Olegube (2014) states that product differentiation can incorporate tangible elements like location, the physical space, and the design of that location. On the other hand, Kamau (2013) mentions that when considering services, differentiation pertains to elements like the use of after-sales services, extended operational hours, and incentive programs. Differentiation intensifies the importance of the buying process for customers, making them more attuned to a company's image. Thus, there's an emphasis for businesses to craft personalized products (Allen & Helms, 2006). Differentiation as a strategy is particularly effective in scenarios where the customer base isn't primarily driven by price, where the market environment is extremely competitive, or where a business possesses a unique set of resources and skills enabling it to meet its customers' requirements (Porter, 1985).

Porter (2007) provides multiple examples of differentiation tactics, such as attentive customer service, crafting unique product or service features, considering diverse customer tastes and preferences, and pioneering innovative designs. It’s essential for organizations to devise products and services that not only stand out due to their distinctive qualities but also resonate with both their existing and prospective customers—offering something superior to what competitors present

(Kamua, 2017). By adding unique value to products and services through differentiation, a company can realize enhanced sales returns, leading to increased profitability, as supported by Barnley & Hesterly (2013) and Prajogo (2007).

Pearce and Robinson (2007) states that differentiation-based strategies are made to attract customers who have a particular inclination or heightened sensitivity toward a specific product characteristic. By placing emphasis on this particular trait above all other qualities, the company endeavours to foster customer loyalty. Consequently, this loyalty translates into the company's capacity to command higher prices for its products. This distinctive attribute can extend to various aspects, such as the marketing channels employed for delivery, the product's reputation for excellence, its unique features, and the network of services that supports it.

The crucial stage in creating a differentiation strategy is identifying what sets a firm apart from its competitors. Various aspects have been proposed as means to differentiate a company, encompassing aspects such as the market segment it serves, the quality of its work, its scale or size, its image and visual identity, its engagement with client organizations, the nature of its products, the delivery system it employs, and its marketing strategies (McCracken 2002 &Davidson, 2001). For the message of differentiation to work well, it needs to reach the customers because their perception of the company is significant.

Bauer (2011) suggests that differentiation involves maintaining a consistent and strong image for customers, combined with innovative marketing approaches. This includes the creation of new products and a rigorous commitment to quality control using Total Quality Management (TQM).

Kamua (2017) adds that differentiation centres on recognizing unmet needs in the marketplace and integrating them into products and services to appeal to clients.

Jacome (2011) presents an argument highlighting various bases for differentiation as a strategic approach that organizations can employ. Jacome's framework categorizes product differentiation into three distinct categories. First, an organization may opt to enhance its relationships with its core customers by offering product customization, tailoring its products or services to meet specific client needs (Yasar, 2010). Second, the firm may direct its focus towards enhancing the distinctive features of its products or services, which can attract potential buyers. This approach also involves strategically timing the introduction of new products to target specific market segments (Barnley & Hesterly, 2006). Lastly, differentiation can be achieved by concentrating on network connections within the organization. This contains managing the product mix, optimizing distribution channels, and providing robust service support (Barney, 2007).

To maintain a sustainable differentiation strategy, it is imperative for an organization to establish a robust research and development team along with highly creative personnel possessing strong marketing skills, as noted by Kamau (2017). Organizations that foster a culture of creativity consistently strive to outpace their competitors to secure a competitive advantage, as emphasized by Marques & Lisboa (2011). The advantages of differentiation for an organization are manifold. It enables the organization to command premium prices for its value-added products and services, leading to superior profits compared to competitors. Furthermore, it creates strong brand loyalty among the organization's dedicated customer base, thanks to uniquely tailored products and services that cater to their specific needs. Differentiation also creates both tangible and perceived barriers to entry for potential newcomers in the industry, while simultaneously diminishing the bargaining power of buyers, as described by Porter (1980). Collectively, these competitive advantages contribute to superior organizational performance, as highlighted by Nolega et al. (2017).

In a study conducted in Nigeria by Adegbite, Osinowo, Omisore, and Ayinde (2016), they looked into how making services different affects being better than competitors, concentrating on the National Railway Corporation. They gathered data from two places: they asked 100 passengers directly, and they also looked at reports on how well the corporation was doing. The results showed that making their services different helped the Nigerian Railway Corporation be more competitive. However, it's vital to note that while this study was about a national company that doesn't have much competition, the current study will focus on financial institutions, especially Equity Bank Kenya.

Kuswatuka and Zimuto (2015) conducted a research project in Zimbabwe with the aim of identifying the survival strategies employed by microfinance institutions to enhance their competitiveness. The primary components of their study included analysing cost leadership, differentiation, and focus strategies. They gathered data from a sample of 380 employees working in the financial services sector. The study's results indicated that among the strategies considered, differentiation emerged as the most impactful in terms of gaining a competitive advantage over competitors for financial services institutions. This study will therefore seek to approve or disapprove the finding of the research.

Githumbi (2017) carried out a research study to see how making things different affected how well rice milling factories in Kirinyaga County, Kenya, did. The study found that both making their products and services different helped big rice milling factories perform better. It concluded that, for these factories, only making their products and services different really made a difference in how well they did. While Githumbi's study was about agriculture, specifically rice milling, this study will fill in the gaps by looking at financial institutions in Kenya. The aim is to see if there's a similar connection between making products and services different and how well financial institutions perform.

However, it's important to acknowledge that differentiation as a strategy has its downsides. Successful differentiation can attract imitation from competitors seeking to replicate the organization's methods to lure away customers, as cautioned by Kamau (2017). Additionally, differentiation can be a costly strategy, as it may take long for an organization to establish a strong brand image. This also carries the risk of clients changing their preferences, and if the organization fails to adapt swiftly, it may struggle to meet customer demands, resulting in potential losses.

The researchers in this section explains that a differentiation strategy focuses on customizing products or services to meet specific customer needs, allowing companies to charge premium prices and increase market share. Key elements in this strategy include quality, brand image, and innovation, which together create unique value for customers and enhance company performance (Porter, 2007; Lemak & Choi, 2013). Differentiation appeals to consumers willing to pay more for exclusivity or superior quality, with efforts such as product customization, quality management, and innovation serving as critical components (Kamau, 2013; Baack & Boggs, 2008).

The researchers also highlights that differentiation benefits companies by creating a strong, loyal customer base and positioning them to command premium prices, but it can attract imitation from competitors and be costly to maintain (Kamau, 2017). Additionally, studies by Kuswatuka & Zimuto (2015) and Githumbi (2017) show that differentiation can be effective in enhancing competitiveness and performance across various industries, with the current study examining its impact within financial institutions, specifically Equity Bank Kenya.

2.2.3 Focus (niche) Strategy

The strategy centres on catering to a particular market niche, geographic region, or specific customer segment, thereby exerting a significant impact on how services are delivered. Indicators that point to the adoption of a focus strategy in this study encompass the market segmentation, personalized marketing and customization. This strategic approach, which is also described by Porter (2007), involves a company's intent to serve customers within a narrow market segment while either striving for cost leadership or differentiation, as articulated by Davidson (2014).

The focus strategy also involves adopting a narrow competitive scope within a specific industry. Its primary objective is to expand market share by operating within a niche market or in segments that larger competitors either find unattractive or overlook. These niches can emerge due to various factors, such as geographic location, unique buyer characteristics, or specific product specifications and requirements. A successful focus strategy, as proposed by Porter (2007), relies on the existence of an industry segment that is sufficiently sizable to offer growth potential but not of significant importance to major competitors. Market penetration or market development can be essential components of a focus strategy. While midsize and large firms may incorporate focus-based strategies, they often do so in conjunction with differentiation or cost leadership generic strategies. Nevertheless, focus strategies are most effective when consumers possess distinct preferences, and the niche remains untapped by competing firms, as emphasized by David (2014).

A focus strategy aims to realize competitive advantage by either having lower costs compared to competitors targeting the same market segment or by providing something unique that differentiates the business from its competitors. This strategy centres on a specific market niche where buyers have particular preferences. The chosen niche might be defined by geographic factors, specific service usage based on particular physiological criteria, or characteristics appealing to a specific social class, as highlighted by Stone (2018). A cost-based focus strategy works best when catering to a segment of buyers whose needs can be met more affordably than the broader market, often influenced by their income brackets. Equally, a differentiation-based focus strategy thrives when targeting a segment seeking distinct product or service attributes.

Market segmentation, often described as dividing a market into distinct and similar groups (Elrod & Russell,2011), is propelled by the recognition that these groups respond differently to various marketing strategies and mix variables. Consequently, different approaches and value delivery methods are essential for establishing effective comprehensive value chain management (Goller & Kalafatis, 2016). The significance of market segmentation arises from the acknowledgment of the vast differences among consumers (Howaldt & Mitchell, 2016). Consumers of a product or service constitute a diverse and non-uniform group, each possessing unique needs, preferences, resources, and behaviours (Matzler & Hinterhuber, 2017).

Producers face the challenge of providing a wide range of goods tailored to individual consumers, which is practically impossible. Consequently, they categorize the market into similar clusters, with segmentation being the most effective approach (McDonald & Dunbar, 2017). Nevertheless, successful organizations view these challenges as opportunities and employ market segmentation as a valuable tool for gaining a competitive advantage and momentum

(Howaldt & Mitchell, 2016).

Dawn (2014) describes personalized marketing as a strategy in which a company possesses consumer database information or the capability to customize its products or services to cater to individual preferences. Each consumer is addressed on an individual basis, allowing for the customization of a marketing strategy tailored to their specific requirements. Social commerce companies can enhance consumer-brand relationships by employing tools that facilitate personalized marketing messages and encourage consumers to engage with the brand Wallace (2014).

According to Hawkins (2008), personalized messages are preferred by consumers because they are perceived as more appealing, pertinent, convincing, and have the effect of capturing their attention, ultimately leading to increased time spent on processing these messages. McMillan and Hwang (2002) stated that personalized services, such as customized advertisements, results to positive responses from consumers and promote active engagement with them. To understand the power of influence that the tool of personalized marketing possesses, readers need to view it as a contextual data.

Gakuya & Njue (2018) carried out a study to investigate how the strategy impacts customer loyalty among pharmaceutical companies in Nairobi County, Kenya. They gathered data from a sample of 35 employees working in the pharmaceutical companies. The findings of the study indicated that focus strategy has a positive effect on customer loyalty. However, it is worth noting that while this research centred on pharmaceutical companies the current study will focus on financial institutions with major interest in Equity bank.

In a study conducted by Kinyungu and Ogollah in 2017, they explored the effect of competitive strategies on the performance of Kenya Commercial Bank. Their research revealed that the adoption of a market-focused strategy significantly impacted the bank's overall performance. The study underscored the substantial role played by differentiation in contributing to the bank's success during the specified period. This present study aims to examine whether equivalent results are applicable to Equity Bank Kenya, potentially either affirming or challenging the conclusions drawn from the earlier research.

Kemunto (2019) conducted a research study aimed at investigating the impact of focus strategy on the performance of insurance agencies in Nairobi County. The findings of the study indicated a statistically significant relationship between the adoption of a focus strategy and enhanced performance. The study suggested that insurance agencies implementing this strategy observed an increase in their overall performance levels. The current research, however aims to confirm or disapprove whether these findings hold true in the financial institutions thereby forming the foundation for the ongoing study.

According to Caxton (2015), companies employing a focus strategy frequently benefit from strong customer loyalty, which acts as a deterrent for other firms looking to enter direct competition. Due to their concentrated market focus, firms pursuing this strategy typically operate with lower sales volumes, resulting in reduced bargaining power when dealing with suppliers. Successful focus strategy adopters possess the ability to leverage their diverse product development capabilities to cater to a relatively specific market segment where they possess a thorough understanding of. However, there are certain risks associated with focus strategies, including the potential for imitation by competitors and shifts in the preferences and characteristics of the target market segments, as outlined by Bob & Ron (2010)

2.3 Conceptual framework

Independent Variables **Dependent Variable**

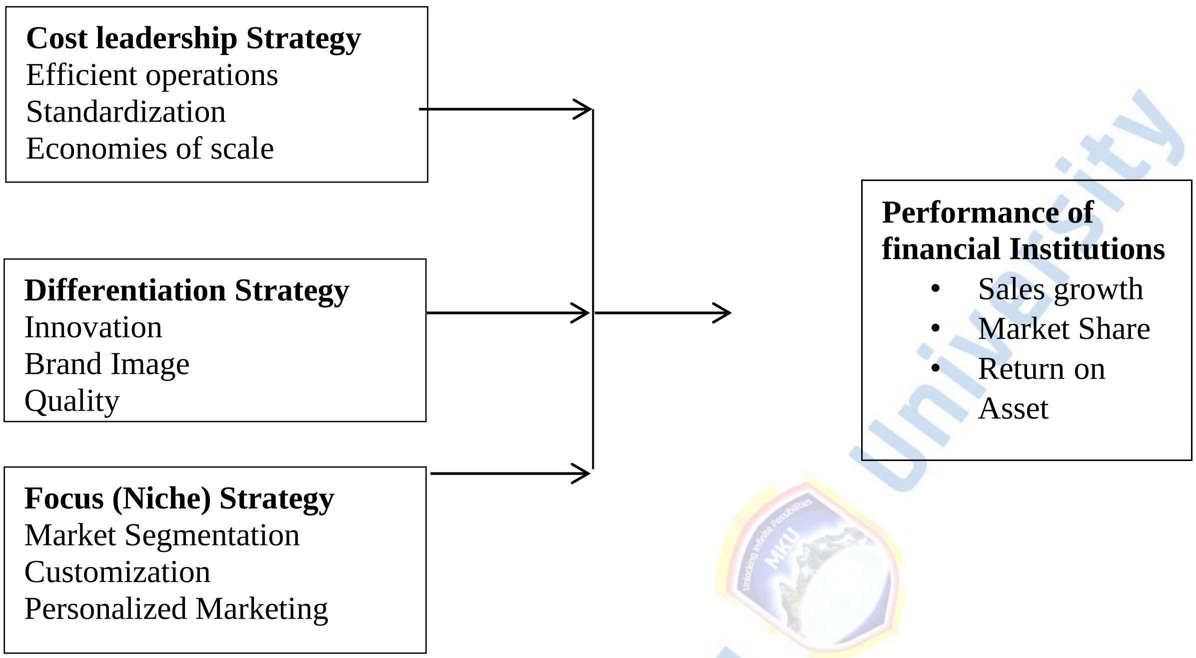

Figure 2.1: Conceptual framework

Source**: Researcher (2024)**

The conceptual framework illustrates the correlation between the dependent variable, which is the performance of financial institutions in Kenya, and the independent variable consisting of strategic competitive practices: cost leadership strategy, differentiation strategy, and focus (niche) strategy. This framework demonstrates that performance is impacted by these strategic approaches. Parameters for measuring cost leadership encompass efficient operations, standardization, and economies of scale, while differentiation is evaluated through innovation, brand image, and quality. Focus (niche) strategy is assessed via market segmentation, personalized marketing, and customization. The dependent variable, performance, is evaluated based on sales growth, Market share, and return on assets.

2.4 Recap of Literature Review

In this literature review chapter, the research delves into the core concepts of competitive strategies, focusing primarily on cost leadership, differentiation, and focus strategies, and how these strategies relate to performance of financial institutions, with a specific emphasis on Equity Bank Kenya. The literature begins by emphasizing the importance of developing competitive strategies, as articulated by Kotler (2007). It highlights the significance of aligning these strategies with the organization's goals, market position, and available resources. It also discusses the roles of managers in shaping and executing these strategies.

Additionally, the chapter also delves into the concept of strategic competitive practices, drawing on the works of renowned scholars like Kotler, World Bank, and others. It explores different perspectives, including industry leader, challenger, follower, and niche filler, highlighting the importance of distinguishing products and services, achieving cost leadership, and aligning with customer needs. The critical role of managers in shaping a company's competitive strategy is also emphasized.

The literature review extensively covers cost leadership as a competitive strategy, emphasizing its goal of delivering products or services at competitive prices. The strategy is described as a means to attain lesser production expenses, leveraging economies of scale and efficiency to outperform competitors. However, it also acknowledges potential drawbacks, such as a lack of customer loyalty and potential compromises in product quality.

Differentiation strategy, another key concept, is discussed in detail. It revolves around offering unique value to customers through exceptional product quality, distinct features, or postpurchase services. The review explores how differentiation can lead to customer loyalty and premium pricing, but also mentions the risks of imitation and the high costs associated with maintaining a strong brand image.

The third strategy, focus or niche strategy, is outlined as catering to a specific market segment or customer niche with precision and excellence. It's presented as a strategy that smaller organizations can employ to build strong customer loyalty and gain a competitive edge. However, it also carries the risk of shifts in the target market's preferences and the potential for imitation.

The research gap is evident in the limited focus on the assessment of strategic competitive practices and their impact on performance within financial institutions, particularly concerning Equity Bank Kenya. While studies have investigated competitive strategies in various sectors, including sugar manufacturing, logistics, and pharmaceuticals, there is a paucity of research specifically targeting financial institutions. Existing studies, such as those conducted by Marangu, Mwiti & Thoronjo (2017), Chepchichir & Omillo (2017), and Gakuya & Njue (2018), have primarily concentrated on non-financial industries, leaving a gap in understanding the dynamics of competitive strategies within the financial sector. Furthermore, even within the financial sector, research by Chematia (2021) solely focused on Kenya Commercial Bank, underscoring the need for studies that encompass a broader range of financial institutions, including Equity Bank Kenya, to provide a comprehensive understanding of strategic management practices and their implications for performance.

Table 2.1Summary table

Researcher	Purpose of the study	Objective	Findings	Gap
Marangu, Mwiti &Thoronjo (2017)	Analysis of cost leadership strategy influence on organizations competitiveness of sugar firms in Kenya	Cost leadership strategy	Cost leadership has a statistical positive influence on performance	Area of studySugar manufacturing firms in Kenya

Seth (2013)	Impact of Cost Leadership on Market Share	Cost Leadership Strategy	Cost leadership strategy contributes to a substantial market share, acting as a defence against new entrants in competitive industries.	Focus on the defensive aspect limited exploration of other potential impacts or industry nuances.
Nyauncho & Nyamweya (2015)	Effect of cost leadership strategy on performance of LPGC	Cost Leadership Strategy	Cost leadership has a significant impact on performance	Area of study - LPGC

Chepchirchir &Omillo (2017)	Effect of cost leadership strategy on organizational performance of logistics firms at JKIA.	Cost leadership strategy	There was a significant positive relationship between application of cost leadership strategies and performance of logistics firms in Kenya.	Area of study was on logistic firms in Kenya
Adegbite, Osinowo, Omisore	The impact of service differentiation on	Differentiation Strategy	Service differentiation makes a	Area of Studytransport system

&Ayinde (2016)	creating competitive advantage		tangible impact on creating competitive advantage	in Nigeria. Contextual-The researchers investigated the relationship between differentiation and competitive advantage.
Kuswatuka & Zimuto (2015)	Survival by strategies employed in microfinance institutions Zimbabwe	Differentiation Strategy	Differentiation emerged as the most impactful strategy for gaining a competitive advantage in the financial services sector	Limited focus on financial institutions in Zimbabwe. No specific examination of differentiation in service delivery.

Githumbi (2017)	Differentiation strategy and performance of Large Rice Milling Factories in Kirinyaga county, Kenya.	Differentiation Strategy	The results showed that product, physical and service differentiation had a positive impact on performance of rice milling factories	Area of study-Rice milling firms in Kirinyaga County.
Kinyungu &Ogollah (2017)	Impact of competitive strategies on performance of KCB.	Focus Strategy	The strategy has a statistically significant influence on performance of KCB.	The study focused only on Kenya Commercial Bank.

Kemunto (2019)	Effect of focus strategy on performance of insurance agencies in Nairobi County	Focus Strategy	Insurance agents that are effective in coming up with focus strategies experience a	Area of Study- Insurance agencies.
			rise in performance	
Gakuya & Njue (2018)	Influence of focus strategy on customer loyalty among pharmaceutical companies in Nairobi County, Kenya	Focus strategy	The strategy had a positive effect on customer loyalty and it was a good indicator that increase in focus strategy improves customer	Area of studyPharmaceutical companies in Nairobi County.

loyalty.

Source: Researcher (2024)

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This section outlined the researcher's method for collecting data from the field, the methodologies for analyzing this data, and presenting it in a comprehensible manner. It covered aspects such as research design, target population, sampling methodology, data collection tools, procedures for collecting data, and techniques for data analysis.

3.1 Research Design

Cooper and Schindler (2014) define a research design as a thorough overarching strategy for conducting research. In this research project, a descriptive research design was used. This particular research design was chosen because it allows for the exploration of factors associated with specific events and conditions. Additionally, it is well-suited for minimizing bias and maximizing the reliability of the collected information. This design aims to gather data from a population's members and assists the researcher in understanding the existing phenomena by inquiring about individuals' perceptions, attitudes, behaviour, or values, as described by Maxwell (2012) and Nachmias (2007).

3.2 Target population

The target population refers to the complete set of individuals being studied by the researcher to gather information necessary for their study. In this research, the target population comprised 7 top-level management, 7 middle-level management and 86 operational staff employed at the 7 branches of Equity Bank in Meru County, totalling 100 bank personnel.

Table 3.1Target Population

Category	Target Population	Percentage (%)
Top level Management	7	7
Middle Level Management	7	7
Operational staff	86	86
Total	100	100

Source Equity Bank (2024)

3.3 Sampling Techniques and Sample size

The project utilized a census sampling method that included top-level management, middle-level management, and operational staff at Equity Bank in Meru County. This approach involved studying every member of the population to ensure accurate results, especially in cases where the population is small. According to Saunders (2017), the census method entails statistically enumerating all members of the population. The sample consisted of 7 top-level managers, 7 middle-level managers, and 86 operational staff, totalling 100 respondents, as indicated in Table 3.1

3.4 Research Instruments

Data collection involves gathering information from respondents, as stated by Sutton and Austin (2015). Data for this study was obtained through questionnaires which included both open-ended and close-ended questions and was categorized into two sections. The first section comprised of demographic information about the target group, while the second section had questions about the variables under study. The questions were structured on a 5-point Likert scale, ranging from "strongly disagree" to "strongly agree," with "disagree," "neutral," and "agree" in between. As Kombo and Tromp (2016) suggest, the questionnaire options are easy to administer and costeffective.

3.5 Pilot Study

To enhance the dependability and accuracy of data collection tools, a pre-test was conducted with a group of ten individuals, representing 10% of the population under study. The pilot group comprised participants from the study. This pilot sample was conducted in the neighbouring county of Embu, where participants provided their thoughts and feedback on various aspects of the data collection process, such as the instructions, comprehensibility, and relevance of the questions.

3.6 Research Validity

This paper demonstrates a strong validity test achieved through the use of rigorously developed research instruments. As noted by Ellis and Levy (2009), rational inferences can be drawn from the data and sample, which represent a larger population. The validity of the instruments used in this study was confirmed through statistical methods, including correlation, regression, and ANOVA. These analyses provided accurate insights, showing that the instruments effectively assessed the impact of strategic competitive practices that is the cost leadership, differentiation, and focus strategies on Equity Bank's performance.

3.7 Research Reliability

Reliability refers to the extent to which the data collection tool of the project can consistently yield dependable results, regardless of changes in the study subjects (Ellis & Levy, 2009). To ensure the reliability of this research project, Cronbach’s alpha coefficient of internal consistency was employed because it provides a unique quantitative estimation of the scale's internal consistency. Zikmund (2019) suggests that Cronbach’s alpha should be the primary measure used to evaluate the quality of a measurement instrument. According to Cooper & Schindler (2017), a coefficient above 0.7 is necessary for the instrument to be considered reliable. Cooper & Schindler (2017) emphasize that the coefficient must exceed 0.7 for the instrument to be considered reliable.

3.8 Data Collection Procedures

Approval to conduct the project was requested from Mount Kenya University. A letter of introduction detailing the research purpose was obtained, comprehensively explaining the project's scope, objectives, and the confidentiality treatment of the data collected. In addition, a transmittal letter was obtained from the University, which was used to seek permission from the National Commission for Science, Technology, and Innovation (NACOSTI). Once permission was obtained, along with the transmittal letter, meetings were arranged with the management of Equity Bank and the selected staff members. To ensure that the questionnaire was completed by as many respondents as possible, a drop-and-pick approach was used. This provided adequate time for respondents to complete the questionnaire and increased the likelihood of achieving a high response rate.

3.9 Data Analysis and presentation

The gathered data underwent refinement and structuring to facilitate essential statistical analysis. Both descriptive and inferential statistical techniques were employed to analyze the collected data using SPSS Version 24. Descriptive statistics, including mean, standard deviation, and percentages, were utilized to interpret the data. Inferential statistics, such as regression and correlation analyses, were employed for further investigation in the study.

Correlation analysis was used to assess the strength and direction of the relationship between the research variables. Linear regression analysis was employed to examine the connection among the research variables. To interpret the results of the regression analysis, indicators such as R squared, the statistical significance of F, and the significance of the beta value of the variable coefficient X were considered. The significance of the data was evaluated at a 5% level. The findings were presented using tables and figures.

Relationship between the research variables was determined using a multiple regression model, as depicted in the equation.

$Y=a+\beta 1X_1+\beta_2X_2+\beta_3X_3+e$…………………………...Equation

Where a=constant

Y=Performance

X_1 X_2 X_3 = independent variable

$X_{1=}$ Cost Leadership strategy

X_2=Differentiation strategy X_3=

Focus (niche) strategy

$\beta 1$ β_2 β_3= coefficient of independent variable e=

error rate

3.10 Ethical Considerations

To ensure the highest level of integrity and honesty, strict adherence to ethical guidelines was maintained throughout the project. The researcher obtained a data collection authorization letter from the university and sought permission from the management of Equity Bank and NACOSTI.

Before conducting the study, the researcher obtained full consent from all respondents. The privacy of the research subjects was protected, ensuring that no information was shared with any third party, thus upholding confidentiality, a crucial ethical consideration in research. Strict confidentiality standards were employed to protect the research data, and the anonymity of the research participants was ensured by not revealing any personal information.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction

This chapter presents the analysis and research findings obtained during the data collection phase, which targeted top level management, middle level management, and operations staff.

The analysis was conducted in line with the research questions outlined in the questionnaire (see Appendix II). The primary aim of this project was to assess the impact of strategic competitive practices on the performance of financial institutions in Kenya, with a specific focus on Equity Bank in Meru County.

Key highlights of this chapter include the response rate and an overview of the strategic competitive practices examined, such as cost leadership strategy, differentiation strategy, and focus (niche) strategy. These elements serve as crucial indicators for evaluating the influence of strategic competitive practices on the performance of financial institutions within the context of Equity Bank in Meru County.

4.1 Reliability Results

In preparation for data collection, a pilot study was conducted to evaluate the reliability of the research questionnaire for assessing the strategic competitive practices on performance of financial institutions in Kenya, with a specific focus on Equity Bank in Meru County. Ten participants were involved in the pilot study. Utilizing SPSS software, a Cronbach alpha test was administered to each Likert scale question item to ascertain the survey's reliability. A commonly accepted threshold for reliability is an alpha coefficient of 0.7 or higher, as advocated by scholars such as Kothari (2011) and Cronbach (1951).

The findings are as shown in Table 4.1

Table 4.1 Reliability Results

Variable	No. of Items	Alpha Value
Cost leadership strategy	5	0.8500
Differentiation strategy	5	0.7921
Focus (Niche) strategy	5	0.7209
Cronbach alpha test Average		0.7877

Source: Field Data (2024)

Each variable in the questionnaire comprised five items. Notably, the cost leadership strategy variable demonstrated the highest reliability, with an alpha value of 0.8500. Close behind was the differentiation strategy, which had an alpha value of 0.7921, while the focus (niche) strategy yielded an alpha value of 0.7209. Overall, all variables exceeded the required threshold of 0.7 for the alpha coefficient, indicating satisfactory internal consistency. The average alpha coefficient across all variables was calculated to be 0.7877, further confirming the reliability of the questionnaire in evaluating strategic competitive practices on performance in the context of Equity Bank in Meru County.

4.2 Response Rate

The study's analysis unit comprised employees from Equity bank operating in Meru County.

Respondents included individuals holding key positions such as top-level management, middle level management, and operations staff. The response rate, detailing the level of participation from these stakeholders, is depicted in Table 4.2

Table 4.2: Response Rate

Category	Administered	Responded	Percentage
Top level Managers	7	5	71.43
Middle level Managers	7	6	85.71
Operations staff	86	82	95.35
Total	100	93	93.00

Source Field data (2024)

The study involved three categories of participants, Top-level managers, Middle-level managers, and Operations staff. Out of 100 questionnaires administered, 93 were satisfactorily completed, resulting in a response rate of 93.0%. According to Mugenda & Mugenda (2010), a response rate of 70% or more is considered sufficient for data analysis and reporting, making this response rate a reliable sign of a robust data collection process.

4.3 Background Information

This section presents the demographic information of the respondents. The demographic variables discussed include years of working in Equity bank and the positions held within them. Understanding these demographic factors is essential for contextualizing the research findings and identifying key informants for the study. The study aimed to assess the work experience of the respondents, as it is a crucial component of professional development and can significantly impact individual abilities and competencies.

4.3.1 Working Experience of Key Informants

The study aimed to investigate the work experience of the respondents within Equity Bank Meru, recognizing its significance as a crucial component of professional development. Work experience enables individuals to demonstrate their abilities and skills to potential stakeholders. The findings regarding the distribution of working experience among the respondents are summarized in Table 4.3

Table 4.3 Working Experience at Equity Bank

Distribution	Frequency	Percentage
0-5 Years	10	10.8
6-10 Years	25	26.9
11-15 Years	30	32.3
Above 15 Years	28	30.0
Total	**93**	**100.0**

Source: Research data (2024)

According to the findings presented in Table 4.3, a significant portion of respondents from Equity Bank in Meru County had extensive experience working in Equity Bank. Specifically, 32.3% of respondents reported having between 11 and 15 years of experience, while 30.0% reported having over 15 years of experience. This indicates that a substantial majority, totalling 62.3%, possessed considerable expertise in the operations of Equity Bank.

Furthermore, the data reveals that 26.9% of respondents had worked for durations ranging from 6 to 10 years, and an additional 10.8% had between 0 and 5 years of experience. Both of these groups contributed to the sizable proportion of staff members at Equity Bank with extensive experience in Equity Bank. These findings underscore the depth of knowledge and proficiency among the staff members of Equity Bank, reflecting positively on the bank's ability to leverage the expertise of its workforce to enhance its operations and performance.

4.3.2 Position on the Job

The study aimed to determine the positions held by respondents within Equity Bank, recognizing the importance of assessing their qualifications to provide reliable information. The findings, depicted in Table 4.4, provide insights into the distribution of positions among the respondents. Understanding the positions held by respondents is crucial for evaluating the credibility and relevance of the information provided. By examining the distribution of positions, the study can ensure that perspectives from various organizational levels are captured, thereby enriching the depth and breadth of the research findings.

Table 4.4 Position on the job.

Category	Frequency	Percentage
Top level Managers	5	5.38
Middle level Managers	6	6.45
Operations staff	82	88.17
Total	93	100

Source: Research data (2024)

The study conducted at Equity Bank in Meru County, Kenya, involved respondents across various job categories, providing a comprehensive view of the institution's performance. The findings indicated that 88.17% of the respondents were operations staff, underscoring their vital role in the bank's daily activities. Middle-level managers made up 6.45% of the respondents, reflecting their role in decision-making and overseeing operations. A smaller proportion, 5.38%, consisted of top-level managers, who are responsible for strategic planning and overall guidance of the organization. This diverse representation of roles contributed to the reliability of the insights gathered in the study.

Descriptive statistics, including mean and standard deviation, were used to analyze and interpret the data collected. These measures helped to understand the central trends and variability in the responses, offering a deeper insight into how strategic competitive practices influence the performance of Equity Bank. The detailed findings from this analysis are comprehensively presented in the study report, providing a thorough overview of the respondents' views and insights on the matter.

4.4 Cost Leadership Strategy and Performance of financial institutions

In exploring the impact of the Cost Leadership Strategy on the performance of financial institutions, a thorough assessment was carried out using a Likert scale from 1 to 5. Respondents were asked to rate the effect of the Cost Leadership Strategy on their institution's performance. They provided ratings based on their perceptions of the institution's implementation of this strategy and its influence on various performance metrics.

The detailed results of this assessment offered valuable insights into the effectiveness of the Cost Leadership Strategy in enhancing performance outcomes for financial institutions. These insights were crucial for understanding the strategic dynamics involved and for identifying areas where the implementation of Cost Leadership could be improved or refined to boost overall institutional performance.

Table 4.5 Cost Leadership Strategy and Performance of financial institutions

	5	4	**3**	2	1	M	SD
The bank has been able to review its cost downwards to attract and retain more customers	16.1% (15)	43.0% (40)	21.5% (20)	10.8% (10)	8.6% (8)	3.610	1.5591
The bank has been able to improve on the efficiency of its employees	19.3% (18)	44.1% (41)	20.4% (19)	9.6% (9)	6.5% (6)	4.001	1.7631
The bank has been able to exploit on economies of scale	18.3% (17)	48.4% (45)	19.4% (18)	8.6% (8)	5.3% (5)	4.822	1.2142
The bank has reduced wastage of resources which culminates into efficiency and cost reduction	26.8% (25)	53.7% (50)	10.7% (10)	5.4% (5)	3.2% (3)	4.092	1.3567

The bank has been able to standardize products and services in order to ensure operational efficiency	30.1% (28)	46.2% (43)	16.1% (15)	3.2% (3)	4.3% (4)	4.210	1.4201
Aggregate						4.147	1.191

Source: Research data (2024)

The data in Table 4.5 highlights the effectiveness of cost leadership strategies on the performance of financial institutions, specifically Equity Bank in Meru County. A majority of respondents, 59.1%, agree or strongly agree that the bank has reviewed its costs to attract and retain customers, with a mean score of 3.610 and a standard deviation of 1.5591, indicating moderate agreement with some variability. Additionally, 63.4% of respondents believe the bank has improved employee efficiency, though the higher standard deviation of 1.7631 suggests a wider range of opinions. These findings suggest that Equity Bank has successfully implemented cost management strategies that enhance performance by improving operational efficiency and customer retention. According to Barney and Wright (2017), fostering a culture of continuous improvement is essential for maintaining competitive advantage and sustainable growth, which is evident in the bank's approach.

The bank has also excelled in leveraging economies of scale, with 66.7% of respondents agreeing, reflected by a high mean score of 4.822 and a low standard deviation of 1.2142, indicating a strong consensus. Similarly, 80.5% of respondents believe the bank has reduced wastage, leading to efficiency gains, with a mean score of 4.092. Furthermore, 76.3% agree that product standardization has improved operational efficiency, with a mean of 4.210.

The findings provide a clear indication of the positive impact that the Cost Leadership Strategy has on the performance of financial institutions. By systematically reducing operational costs, enhancing employee efficiency, and leveraging economies of scale, banks can streamline their operations and improve overall performance. This aligns with the theories of Porter (2007) and Pearce and Robinson (2012), who argue that focusing on cost control enables firms to achieve a sustainable competitive advantage.

Daniella (2014) further emphasizes the importance of strategies like securing preferential access to raw materials and minimizing production expenses to drive organizational success. Moreover, Gregson (2008) highlights the role of standardizing products and services to enhance operational efficiency, while Spulber (2009) points out that firms can maintain profitability by reducing prices and simultaneously undercutting competitors.

The findings also align with Besiga's (2015) emphasis on economies of scale and cost reductions through increased production volumes, which result in efficiency gains. David (2014) adds that the strategic focus on cost efficiency and asset parsimony enhances performance, which is critical for maintaining competitiveness. Furthermore, studies by Chepchirchir and Omillo (2017) and Marangu, Mwiti, and Thoronjo (2017) have demonstrated similar positive effects of cost leadership strategies across other sectors, affirming that these tactics are equally effective in financial institutions.

In conclusion, the consistently high mean scores in the study, with an aggregate of 4.147, highlight the importance of the Cost Leadership Strategy in driving profitability and securing a competitive advantage in the financial sector. These findings illustrate how effective cost management strategies can lead to improved performance outcomes, underscoring the necessity for financial institutions to adopt such approaches to remain competitive in an increasingly dynamic environment.

4.5. Differentiation strategy and performance of financial institutions in Kenya.

The second objective of the study sought to investigate the impact of the Differentiation Strategy on the performance of Financial Institutions. Respondents were tasked with rating the impact of differentiation strategies on the performance of Financial Institutions using a scale ranging from 1 to 5. Within this scale, respondents assigned ratings as follows: 5 - Strongly Agree, 4 - Agree, 3 - Neither Disagree nor Agree, 2 - Disagree, and 1 - Strongly Disagree.

The detailed findings derived from this assessment provided valuable insights into the relationship between differentiation strategy and the performance of Financial Institutions. By analyzing the ratings provided by respondents, the study aimed to elucidate the significance of offering unique products, establishing a strong brand identity, and enhancing the overall customer experience in driving performance outcomes for Financial Institutions.

Table 4.6 Differentiation strategy and Performance of Financial institution

	5	4	**3**	2	1	M	SD

Equity bank implements customercentric innovations to improve overall customer experience.	21.5% (20)	48.4% (45)	12.9% (12)	10.8% (10)	6.4 % (6)	3.80	0.838
Employees are actively involved in the innovation process at Equity Bank.	22.6% (21)	50.5% (47)	13.9% (13)	7.5% (7)	5.4% (5)	3.67	0.824
Equity Bank is consistent in maintaining its brand image across different channels and touchpoints.	26.8% (25)	49.5% (46)	16.1% (15)	4.3% (4)	3.2% (3)	3.62	0.760
Equity bank ensures that employees are trained and committed to deliver high quality services.	31.1% (29)	45.2% (42)	17.2% (16)	4.3% (4)	2.2% (2)	3.57	0.690
Equity Bank effectively communicates its unique value proposition to its customers.	24.7% (23)	48.4% (45)	15.0% (14)	7.5% (7)	4.3% (4)	3.49	0.792
Aggregate						3.63	0.7808

Source: Research data (2024)

The findings of the study indicate that Equity Bank's differentiation strategy has positively influenced its performance, particularly through customer-centric innovations, active employee involvement, and consistent brand management. Respondents generally agreed that the bank's emphasis on these areas contributes to its competitive edge. The data in Table 4.4 highlights this sentiment, as shown by high mean ratings for customer-focused innovations (M = 3.80, SD = 0.838), employee engagement in the innovation process (M = 3.67, SD = 0.824), and brand consistency across channels (M = 3.62, SD = 0.760). Specifically, 21.5% of respondents strongly agreed and 48.4% agreed that Equity Bank implements customer-centric innovations, while 22.6% strongly agreed and 50.5% agreed that employees are actively involved in the innovation process. Additionally, 26.8% strongly agreed and 49.5% agreed that Equity Bank maintains a consistent brand image across different channels and touchpoints.

This aligns with Porter (2007), who emphasizes the importance of crafting unique product attributes and brand identity to build customer loyalty and command premium pricing. The study also supports insights from Lemak & Choi (2013) and Kamau (2013), who underscore the role of employee involvement in innovation as a critical aspect of maintaining a competitive differentiation strategy. Similarly, Alonso, Almeida, and Bremser (2015) emphasize that effective quality management and innovation are crucial for delivering superior value. This is reflected in the positive ratings for Equity Bank's training and service quality (M = 3.57, SD = 0.690), with 31.1% of respondents strongly agreeing and 45.2% agreeing that employees are trained and committed to delivering high-quality services. The bank's communication of a unique value proposition to customers (M = 3.49, SD = 0.792) was also viewed positively, with 24.7% strongly agreeing and 48.4% agreeing with this statement.

Moreover, the results align with findings from Kuswatuka and Zimuto (2015), who identified differentiation as the most impactful strategy for gaining a competitive edge among financial institutions in Zimbabwe. Githumbi's (2017) study on rice milling in Kenya also found a positive link between differentiation strategies and improved performance, suggesting that this approach is effective across various sectors, including agriculture and financial services. The aggregate mean score of 3.63 and a standard deviation of 0.7808 in this study suggests that overall, respondents perceive Equity Bank's initiatives favorably, indicating confidence in its strategic focus on differentiation.

However, the study recognizes that differentiation as a strategy comes with challenges, such as the risk of imitation by competitors and the high costs associated with building a strong brand image, as cautioned by Kamau (2017). Despite these potential drawbacks, the high levels of agreement from respondents across different areas of Equity Bank's strategy suggest that the bank's differentiation efforts are well-received by both customers and employees, reinforcing its competitive position in the market. These findings affirm the assertion by Marques & Lisboa (2011) that continuous innovation and creativity are essential for sustaining differentiation and maintaining a competitive advantage in a dynamic economic environment.

4.6 Focus (Niche) strategy and performance of financial institutions in Kenya.

Respondents were asked to rate the influence of the focus strategy on the performance of financial institutions in Kenya using a scale from 5 to 1, with 5 being "Strongly Agree" and 1 being "Strongly Disagree." The focus strategy was evaluated based on criteria such as identifying and pursuing strategic market segments, allocating resources specifically, and continuously monitoring performance indicators. Participants' ratings highlighted their perceptions of how this strategy impacted the performance of financial institutions, emphasizing the effectiveness of targeting specific market segments and aligning resources to achieve strategic goals.

Additionally, the parameters for measuring the focus strategy included celebrating milestones and successes, fostering accountability, and measuring progress. These factors were key in assessing how well financial institutions implemented a focused approach and the benefits they derived from it. The detailed findings provide valuable insights into the connection between the implementation of a focus strategy and the performance outcomes of financial institutions in Kenya. By analyzing respondents' ratings, the study aimed to highlight the importance of strategic focus in driving improved performance and sustainable growth within the financial sector.

Table 4.7 Focus (Niche) strategy and Performance of Financial institution

	5	4	**3**	2	1	M	SD
The bank identifies and segments its target markets	27.9% (26)	52.7% (49)	10.7% (10)	5.4% (5)	3.2% (3)	3.81	0.857

Equity Bank tailors its products/services to meet the specific needs of each identified market segment.	25.8% (24)	48.4% (45)	12.9% (12)	8.6% (8)	4.3% (4)	3.77	0.662
Customer feedback is regularly integrated into personalized marketing strategies.	24.7% (23)	53.7% (50)	15.1% (14)	4.3% (4)	2.2% (2)	3.67	0.600
The bank offers customized financial products to meet the unique needs of specific customer segments	31.2% (29)	46.2% (43)	9.7% (9)	7.5% (7)	5.4% (5)	3.51	0.540
Customers express satisfaction with the level of customization offered by Equity Bank.	26.9% (25)	51.6% (48)	11.8% (11)	6.5% (6)	3.2% (3)	2.90	0.910
Aggregate						3.532	0.7138

Source: Research data (2024)

The study's findings reveal that Equity Bank's focus (niche) strategy has significantly influenced its performance through effective market segmentation, customized product offerings, and the integration of customer feedback into its marketing strategies. According to the data in Table 4.7, the bank is highly rated for identifying and segmenting its target markets, with 27.9% of respondents strongly agreeing and 52.7% agreeing that the bank excels in this area (M = 3.81, SD = 0.857). This supports the perspective of Porter (2007), who argues that successful focus strategies depend on identifying and serving specific market segments. Similarly, Davidson (2014) emphasizes that a focus strategy enables companies to efficiently allocate resources to cater to specific customer needs.

The bank's ability to tailor its products and services to meet the unique needs of each market segment is also viewed positively, with 25.8% strongly agreeing and 48.4% agreeing that Equity Bank effectively customizes its offerings (M = 3.77, SD = 0.662). Caxton (2015) highlights that such customized offerings can foster strong customer loyalty, an essential factor for businesses operating within niche markets. Additionally, the study shows that Equity Bank integrates customer feedback into its personalized marketing strategies, with 24.7% strongly agreeing and 53.7% agreeing that customer input plays a crucial role in shaping the bank's marketing efforts (M = 3.67, SD = 0.600). This reflects the importance of personalized marketing as discussed by Hawkins (2008) and McMillan and Hwang (2002), who emphasize that customer-oriented marketing enhances engagement and satisfaction.

However, the study points to a gap between the bank's efforts in customization and actual customer satisfaction levels. Despite 31.2% strongly agreeing and 46.2% agreeing that Equity Bank provides customized financial products (M = 3.51, SD = 0.540), only 26.9% strongly agree and 51.6% agree that customers are satisfied with the level of customization (M = 2.90, SD = 0.910). This aligns with Bob & Ron (2010), who warn that a focus strategy faces risks like shifts in customer preferences and the possibility of competitors replicating customized offerings.

Gakuya & Njue (2018) reported that a focus strategy positively influences customer loyalty in Nairobi's pharmaceutical industry. Similarly, Kinyungu and Ogollah (2017) found that marketfocused strategies significantly enhance performance at Kenya Commercial Bank, highlighting the focus (niche) strategic success. Additionally, Kemunto (2019) found a statistically significant relationship between the use of focus strategies and improved performance in Nairobi's insurance sector. These studies, alongside the current findings, affirm the effectiveness of a wellexecuted focus strategy in driving performance across various industries.

Overall, the study's aggregate mean score of 3.53 (SD = 0.7138) indicates that respondents generally perceive Equity Bank's focus strategy positively. The high levels of agreement in market segmentation, customization, and feedback integration underscore the strategy's role in enhancing the bank's competitive advantage. However, the lower customer satisfaction rating suggests the need for Equity Bank to continuously adapt and refine its offerings to meet evolving customer expectations. This insight echoes the perspectives of Howaldt & Mitchell (2016) and McDonald & Dunbar (2017), who emphasize that market segmentation and personalized services are critical for maintaining competitiveness in dynamic markets.

4.7 Performance of Financial Institutions.

Respondents were asked to rate the performance of financial institutions in Kenya on a scale from 5 to 1, with 5 being "Strongly Agree" and 1 being "Strongly Disagree. This assessment focused on key performance metrics such as sales growth, market share, and asset utilization. The data offers insights into how effectively Equity Bank and its competitors leverage their strategies to achieve financial success and maintain market competitiveness. Based on respondents' ratings, the findings provide a comprehensive view of the banks' operational efficiency and strategic resource allocation.

Table 4.8 Performance of financial institutions

	5	4	3	2	1	M	SD
The bank consistently achieves significant sales growth compared to its competitors	26.9% (25)	48.4% (45)	16.1% (15)	5.4% (5)	3.2% (3)	3.80	0.838
The bank effectively maintains or increases its market share in its operational regions.	20.4% (19)	47.3% (44)	18.3% (17)	6.5% (6)	7.5% (7)	3.67	0.824
The bank efficiently utilizes its assets to generate returns.	24.7% (23)	51.6% (48)	10.8% (10)	7.5% (7)	5.4% (5)	3.62	0.760

Equity Bank strategically allocates resources to maximize sales growth	23.6% (22)	52.7% (49)	15.1% (14)	4.3% (4)	4.3% (4)	3.57	0.690
I am confident in the banks’ ability to expand its market share in the future.	31.2% (29)	46.2% (43)	11.8% (11)	6.5% (6)	4.3% (4)	3.49	0.792
The bank's return on assets positively impacts its financial performance.	25.8% (24)	45.2% (42)	17.2% (16)	5.4% (5)	6.4% (6)	3.69	0.805
The bank demonstrates resilience in maintaining or improving return on assets despite market fluctuations.	19.4% (18)	44.1% (41)	21.5% (20)	9.7% (9)	5.3% (5)	3.39	0.724
Aggregate						3.60	0.776

Source: Research data (2024)

Table 4.8 presents the performance metrics of financial institutions, specifically focusing on Equity Bank. The results reflect a generally positive perception of the bank's performance in key areas such as sales growth, market share, and asset utilization. A majority of respondents agree or strongly agree that the bank consistently achieves significant sales growth (75.3%) and effectively maintains or increases its market share in operational regions (67.7%). The bank's ability to efficiently utilize assets to generate returns is also viewed favourably, with 76.3% of respondents indicating agreement or strong agreement. Furthermore, the strategic allocation of resources to maximize sales growth and the confidence in the bank's future market share expansion are recognized, with over 70% of respondents expressing support for these statements.

However, there are moderate concerns in some areas, particularly regarding the bank's resilience in maintaining return on assets despite market fluctuations. Only 63.5% of respondents agreed or strongly agreed with this sentiment, while 15% disagreed. Overall, the aggregate mean score of 3.60 indicates a generally favourable but not overwhelmingly strong endorsement of the bank's financial and operational strategies. The standard deviations, which average around 0.776, suggest some variation in respondents' opinions across different statements.

4.8 Inferential Statistics

This was done using correlation analysis together with regression analysis, which was aimed at evaluation the application of the model to the study. Regression and correlation analyses were done using inferential statistics. The degree and direction of the association between the research variables was evaluated using correlation analysis. The link between the research variables was assessed with linear regression analysis. To comprehend the findings of the regression analysis, R squared, the statistical significance of F, and the significance of the beta value of the variable coefficient X was used.

4.8.1 Correlation Analysis

Pearson correlation analysis was conducted to examine the relationship between the strategic competitive practices and the performance of Equity Bank in Meru County, Kenya. The correlation analysis focused on the three variables associated with performance. Using a significance level of 0.05, Pearson correlation coefficients were calculated to determine whether there was a significant relationship between the main variables.

Table 4.9 Correlation Coefficient Analysis

	Performance	**Cost leadershi p strategy**	**Differentiatio n Strategy**	**Focus (Niche) strategy**	**Performance of F.I**
Performance of F. I	1.500	.534	.796	.631	.512
Cost leadership strategy		1.200	.049	-.044	.037
Differentiation Strategy			1.000	-.045	-.049
Focus (Niche) strategy				1.000	.085
Performance					1.000

Source: Research data (2024)

The findings, as depicted in the correlation table, reveal various significant correlations between strategic approaches and performance of financial institutions. Firstly, there was a strong positive correlation between the performance of financial institutions and cost leadership strategy (r=0.534). This indicates that financial institutions that effectively implement cost leadership strategies tend to experience better performance outcomes.

Secondly, differentiation strategy showed a significant positive correlation with the performance of financial institutions (r=0.796). This suggests that financial institutions that focus on differentiating their products and services are likely to achieve higher performance levels. Similarly, focus (niche) strategy demonstrated a positive correlation with the performance of financial institutions (r=0.631). This implies that targeting specific market segments and allocating resources strategically can enhance the performance of financial institutions. Additionally, the table shows that performance and cost leadership strategy are positively correlated (r=0.037), although the correlation is weaker compared to the other strategies.

4.8.2 Regression Analysis Results

The study aimed at determining the influence of strategic competitive practices on the performance of Equity Bank in Meru County Kenya. Multiple regression models were used to obtain the relationship between the research variables as shown on Equation

$Y=a+\beta 1X_1+\beta_2X_2+\beta_3X_3+e$…………………………...Equation

Where a=constant

Y=Performance

X_1 X_2 X_3 = independent variable

X_1= Cost Leadership strategy

X_2=Differentiation strategy X_3= Focus

strategy $\beta 1$ β_2 β_3= coefficient of independent

variable e= error rate

4.8.2.1 Model Summary

The results in Table 4.8 show that the coefficient of determination (R^2) is 0.5948, indicating that 59.48% of the total variance in the performance of Equity Bank in Meru County can be explained by the strategic competitive practices implemented. This signifies a moderate positive linear relationship between these practices and the bank's performance. In essence, more than half of the bank's performance variations are linked to how well it adopts cost leadership, differentiation, and focus (niche) strategies. These findings highlight the importance of effectively implementing strategic competitive practices within financial institutions like Equity

Bank to boost performance and achieve organizational success. By leveraging these strategies, financial institutions can enhance their operations, encourage innovation, and attain sustainable growth in a competitive market.

Table 4.10 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	. 865[a]	. 5948	. 452	2.3803

The “a” (Constant), Cost leadership strategy, Differentiation Strategy Focus (Niche) strategy and Performance

Source: Research data (2024)

4.8.2.2 ANOVA

The ANOVA analysis for Equity Bank Meru indicates a significance level of 0.020, showing that the regression model is appropriate for drawing conclusions about the population parameters since the p-value is below 5%. This signifies that the variables related to strategic competitive practices are significant predictors of the bank's performance. Additionally, the regression model demonstrates a significant fit at the 5% significance level, underscoring its effectiveness in predicting the bank's performance. The model shows a good fit for the data, as evidenced by the F-statistic (32.213) and its corresponding p-value (0.000), which are well below the threshold for statistical significance. Thus, the regression model reliably predicts the performance of Equity Bank Meru based on the implementation of strategic competitive practices.

Table 4.11 Model Equation

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	10.000	1	100.00	32.213	0.000
	Residual	3.371	92	11.364		
	Total	**13.371**	**93**			

4.8.2.3 Regression Coefficient

Table 4.12 Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	17.201	2.130		3.000	.000
Cost Leadership strategy	2.112	1.133	.500	6.980	.023
Differentiation strategy	5.213	2.513	.811	8.212	.011
Focus strategy	-1.020	1.214	.490	1.900	.140

The findings from Table 4.12 show that the Differentiation strategy had the highest influence on the performance of the financial institution, as indicated by a coefficient of ($\beta = 0.811$, $p < 0.05$). This was followed by the Cost Leadership strategy, which also significantly influenced performance, with a beta weight ($\beta = 0.500$, $p < 0.05$). The Focus strategy, on the other hand, had a beta weight ($\beta = 0.490$, $p > 0.05$), indicating that it was not a statistically significant predictor of performance.

In terms of the regression equation, the model can be expressed as, performance of FI =17.201(constant) + 2.112 (Cost Leadership Strategy) + 5.213 (Differentiation Strategy) – 1.020 (Focus Strategy). These results underscore the importance of implementing strategic approaches such as Differentiation and Cost Leadership strategies in enhancing the performance of financial institutions. The analysis highlights the necessity for a comprehensive strategy that encompasses various aspects of organizational change to achieve effective outcomes.

The null hypothesis (H_O)asserts that there is no significant relationship between the implementation of strategic competitive practices specifically cost leadership, differentiation, and focus strategies and the performance of the bank. Conversely, the alternative hypothesis (H_1) posits that there is a significant positive relationship between these strategic practices and the bank's performance outcomes. The analysis revealed significant findings, particularly with the differentiation strategy and cost leadership strategy, which showed positive coefficients ($\beta = 0.811$ and $\beta = 0.500$, respectively). The focus strategy, however, did not demonstrate a statistically significant effect ($\beta = 0.490$, $p > 0.05$). Given that the p-values for the differentiation and cost leadership strategies are below the 0.05 threshold, the study rejects the null hypothesis (H_0) and accepts the alternative hypothesis (H_1), concluding that effective implementation of strategic competitive practices is indeed critical for enhancing the performance of Equity Bank in Meru County. This highlights the importance of adopting strtegic competitive practices to drive organizational success in the competitive financial sector.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter gives the research's overall findings and presents the final conclusions drawn from the analysis. It aims to offer a comprehensive understanding of the study's outcomes and their implications for the performance of Equity Bank in Meru County. The chapter is divided into five main sections: an introduction, a summary of the findings, conclusions based on the research, recommendations for practical application, and suggestions for further research.

The study's purpose was to evaluate the impact of strategic competitive practices on the performance of Equity Bank in Meru County, Kenya. By analyzing these strategies, the study sought to determine their effectiveness in enhancing organizational performance and providing a competitive advantage in the financial sector.

5.1 Summary of Findings

This presents a detailed overview of the findings concerning how the Cost Leadership Strategy impacts the performance of financial institutions. The analysis showed that adopting this strategy significantly boosts operational efficiency and customer retention rates. A substantial portion of respondents (59.1%) indicated that the bank’s cost management practices were effective in attracting and retaining customers. Additionally, the assessment reflected enhancements in employee efficiency, with a mean score of 4.001, and strong agreement on the bank’s ability to leverage economies of scale, evidenced by a mean score of 4.822. The overall aggregate mean score of 4.147 underscores the favorable views of the Cost Leadership Strategy's effects on various performance indicators.

Moreover, the regression analysis validated the significant relationship between the Cost Leadership Strategy and the financial performance of institutions. With a coefficient of 2.112 and a significance level of 0.023, these findings highlight the critical role of effective cost management in fostering profitability and competitive advantages in the financial sector. The results not only support established theories on cost leadership but also offer valuable insights for financial institutions aiming to enhance their strategies to achieve better performance in a changing market landscape.

Additionally, the inferential statistics analysis, including correlation and regression assessments, underscored the strong positive relationship between the Differentiation Strategy and the performance of financial institutions. With a significant correlation coefficient of $r = 0.796$, the study indicates that banks prioritizing differentiation through innovative products and services are likely to achieve superior performance. The regression analysis further reinforced these findings, revealing that the Differentiation Strategy had the highest influence on performance, with a coefficient of $\beta=0.811$. This highlights the importance of strategic competitive practices in driving organizational success, as effective differentiation not only enhances customer satisfaction but also solidifies a bank's market position in an increasingly competitive landscape.

Moreover, the correlation and regression analyses underscored the importance of the differentiation strategy in driving performance outcomes. The Pearson correlation coefficient for the differentiation strategy was a strong 0.796, indicating a significant positive relationship with financial performance. The regression analysis further confirmed this impact, showing a coefficient of 5.213 for the differentiation strategy, which was the highest among the strategic competitive practices evaluated. This suggests that focusing on unique value propositions and consistent brand messaging significantly enhances the bank's performance. Consequently, the study rejected the null hypothesis, affirming that effective implementation of differentiation strategies is essential for improving the performance of Equity Bank in Meru County, reinforcing the need for financial institutions to prioritize these strategic approaches in a competitive market.

The focus (niche) strategy aims at serving specific market segments by tailoring products and services to meet the unique needs of particular groups of customers. The study findings indicate that Equity Bank effectively segments its market and customizes its offerings, which has had a positive impact on its performance. With an aggregate mean score of 3.53 (SD = 0.7138), respondents generally perceived the bank's focus strategy positively. Additionally, the ability to align resources towards targeted segments and integrate customer feedback into marketing strategies highlights Equity Bank's strategic intent to serve niche markets. Despite these positive perceptions, the study revealed a gap between the bank's efforts in customization and actual customer satisfaction levels, with satisfaction scores being lower than other aspects of the focus strategy.

The ANOVA analysis revealed a significance level of 0.020, confirming that the regression model is appropriate for predicting the bank's performance. This means that the focus strategy, along with other strategic competitive practices, significantly contributes to the bank's performance. However, when examined through regression analysis, the focus strategy showed a beta coefficient of ($\beta = 0.490$) with a p-value of 0.140, which is above the 0.05 threshold for statistical significance. This suggests that while there is a positive correlation between the focus strategy and performance (r = 0.631), it is not a statistically significant predictor of performance when compared to other strategies like differentiation ($\beta = 0.811$, $p < 0.05$) and cost leadership ($\beta = 0.500$, $p < 0.05$). Thus, while the focus strategy contributes to targeted service delivery, its impact on overall performance is not as strong, indicating that Equity Bank may need to refine its niche market approach to fully leverage this strategy for enhanced performance.

5.2 Conclusion

This study explores the impact of three strategic competitive practices that is Cost Leadership, Differentiation, and Focus (Niche) on the performance of Equity Bank in Kenya. The findings reveal that each strategy has significantly contributed to the bank's competitive position, though their impact varies across different dimensions of performance. The Cost Leadership Strategy has therefore been effective, given that the bank has achieved its goals of cutting down costs, increase employee productivity as well as adopt the economies of scale. Such actions have made the improvement of the profitability as well as the efficiency, proving that control of the costs is significant for gaining the competitive advantage. Hence the positive ratings in indicators as cost reduction and resource use are in consonance with Porter’s theory of competitive advantage that stresses operational efficiency.

The Differentiation Strategy has also aligned with Equity Bank’s performance, and especially through innovative focus on customers’ needs and brand assertion. To an extent, respondents acknowledged the role that the bank was playing in launching new products and ensuring that it had a cohesive brand image. Though the following key successes. The reality that market share can be achieved and sustained. The potential for extensive reach and audiences. The advantage of creating new markets. The risks of being imitated by competitors imply that differentiation must be maintained and refreshed continually. These findings give credibility to Porter's observation that differentiation which leads to client satisfaction entails consistent effort to sustain a competitive advantage.

The Focus (Niche) Strategy has improved the performance of the bank since it has targeted the markets hence has developed products to suit those markets. This study reveals the way in which the bank has achieved segmentation and products differentiation, while, however, customers' satisfaction with the distinction was slightly lower than the desired level suggesting that this technique still requires some fine tuning.

In conclusion, the study avails evidence that a right blend of cost leadership, differentiation, and Focus (niche) has enhanced performance in Equity Bank. In the case of the bank, these strategies have been well implemented, however, the challenge that the bank faces is the need to constantly innovating in order to keep up with evolving customer demands and the market place. With players in the Kenyan financial sector adjusting to new competitor entrants and challenging operating conditions, there is need for long-term strategic positioning.

.5.3 Recommendation

5.3.1 Enhance Cost Leadership Initiatives

The positive response regarding the economies of scale (M = 4.822) demonstrates that Equity Bank has successfully capitalized on its ability to expand its operations, reduce costs, and gain operational efficiencies. Achieving economies of scale allows the bank to spread fixed costs over a larger customer base, thus lowering per-unit costs and improving profitability. To further leverage this advantage, the bank should seek new opportunities for growth by targeting underserved markets in both urban and rural areas. These regions may present untapped customer segments that would benefit from the bank's cost-effective offerings, expanding its footprint and ensuring that it can continue to reduce costs while increasing its customer base. Entering new markets would also allow the bank to further enhance its economies of scale, as it would increase its volume of transactions, leading to better-negotiated terms with suppliers, lower service costs, and increased efficiency.

In addition to expanding its market presence, the bank's employee efficiency (M = 4.001) can be further improved through targeted training initiatives. While respondents acknowledge that the bank has made strides in improving employee efficiency, the variability in feedback (indicated by the relatively high standard deviation) suggests that not all employees are aligned with the same performance expectations or operational practices. The bank should implement continuous professional development programs focused on customer service and operational management. Tailored training that focuses on improving the core competencies of employees and ensuring alignment with the bank's cost-cutting goals can help improve both productivity and customer satisfaction.

Equity Bank can also explore automation technologies to further reduce operational costs and increase productivity. Automation of repetitive tasks such as data entry, customer service queries, and account management can free up employees for higher-value tasks. Additionally, embracing cutting-edge artificial intelligence (AI) tools and machine learning algorithms could optimize decision-making processes, risk assessments, and fraud detection, all of which contribute to the overall reduction of operational costs.

Finally, the bank should focus on lean management practices to further reduce wastage and inefficiency. The positive feedback on wastage reduction (M = 4.092) suggests that the bank is on the right track, but there is potential for further improvement. Adopting lean principles, such as value stream mapping and root cause analysis, would allow the bank to systematically identify and eliminate waste across all departments. A continual emphasis on resource optimization will not only lower operational costs but also improve the overall customer experience, as customers are likely to benefit from quicker and more efficient service.

5.3.2 Strengthen Differentiation Strategy

The results regarding customer-centric innovations (M = 3.80) indicate that respondents generally appreciate the bank’s efforts to focus on improving the customer experience through innovative offerings. However, the lower score for product customization (M = 2.90) reveals a gap between the bank's efforts and customer expectations in terms of personalized services. In today’s competitive financial services landscape, customization is key to meeting diverse customer needs and increasing loyalty. To address this, the bank should place a stronger emphasis on gathering and acting upon customer feedback to ensure that its products and services align more closely with customer preferences. Implementing a more systematic process for collecting and analyzing feedback whether through surveys, focus groups, or digital analytics will help the bank stay ahead of shifting market demands.

Equity Bank’s brand consistency (M = 3.62) is another area where improvements can be made. While respondents generally agree that the bank maintains a strong brand presence across its touch points, the bank can do more to communicate its unique value proposition. This can be achieved through more focused marketing campaigns, better use of social media platforms, and enhanced customer education initiatives that explain the benefits of the bank’s unique offerings. Clear communication about the bank's differentiators, such as its innovative products, customer service, and competitive pricing, will ensure that potential customers understand what sets

Equity Bank apart from its competitors.

Since differentiation can be easily imitated by competitors, maintaining a competitive advantage requires continuous innovation. The bank should keep a close eye on emerging trends in the financial services industry, particularly in areas such as digital banking**,** mobile services, and Fintech innovations. By investing in new technologies and introducing cutting-edge products or services, Equity Bank can ensure that its offerings remain distinctive and valuable to customers. Additionally, fostering a culture of innovation within the bank, including involving employees in brainstorming sessions and idea generation, will allow the bank to stay ahead of competitors in the long run.

5.3.3 Refine Focus Strategy

The findings indicate that Equity Bank’s efforts in market segmentation and customized offerings (M = 3.77) have been largely successful. However, there is a noticeable gap in customer satisfaction with the level of customization (M = 2.90). Despite the bank’s efforts to tailor its products and services to specific customer needs, not all customers feel that their expectations are being met. To bridge this gap, the bank should focus on continuously adapting its products to match evolving customer preferences**.** Market conditions, customer expectations, and trends change frequently, and the bank must ensure that it is responsive to these shifts by updating its focus strategy as needed.

The importance of customer feedback in improving marketing strategies (M = 3.67) cannot be overstated. By leveraging advanced data analytics and customer relationship management (CRM) tools, Equity Bank can gain deeper insights into customer behavior, preferences, and buying patterns. This information will allow the bank to better tailor its offerings to each market segment. Moreover, personalized marketing campaigns—such as sending targeted promotions or offering loyalty rewards—will increase customer engagement and satisfaction, ultimately driving long-term loyalty.

To build stronger customer relationships, Equity Bank should delve deeper into niche markets. By focusing on specific customer segments and continuously monitoring their unique needs, the bank can offer even more personalized solutions. Whether it's targeting specific demographic groups**,** business sectors, or income brackets, a deeper focus on niche segments will enable the bank to capture a more loyal and engaged customer base. Developing specialized products that cater to these niches and consistently delivering superior customer service can foster lasting relationships and improve overall satisfaction.

5.3.4 Continuous Performance Monitoring

It is crucial that the bank integrates its Cost Leadership**,** Differentiation, and Focus strategies in a more cohesive manner. By using the cost advantages generated from the Cost Leadership strategy to offer differentiated products at competitive prices, the bank can enhance its value proposition and create a more attractive offering to its customers. This would provide the bank with a unique ability to offer tailored, high-quality services at affordable prices, allowing it to stand out from competitors.

Additionally, continuous performance monitoring is vital for maintaining the success of all three strategies. Equity Bank should implement more frequent and comprehensive performance reviews, both internally and through customer feedback channels, to ensure that it remains responsive to changing market conditions. Regular surveys, customer satisfaction assessments, and performance analytics will allow the bank to stay agile and quickly adapt its strategies to shifting customer preferences or competitive dynamics. This ongoing evaluation will help the bank refine its approach, boost customer satisfaction, and maintain its market leadership.

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APPENDICES

Appendix I: Questionnaire

This questionnaire is designed to collect data on: **Assessment of strategic competitive practices on performance of Equity Bank in Meru County.**

Tick appropriately for choices in brackets and/or fill in the spaces provided.

SECTION A: GENERAL ASSESSMENT

1. How long have you worked with Equity Bank?

Below 5 years	( )
5-10 years	( )
11-15 years	( )
Over 15 years	( )

2. What is your position at Equity Bank?

Top Level Managers	( )
Middle level Manager	( )
Operations staff	( )

SECTION B: VARIABLES

3. Cost leadership strategy

Please indicate the extent to which you agree with each statement in the context of your organization using a scale of 5-1, rate, where; 5- Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1- Strongly Disagree.

	5	**4**	**3**	**2**	**1**

The bank has been able to review its cost downwards to attract and retain more customers					
The bank has been able to improve on the efficiency of its employees					
The bank has been able to exploit on economies of scale					
The bank has reduced wastage of resources which culminates into efficiency and cost reduction					
The bank has been able to standardize products and services in order to ensure operational efficiency					

4. Differentiation Strategy

Please indicate the extent to which you agree with each statement in the context of your organization using a scale of 5-1, rate, where; 5- Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1- Strongly Disagree

	5	**4**	**3**	**2**	**1**
Equity bank implements customer-centric innovations to improve overall customer experience					
Employees are actively involved in the innovation process at Equity Bank					
Equity Bank is consistent in maintaining its brand image across different channels and touchpoints					
Equity bank ensures that employees are trained and committed to deliver high quality services					

Equity Bank effectively communicates its unique value proposition to its customers					

5. Focus (Niche) strategy

Please indicate the extent to which you agree with each statement in the context of your organization using a scale of 5-1, rate, where; 5- Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1- Strongly Disagree.

	5	**4**	**3**	**2**	**1**
The bank identifies and segments its target markets					
Equity Bank tailors its products/services to meet the specific needs of each identified market					
Customer feedback is regularly integrated into personalized marketing strategies					
The bank offers customized financial products to meet the unique needs of specific customer					
Customers express satisfaction with the level of customization offered by Equity Bank					

6. Performance

Please indicate the extent to which you agree with each statement in the context of your organization using a scale of 5-1, rate, where; 5- Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1- Strongly Disagree.

	5	**4**	**3**	**2**	**1**
The bank consistently achieves significant sales growth compared to its competitors.					

The bank effectively maintains or increases its market share in its operational regions.					
The bank efficiently utilizes its assets to generate returns.					
Equity Bank strategically allocates resources to maximize sales growth					
I am confident in the banks ability to expand its market share in the future.					
The bank's return on assets positively impacts its financial performance					
The bank demonstrates resilience in maintaining or improving return on assets despite market					

Appendix II: Introduction Letter

GRACE MURUGI MUNYI

P.O Box 29955-00100

Nairobi

Dear Sir /Madam,

RE: REQUEST FOR ACADEMIC RESEARCH DATA COLLECTION.

I am a postgraduate Student from Mount Kenya University conducting a study on

ASSESSMENT OF STRATEGIC COMPETITIVE PRACTICES ON PERFORMANCE OF FINANCIAL INSTIUTIONS IN KENYA, CASE OF EQUITY BANK MERU COUNTY.

As part of my postgraduate course requirements, your bank has been picked as a likely respondent for the examination. I request consent to get information as it will be of abundant assistance in reporting this examination. This exploration will utilize questionnaires to gather information, which will be given to the top management, Middle management and operational staff. The information will be utilized for scholarly reasons and the information received will be treated with privacy. The examination discoveries and suggestions will be channelled to you if essential.

Thank you.

Yours faithfully,

Student,

Mount Kenya University

REF: **MKU/ISERC/4373** Date: 11 September 2024

TO: **GRACE MURUGI MUNYI**

REG: **MBA/2022/34908**

Dear Sir/Madam,

RE: AN ASSESSMENT OF STRATEGIC COMPETITIVE PRACTICES ON PERFORMANCE OF FINANCIAL INSTITUTIONS IN KENYA CASE OF EQUITY BANK, MERU COUNTY.

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3093.** The approval period is **11/09/2024 - 10/09/2025.**

This approval is subject to compliance with the following requirements;

i. Only approved documents including informed consents, study instruments, MTA will be used

ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**

iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification

iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours

v. Clearance for export of biological specimens must be obtained from relevant institutions

vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal

vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://research-portal.nacosti.go.ke and also obtain other clearances needed.

MOUNT KENYA UNIVERSITY
ETHICS REVIEW COMMITTEE
P. O. Box 342 - 01000,
THIKA

Yours sincerely,

Dr. Alfred Owino, PhD

Chairman, Mount Kenya University ISERC

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 / +254 709 153 200
Email: info@mku.ac.ke, Web: www.mku.ac.ke

Mount Kenya University

DIRECTORATE OF GRADUATE STUDIES

MBA/2022/34908

12th September, 2024

National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA

Dear Sir/Madam,

RE: GRACE MURUGI MUNYI- REGISTRATION NO. MBA/2022/34908

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics.**

The title of the research is **"An Assessment of Strategic Competitive Practices on Performance of Financial Institutions in Kenya A Case of Equity Bank, Meru County, Kenya."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **September, 2024 and November, 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

Mount Kenya University
P.O. Box 342-01000, THIKA
Office of the Director
Graduate Studies

Dr. Samuel M. Karenga, PhD
Director, Graduate Studies
Enc.

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 / +254 709 153 200

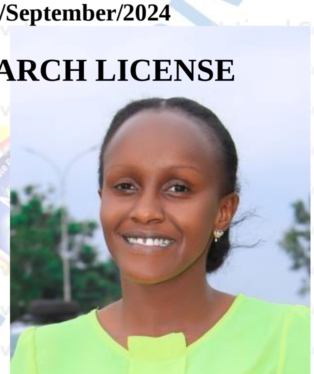
REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **648523**

Date of Issue: **26/September/2024**

RESEARCH LICENSE



This is to Certify that Miss.. GRACE MURUGI MUNYI of Mount Kenya University, has been licensed to conduct research as perthe provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Meru on the topic: An assessment of strategic competitive practices on performance of financial institutions in Kenya case of Equity Bank, Meru County Kenya. for the period ending : 26/September/2025.

License No: **NACOSTI/P/24/40253**

648523

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code

Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was the established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way; i. Endanger national security
   ii. Adversely affect the lives of Kenyans
   iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN). iv. Result in exploitation of intellectual property rights of communities in Kenya
   v. Adversely affect the environment
   vi. Adversely affect the rights of communities
   vii. Endanger public safety and national cohesion
   viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.

13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for
Science, Technology and
Innovation(NACOSTI),
Off Waiyaki Way, Upper Kabete,
P. O. Box 30623 - 00100 Nairobi,
KENYA Telephone:
020 4007000, 0713788787,
0735404245
E-mail:
dg@nac
osti.go.
ke
Website
:
www.n
acosti.g
o.ke

AN ASSESSMENT OF STRATEGIC COMPETITIVE PRACTICES ON PERFORMANCE OF FINANCIAL INSTITUTIONS IN KENYA CASE OF EQUITY BANK, MERU COUNTY.

ORIGINALITY REPORT

SIMILARITY INDEX 16% 14% INTERNET SOURCES

1% PUBLICATIONS

11% STUDENT PAPERS

PRIMARY SOURCES

1 Submitted to Mount Kenya University Student Paper

3%

2	Submitted to Kenyatta University Student Paper	1%
3	erepository.mku.ac.ke Internet Source	1%
4	www.coursehero.com Internet Source	1%
5	ir-library.egerton.ac.ke Internet Source	1%

6 erepository.uonbi.ac.ke Internet Source

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Internet Source

1%

<1%

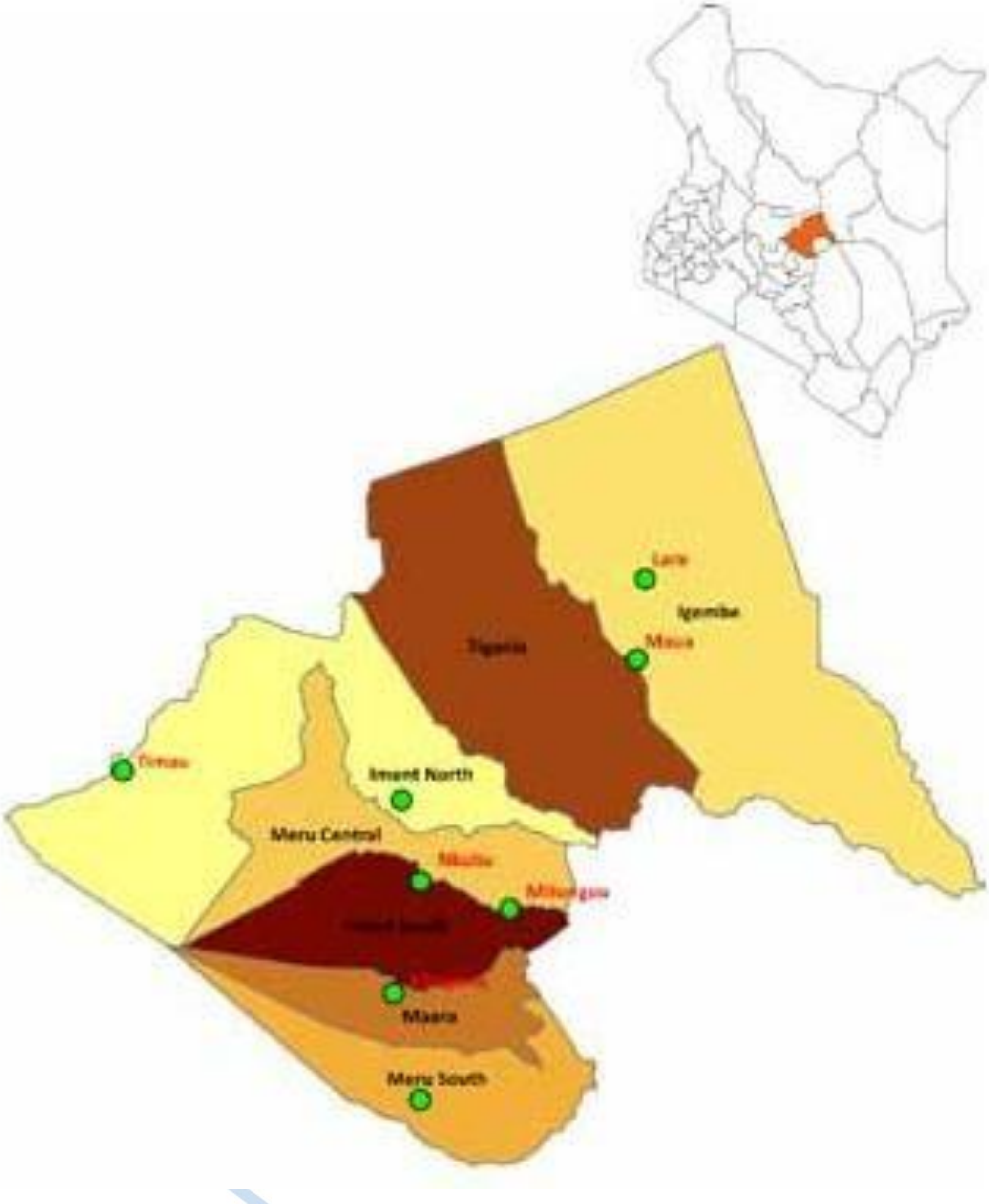
10 ijcspub.org Internet Source

11 Submitted to California Miramar University Student Paper

<1%

12	Submitted to BPP College of Professional Studies Limited Student Paper	<1%
13	Submitted to Victoria University Student Paper	<1%

Appendix III: Study Site (Meru County)



Appendix IV: Budget

PARTICULAR	ESTIMATED COST (KSH)
PROPOSAL WRITING	
Reviewing literature	30,000
Internet costs	5,000
Photocopying and Printing of the proposal drafts	10,000
Sub total	**45,000**
PILOT STUDY	
Transport costs	17,500
Pilot data analysis and reporting	20,000
Printing and photocopy	5,000
Sub total	**42,500**
3. DATA COLLECTION	
Printing and photocopying	12,500
Data analysis software (SPSS)	15,000
Data storage and back up	10,000
Allowances for research Assistants	35,000
Sub total	**72,500**

4. PROJECT PREPARATION	
Statistical data analysis	25,000
Printing, photocopying and binding of the final report	15,000
Sub total	**40,000**
5. PUBLICATION	
Journal publication processing fee	10,000
TOTALS	**210,000**

Appendix V: Work Plan

Activity	Sept-Dec 2023	JanMay 2024	June-Sept 2024	Sept-Oct 2024	OctNov 2024
Proposal Development, Proposal submission and discussion with supervisors					
Proposal defense and Correction matrix					
Acquisition of data collection authorization					
Pretesting of study instruments, Discussion and reporting					
Data collection, compilation, Data analysis and reporting					
Final project submission, correction matrix					
Publication					