

**INFLUENCE OF MARKETING STRATEGIES ON PERFORMANCE OF
COMMERCIAL BANKS IN MERU COUNTY, KENYA**

LAWRENCE MUSYOKA KATHULA



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENT FOR THE AWARD OF MASTER DEGREE
IN BUSINESS ADMINISTRATION (MARKETING OPTION) OF
MOUNT KENYA UNIVERSITY**

JULY 2025

DECLARATION AND APPROVAL

Declaration by Candidate

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

Signature: 

Date: 

Lawrence Musyoka Kathula

MBA/2014/79079

Approval by Supervisor

This project is being submitted for examination with my approval as University Supervisor

Signature: 

Date: 

Dr. Peter Simotwo PhD

School of Business and Economics

Mount Kenya University

DEDICATION

I would want to express my deepest gratitude to my whole family, who have been nothing but supportive throughout this effort.



ACKNOWLEDGEMENT

I give thanks to the Almighty God since he blessed me with understanding, insight, bravery, and health as I worked on this endeavor.

The Director of Mount Kenya University-Meru Campus and my respected supervisor, **Dr. Peter Simotwo**, were invaluable resources for me while I worked on this project, and I am grateful to them. This entire and trip would not have been possible without the tremendous assistance of those individuals, and I am eternally grateful to them.



ABSTRACT

The commercial banking industry is difficult due to the current economic climate, which is marked by increased rivalry among local and foreign enterprises, more picky clients, and significant technology improvements. This research looks at how commercial banks in Meru County, Kenya, fared when it came to marketing techniques including expanding into new markets, diversifying their customer base, and penetrating existing ones. Understanding the efficacy of these tactics for improving organizational performance and assuring growth is crucial in light of the increased competition and changing customer preferences that the banking sector is facing. The research used a mixed-methods approach, gathering quantitative and qualitative data from a sample of regional banking experts using structured questionnaires. According to the respondents, in order to successfully penetrate a market, one must have strong pricing strategies, customer recruiting campaigns, and competitive advantages. Market penetration is crucial for increasing market share and speeding up revenue growth, as the research showed a substantial positive connection (0.72) between the two. In order to bring in new clients and encourage long-term growth, the article also stresses the relevance of market development tactics. According to the participants, aligning individual performance expectations with company objectives improves the effectiveness of market growth approaches. Strategic alignment and mutually beneficial partnerships are essential for a successful market entrance, as shown by the results, which provide a correlation value of 0.75. With a correlation value of 0.70, diversification techniques were shown to have a limited influence on performance. Nevertheless, their merits were recognized. The report stresses the need of thorough market research and alignment with core competencies for successful diversification, therefore commercial banks shouldn't put too much emphasis on it. The relevance of these marketing techniques for boosting organizational performance is confirmed by the inferential analysis, which includes regression, correlation, and ANOVA. Financial sector policy and decision-makers should take note of the findings, which highlight the need of effective strategies for expanding into new markets and penetrating existing ones in order to improve performance indicators. As a whole, this study contributes to our knowledge of banking industry marketing tactics and gives practical advice to commercial banks in Meru County. Businesses may improve their performance and competitive advantage by concentrating on market penetration and growth strategies while also actively seeking diversification efforts. How banking industry marketing methods are changing in reaction to customer tastes and new technologies is an area that might need further investigation in the future.

TABLE OF CONTENTS

DECLARATION AND APPROVAL	Error! Bookmark not defined.
DEDICATION	ii
ACKNOWLEDGEMENT	iv
ABSTRACT	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES.....	x
LIST OF FIGURES.....	xi
LIST OF ACRONYMS AND ABBREVIATIONS.....	xii
CHAPTER ONE.....	13
INTRODUCTION	13
1.0 Introduction.....	13
1.1 Background to the Study.....	13
1.1.1 Marketing Strategies	17
1.1.2 Performance of Commercial Banks in Kenya.....	18
1.2 Statement of the Problem.....	21
1.3 Purpose of the Study	22
1.4 Objectives of the Study	22
Research Hypotheses	22
1.6 Significance of the Study	23
1.7 Scope of the Study	24
1.8 Limitations of the Study	25

1.9 Delimitation of the Study.....	26
1.11 Operational Definition of Key Terms	27
CHAPTER TWO.....	28
LITERATURE REVIEW	28
2.1 Introduction.....	28
2.2 Empirical Review	28
2.2.1 Market Penetration Strategy and Performance of Commercial Banks	28
2.2.2 Market Development Strategy and Performance of Commercial Banks	30
2.2.3 Product Development Strategy and Performance of Commercial Banks	32
2.2.4 Diversification Strategy and Performance of Commercial Banks	34
2.3 Theoretical Review	35
2.3.1 Ansoff Igor Theory	36
2.3.2 Resource Based View Theory	37
2.4 Conceptual Framework.....	38
2.4 Recap of Literature Review	39
CHAPTER THREE.....	41
RESEARCH METHODOLOGY.....	41
3.1 Introduction.....	41
3.2 Research Design	41
3.3 Target Population.....	41
3.4 Sample Size and Sampling Procedures.....	42
3.6.2 Validity of Research Instruments	45
3.6.3 Reliability of Research Instruments	45
3.7 Data Collection Procedures	45
3.7 Data Analysis Procedures	46

Ethical Consideration.....	47
CHAPTER FOUR	49
RESESARCH FINDINGS AND DISCUSSIONS.....	49
4.1 Introduction.....	49
4.2 Response Rate.....	49
4.3 Socio-Demographic Characteristics	50
4.4 Market Penetration Strategy	52
4.5 Market Development Strategy	57
4.6 Diversification Strategy	66
4.7 Inferential Analysis.....	70
4.7.1 Model Summary	70
4.7.2 Regression Analysis	70
4.7.3 Correlation Analysis.....	73
4.7.4 ANOVA	74
4.8 Discussion.....	76
4.8.1 Socio-Demographic Characteristics.....	76
4.8.2 Market Penetration Strategy.....	78
4.8.3 Market Development Strategy	83
4.8.4 Diversification Strategy	85
CHAPTER FIVE	90
SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS.....	90
5.1 Introduction.....	90
5.2 Summary of Findings.....	90
5.2.1 Socio-Demographic Characteristics of Respondents	90
5.2.2 Market Penetration Strategy.....	94
5.2.3 Market Development Strategy	97

5.2.4 Diversification Strategy	100
5.2.5 Inferential Analysis	103
5.3 Conclusion	106
5.5 Further Research	108
REFERENCES	109
APPENDICES.....	118
Appendix I: Consent Form	118
Appendix II: Questionnaire	119
Appendix III: Licensed Commercial Banks in Meru County.....	123
Appendix IV: ERC.....	125
Appendix V: Introduction Letter	126
Appendix VI: NACOSTI	127
Appendix VII: Similarity Index.....	128

LIST OF TABLES

Table 1: Target Population	42
Table 2: Sample Size	43
Table 3: Socio-Demographic Characteristics	50
Table 4: Market Penetration Strategy	52
Table 5: Market Development Strategy Responses	57
Table 6: Diversification Strategy Responses	66
Table 7: Model Summary	70
Table 8: Regression Coefficients	72
Table 9: Correlation Matrix	73
Table 10: ANOVA	74



LIST OF FIGURES

Figure 1: Conceptual Framework.....	38
-------------------------------------	----



LIST OF ACRONYMS AND ABBREVIATIONS

ATM	Automated Teller Machine
C.Bs	Commercial Banks
CBK	Central Bank of Kenya
CRBD	Community Rural Development Bank
EU	European Union
GDP	Gross Domestic Product
JIT	Just in Time
KCB	Kenya Commercial Banks
LPGC	Liquefied Petroleum Gas Companies
MFIs	Micro Finance Institutions
RBV	Resource Based View
SPSS	Statistical Package for Social Science

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter provides an overview of the study's antiquity, issue statement, goals, research questions, and importance. It also draws attention to the breadth of the study's intended coverage.

1.1 Background to the Study

The banking industry is among the most important service providers for any economy. Ahmad asserts that social and economic progress are bolstered by a robust banking sector (2018). Financial market growth, including the provision of both short- and long-term financing, is facilitated by commercial banks, which are an integral aspect of the broader capital market. Commercial banks mediate between individuals with surplus funds and others without sufficient funds to fund their projects, claims Kumar (2014). As a result, banks push for expansion of the economy. They bolster the economy by doling out cash for doable projects that create employment and growth. The banking industry encourages the most efficient use of the economy's wealth in these and other ways.

So, it's a good thing that the financial sectors are becoming bigger and better. Krahnen, Noth, and Schüwer (2016) argue that regulators should support the financial industry's success because they support continuous sector changes. Despite geographical isolation, he notes that prosperous banks are able to open more branches to better serve their customers. This encourages economic development generally and local economic growth in particular,

which facilitates the emergence of new towns and commercial centers (Gelman, Jochem & Reitz, 2016).

It is ideal for commercial banks to be more profitable and competitive (Vives, 2019), and the sector can fulfill its economic purpose, employ more people, and indirectly fund their investment ideas as a whole thanks to economic growth. According to Johnson et al. (2021), performance includes a range of activities that help with goal-setting and monitoring the organization's progress toward those goals. In order to accomplish goals more effectively and efficiently, it is used to make adjustments. Executives and company owners are most irritated by the organization's performance. The reason for this is that even

Bank employees are unable to achieve their goals despite working long hours and putting in a lot of effort. The outcomes are more dictated by chance and unforeseen events than by the employees' own efforts. To prosper, nevertheless, a business has to have its functions defined and carried out. An organization's success depends on its ability to develop strategies based on its core skills. Many things affect how well these people perform, including the information and resources at their disposal, the nature of the task at hand, the level of centralization and organizational authority structure, the severity of the crisis they are operating under, and the channels of command and communication between them (Richard et al., 2018).

Consequently, according to Koontz and Donnell (2018), performance is defined as an organization's ability to achieve certain objectives within a certain time frame, such as producing a high-quality product, achieving a large market share, generating excellent financial results, and making a profit. According to Vanweele (2016), organizations use

performance as a basis for evaluating their progress toward objectives, identifying their strengths and shortcomings, and making decisions about future attempts to enhance performance. Rowley used both monetary and non-monetary measures (2016). In terms of money, there were two metrics: sales growth (as a percentage rise) and profitability (as a percentage increase in profit margin). They used metrics like operational efficiency, service quality, and public opinion as non-financial indices.

Successful marketing tactics that cater to certain demographics in a meaningful and sustainable manner need businesses to remain competitive. A company's ability to develop and implement strategies is crucial to its success in today's economic environment, but the level of competition may also affect the approach it takes (Hugh & Elizabeth, 2018).

A company's strategy includes its commitment to certain products, markets, customers, competitive strategies, and business processes (Bernard and Koerte, 2015). Successful businesses know that addressing competition strategically is the key to staying ahead of the competition. Companies' strategy should revolve on creating a responsive work organization that relies on cooperative relationships with both internal and external partners, including customers, suppliers, and competitors. Because they are seen as crucial management concepts for developing a sustainable competitive advantage, adaptability and flexibility are included into new organizational designs by successful organizations.

Researchers Kwenyou and Srijamdee (2021) analyzed data on the success and advertising strategies of Thai hospitality and tourism companies. The primary purpose of the research was to determine the frequency and magnitude of service marketing strategies' effects on travel and hospitality companies, with a focus on those serving relatively small visitor

numbers. The 4P method has a significant effect on the prospects and earnings of service providers in Nong Khai Province, Thailand.

The impact of marketing strategies and competences on the financial success of Tabriz, Iran-based export businesses was studied by Saebnia and Nazer (2020). In addition, they said that it is difficult to maintain customer satisfaction and loyalty in light of the present climate of globalization, rising competition, the proliferation of both domestic and foreign businesses, a wide variety of products, and rapid technical development. It looks critical to use marketing expertise and tactics to service competitive marketplaces, as these factors may provide a strong basis for improving the company's commercial success.

According to the studies cited by Amin (2021), marketing strategy is crucial for operational performance and overall organizational success. In addition, it was said that the main things that commercial banks in Abuja like are marketing tactics for promotions, price, placement, and products. (Akaji & Ogunsiji, 2020). The marketing strategies and performance of commercial banks in Rwanda are examined by Uwamariya and Gitahi (2021). The research also aimed to determine if and to what extent Equity Bank's client retention strategies contributed to the bank's performance in Rwanda. Clearly, the success or failure of the Equity Bank is dependent on the adoption of the various marketing strategies.

Competition in the Kenyan recruitment industry has been fierce recently, with both local and international businesses systematically cutting their profit margins. Because of the ever-changing expectations of consumers, it is crucial to use relevant and responsive marketing techniques rather of depending just on outmoded ones (Wilburn, 2016). As a result of

intense rivalry, commercial banks have had to come up with innovative marketing strategies to maintain or increase their market share.

Commercial banks have ensured their survival over the years by using certain tactics. Still, with the economic environment being so unpredictable and competition being so high, commercial banks are feeling the heat to figure out how to acquire an edge over their rivals via smart marketing. So, commercial banks need to constantly work to acquire or enhance their methods if they want to survive and prosper; as a result, they may be able to develop and perform better due to the amount of competition they face.

1.1.1 Marketing Strategies

Slater, Hult, and Olson (2015) define marketing strategy as the way in which companies achieve their objectives in a specific market by responding to internal and external factors, competitive situations, and market dynamics. To reach the company's or bank's marketing goals inside a certain market segment, the traditional marketing strategy is necessary (Walker, 2016). What this means is that marketing strategies play a significant role in a company's success or failure. A marketing strategy is a set of actions taken by a business to reach its objectives, and these actions should be accurate, thorough, practical, well-defined, and lawful.

This attitude was in line with the marketing literature's thesis that better marketing strategies are made possible with more detailed and accurate information about the internal and external environments (Taghian, 2015). Slater and Narver (2016) state that selling products and services in preexisting markets is the essence of market penetration strategy. Increased product or service visibility and sales inside the target market constitute the market

penetration strategy's overarching goal. According to Levay, Drossinos, and Thiel (2017), market penetration methods let companies increase sales income without making changes to their products or services. Therefore, it is argued that the selection of penetration method is a strategic one taken by the banks themselves after they have considered all of their alternatives and the dangers associated with them.

Implement the market expansion plan: expanding sales to new areas and attracting new clients for the present product. Companies with an eye on the market may make goods that people think are better than competitors' (Day, 2014).

In an effort to boost their performance and attractiveness, firms often diversify their offerings (Chen & Ho, 2014; Rogers, 2016). According to Teo (2017), when a company's product line and market prospects are limited, it has little choice but to branch out into promising new areas. Companies diversify their holdings in several industries to lessen their exposure to risk and boost their ROI, two key performance indicators (Li & Jin, 2016).

1.1.2 Performance of Commercial Banks in Kenya

Kenyan commercial banks are governed under the Banking Act, chapter 488. According to the most recent data from the Central Bank of Kenya (2021), out of 42 commercial banks in Kenya, 32 are owned by Kenyans and 11 are held by foreigners. The government has a significant stake in three of the locally owned banks. Eight banks—seven foreign and four local—and four bank branches—all with foreign incorporation—make up the foreign companies.

The banking business in Kenya has grown substantially during the last decade, thanks to increases in deposits, profitability, assets, and products offered. The main reason for this

expansion, according to the Central Bank of Kenya (2021), is the sector-wide development of branch networks both inside and outside of East Africa. Advances in financial industry automation and a heightened focus on meeting complex customer requests have also played a role in this growth. With a rich history spanning from pre-independence traditional banking methods to nationalization, privatization, and the current period of international bank expansion, Kenya's banking industry is no stranger to change. Increased levels of competition have led to substantial development and ongoing evolution in Kenya's banking industry (Central Bank of Kenya, 2021).

While technological advancements have opened banks up to new dangers, they have also greatly improved customers' banking experiences. Automated teller machines, online and mobile banking, electronic statements, agency banking, and other similar technologies have revolutionized Kenyan banking. Thanks to these advancements, hitherto unbanked or underbanked rural communities now have access to banking services. The dynamic environment in which commercial banks operate in Kenya is further disrupted by new regulations put in place by the country's Central Bank. The industry's ability to continue, develop, and sustain itself is threatened as a result of the bankruptcy of several big banks in recent years due to challenging circumstances. The financial sector in Kenya has shown to be fairly robust despite all these challenges. The banking industry in Kenya has grown rapidly over the last decade due to a number of factors, including a reduction in non-performing assets, an increase in efficiency and profitability comparable to other nations' banks, a focus on financial inclusion, and accelerated loan creation. Central Bank of Kenya (2021) reports that this has caused Kenyan banks to reevaluate their expansion strategies and seek for other methods to support the economy.

The primary goal of the Central Bank of Kenya is to increase the number of Kenyans who have access to formal financial services. According to the Commercial Banks Directory (2021), despite Kenya's financial sector's relative development, it is hindered by political involvement and inadequate regulation. A major obstacle for the banking sector's operations is the fierce fight for expansion and survival in this climate.

To remain competitive, even long-standing Kenyan banks such as Barclays and Eco-bank are actively advertising their services (Mutiso & Sungwacha, 2020). Numerous financial schemes, such as microfinance institutions and savings and credit cooperatives, have mushroomed in recent years, all offering basically the same services in an effort to attract clients. In order to survive and thrive in the face of such cutthroat competition, financial institutions must meticulously plan out their future strategies. Business strategists need to know that competition isn't only between present rivals if they want to find and solve bigger problems (Porter, 2018). As part of this, there is a continual need to create efficient and cost-effective services, invest in human resources, update equipment, embrace sophisticated information technology, and enhance management methods.

International banks have a significant challenge in keeping up with the dynamic nature of business environmental factors and industry competitiveness, as pointed out by Njenga (2019). The 2014 fiscal year saw a fall in performance with a total profit of Ksh 57.321 billion for notable Kenyan commercial banks such KCB, Equity Bank, Co-operative Bank, and National Bank. As a result, several banks and other financial organizations reacted in 2015 by formulating flexible five-year plans to guide their operations moving forward. The purpose of this study was to determine whether the commercial banks in Marsabit County were successful in improving their performance subsequently to applying the methods.

Future innovation aspirations in the industry are being dampened by the current challenge of objectively evaluating the elements influencing competitive strategies that are in step with advancements and also reduce the influence of external hazards and threats. So far, research on the novel elements influencing the competitive strategies of commercial banks is scant. It seems that there is more weight given to anecdotal evidence than to hard factual facts. Understanding the variables driving competitive strategies in Kenya's banking market requires first recognizing the current information gaps (Mutinda and Nzibo, 2022).

1.2 Statement of the Problem

If we want to see better economic growth, the banking sector is key. The role of banks as mediators allows them to assist economies in making the most of their resources. Kenyan banks need to figure out what marketing strategies would help them expand in light of the interest rate cap and the increased competition in the business due to the licensing of many firms. Some SACCOs are now obliged to take deposits and conduct full-fledged banking. The bulk of studies examining the link between marketing strategies and banks' bottom lines concur that strong financial institutions are an indicator of healthy economies, but they can't agree on whether or not strategic marketing has any effect on banks' bottom lines in Kenya.

Due to the high expense of marketing, some studies have heralded smart marketing as a revolutionary strategy, while others have cast doubt on its usefulness.

On the other hand, the impact of competing tactics on the efficiency and effectiveness of Kenya's commercial banks has received little academic attention. The management and operational performance of banks are greatly affected by this disparity and other growing problems in the banking industry. The fact that Kenyan commercial banks have achieved

pitiful results while attempting to adopt and execute performance-enhancing techniques is equally crucial to note. The purpose of this research is, therefore, to examine the relationship between marketing strategies and the financial success of commercial banks in Meru County, Kenya.

1.3 Purpose of the Study

This study seeks to establish the influence of marketing strategies on performance of commercial banks in Meru County, Kenya.

1.4 Objectives of the Study

- i. To determine the effect of market penetration strategy on performance of commercial banks in Meru County, Kenya.
- ii. To examine the effect of market development strategy on performance of commercial banks in Meru County, Kenya.
- iii. To assess the effect of product development strategy on performance of commercial banks in Meru County, Kenya.
- iv. To analyze influence of diversification strategy on performance of commercial banks in Meru County, Kenya.

Research Hypotheses

H₀₁: There is no statistical influence of market penetration strategy on performance of commercial banks in Meru County, Kenya.

H02: There is no statistical influence of market development strategy on performance of commercial banks in Meru County, Kenya

H03: There is no statistical influence of product development strategy on performance of commercial banks in Meru County, Kenya.

H04: There is no statistical influence of diversification strategy on performance of commercial banks in Meru County, Kenya.

1.6 Significance of the Study

Financial institution upper management stands to benefit from the study's findings as they will provide light on the industry's long-term marketing plans. The outcomes would provide the foundation for future decision-making and planning by the bank's management. Also, the management would set aside enough money to do things that bring in new clients and broaden the institution's audience. The results helped with smart banking activity planning and execution.

Also, upper-level management might use the study's findings to inform their communication initiatives and campaigns on the most effective product promotion techniques for building and sustaining brand loyalty. This study was useful for firms outside of the banking and financial services area since it helped them tailor promotional techniques to their unique operations, as not all businesses respond the same way to advertising. When running a service-based organization, one tactic could work wonders when dealing with technology-based projects.

This research benefited financial organizations like commercial banks in the industry by shedding light on the various strategies employed by their competitors and other important players to retain customers and increase customer loyalty through better client communication. By gaining a better understanding of customer loyalty programs and giving banks greater freedom to create communication and retention programs, the results helped the Central Bank of Kenya and the Kenya Bankers' Association formulate policies to control and regulate banking operations in Kenya.

Researchers in the future may find this work useful as a foundation for further investigations into this topic or similar ones in other fields. Researchers interested in critiquing this study in relation to other studies involving different banks, markets, or nations might also find this study useful. The findings would provide the framework for future studies of a similar kind, which would be of great importance to academics and researchers in the banking sector and beyond. With this research in hand, the Kenyan government can better understand the challenges facing the banking sector and enact policies that would protect the interests of Kenyan bankers.

1.7 Scope of the Study

The purpose of this research was to examine the effectiveness of commercial banks' strategies for market penetration, product development, diversification, and overall performance in Meru County, Kenya. This research looks at commercial banks in Kenya, more especially those in Meru County. It includes every single bank in the county, no matter how big or little. Usually centering on the most current practices and client feedback from the last 1-2 years, the research contains marketing tactics and customer retention statistics during a certain time. Questionnaires were sent to clients and marketing managers of Meru

County's commercial banks in order to gather primary data. Reports from financial institutions, trade journals, and scholarly works made up the secondary data set. Both more conventional forms of advertising, like print and radio ads, and more contemporary ones, like digital and social media marketing, would be the focus of the study.

1.8 Limitations of the Study

There may be limitations on accessing complete and current data from commercial banks. The marketing strategies and client retention rates of commercial banks may be closely guarded secrets. We made an effort to use the available data sources properly and to guarantee that the sample of firms was wide and representative. The findings of surveys and interviews might be skewed if participants provide answers that are socially acceptable or are impacted by their previous experiences. It was made sure that replies were cross-checked for consistency and that anonymity and confidentiality were maintained in order to promote honest input.

Results may only apply to commercial banks in Meru County due to differences in demographics and market characteristics. The banking sector in Meru County was used to contextualize the study's conclusions, and the suggestions were made with that setting in mind. Given the variety and complexity of marketing activities, it is conceivable that the research may not include all potential strategies or tactics used by commercial banks. Subjects of major interest or concern would have precedence in the study, which would center on the most common and effective tactics.

1.9 Delimitation of the Study

This research looked at commercial banks in Meru County, Kenya, and how marketing methods affected their operations. This study focused on the impact of market penetration, product development, diversification, and market development strategies on the performance of commercial banks in Meru County, Kenya. It should be noted that commercial banks in this area use a variety of supplementary marketing approaches.

1.10 Assumptions of the Study

That all of Meru County's commercial banks utilize Ansoff's strategies in their daily operations. The study also presumes that technology advancements, economic conditions, and political stability in Meru County would remain relatively constant during the research period. Additionally, the research presumes that cultural norms and geographical locations do not change, and that the banks' performance was monitored consistently over a specified time frame using conventional financial metrics such as customer happiness, market share, and profitability.

1.11 Operational Definition of Key Terms

Personal Selling: In personal selling, representatives of a company engage in two-way communication with individuals or groups to impart information, serve as a gentle reminder, or persuade them to carry out the required tasks.

Advertising: Commercials for goods and services are disseminated impersonally via various media platforms. It often has respectable sponsors and has an enthralling personality.

Direct marketing: The term "direct marketing" refers to the strategy of selling products and services to end users without going via traditional intermediaries.

Promotion Mix: The marketing communications mix, often referred to as the promotional mix, is a set of marketing communication instruments that a business utilizes to offer its goods and services to its target market. Public relations, direct marketing, sales promotion, personal selling, and advertising are some of its components. Businesses may increase sales, influence consumer choices, and build brand recognition with the aid of a well-designed promotional mix.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The theoretical and conceptual frameworks, empirical review, literature summary, and knowledge gap were all laid forth in this chapter.

2.2 Empirical Review

2.2.1 Market Penetration Strategy and Performance of Commercial Banks

The soda sector was used as a case study by Njomo and Margaret (2016) to investigate the interplay between market entrance tactics and regulatory changes. An unconventional method of sampling was used in the research. The study included 160 beverage businesses chosen at random. Data was collected and analyzed using descriptive and inferential statistics. To find out which way the two factors went hand in hand, we ran a correlation study. The findings pointed to a link between new regulations and tactics for breaking into a market. The market entrance strategy, however, proved to be counterproductive and contributed nothing to the expansion of the business.

Armstrong (2018) defines market penetration as the process by which a product gains a larger proportion of a certain market. A product's or brand's level of recognition within a certain market niche is another possible meaning. According to Thiam (2017), increasing the number of clients in a certain market sector is the main goal of market penetration. Promoting the company's goods to a certain demographic of buyers is the primary objective. Relationship building with customers is the focus of market development, on

the other hand. Ultimately, the goal of market development is to strengthen the bond with the consumer in order to cultivate their loyalty over time.

According to Ekwulugo (2018), one way to dominate a market and get all the advantages of it is to use different market penetration tactics. Furthermore, Ardyan (2018) discovered that several American companies utilized market penetration strategies to gain a presence in their chosen areas. He goes on to say that different types of marketing strategies allow for different degrees of market penetration. Market penetrations that use pricing strategies can impact their product prices. To gain market dominance, attract more consumers, and deter competitors from investing in the area they want to control, some companies may make their pricing low.

According to Bonaglia and Goldstein (2016), the effectiveness of an organization in achieving its clearly defined objectives and strategies was the primary emphasis of their research. It takes a look at the actions a company takes to stay strong in its selected market niche. An organization's success may be measured by its performance. An organization's tactics must have been beneficial to the banks if it gets a high performance score. The performance of an organization is based on three main factors. Market success, financial performance, and returns to shareholders are all part of these factors. According to Blackburn, Hart, and Wainwright (2018), a company's ability to maintain improved financial outcomes and offer considerable returns to shareholders is directly correlated to its level of market performance. This is because strong market performance indicates a solid grip over the market sector.

According to Agyemang and Ryan (2018), a strong marketing strategy is essential for a company's successful market entry. For a company to know whether it can break into a certain market, it needs a detailed sales strategy. A comprehensive marketing strategy should be in place, with all other initiatives flowing from it. Because it specifies the steps to take for each part of manufacturing, a marketing plan is vital. An advantage over rival businesses is one benefit of a well-developed marketing plan. According to Tsiotsou and Vlachopoulou (2016), it is good to evaluate the products' market performance while making adjustments to price strategies in order to increase market penetration. Any business hoping to adopt a low-price approach should be aware that doing so does not ensure success. Regardless of the price approach a firm employs to get a competitive edge, there are several other aspects that influence a product's market success.

According to research on the export market conducted by West, Ford, and Ibrahim (2015), there are a number of variables that impact product prices in global marketplaces. The PESTEL model provides the basis for the various pricing methods, since all of these factors influence the ultimate product prices. The goal of setting prices in the market, according to West, Ford, and Ibrahim (2015), is to get products noticed. Achieving market acceptability is made easier with the penetration price strategy. The goal of this penetration pricing strategy is to make buyers believe that your items are superior than the competition. A new product line or market share in a different category may be successfully captured with this method.

2.2.2 Market Development Strategy and Performance of Commercial Banks

Voss and Voss (2015) contributed to our knowledge of market orientation by studying the effects of strategic direction on organizational performance in a creative setting. Using a

variety of subjective and objective performance metrics in the nonprofit professional theater industry, the study examined the effects of three distinct strategic orientations on these metrics: customer orientation, competition orientation, and product orientation. To explore its assumptions, the study collaborated with the Theater Communications Group (TCG), a nonprofit professional theater field supporter and public service organization, and used a two-phase research technique. Using the various performance measurements as dependent variables, the study conducted a series of regression analyses. Researchers used hierarchical multiple regression to examine the potential mediator's independent and interaction impacts on each performance measure. According to the results, the performance metric in question determines the strength of the correlation between strategic direction and performance (Voss & Voss, 2015). Customer orientation negatively impacts subscription ticket sales, total revenue, and net surplus/deficit, according to the most noteworthy finding. The broader applicability of the study's findings was limited by its exclusive concentration on one creative domain.

Ansoff (2017) states that one way to develop a market is to bring an existing product to a market that hasn't been open to it before. This could mean reaching out to different types of customers, expanding into new regions or even going global. How well each firm does in the new market depends heavily on the techniques it uses to break in and stay ahead of the competition. Companies often use strategies like high switching costs to highlight the benefits of being an early adopter. Customers quickly become used to a product's characteristics after it hits the market, making it difficult for them to convert to competitor brands that join the market later. Providing high-quality items that fulfill client expectations is one way to do this (Park, 2015). Finding the right distribution methods,

packaging, and pricing strategies is essential for companies venturing into unexplored markets.

2.2.3 Product Development Strategy and Performance of Commercial Banks

Must be in perfect harmony with customer tastes (Farrell & Gallagher, 2014). To stay ahead of the competition or maintain market dominance, many companies turn to product development (Martinsuo, Suomala, & Kannianen, 2018). Innovation and product creation are essential components of growth and marketing strategies in today's corporate world, when competition is at an all-time high. Customers depend on businesses to meet their needs and wants, according to Blackburn et al. (2018). A corporation runs the danger of seeing its market share and income erode if its goods and services fall short of consumers' expectations.

As a result of globalization's effects on the global market, product development has occurred, as stated by Linzalone (2013). He claims that existing enterprises are facing competition in new markets made possible by globalization. Businesses must invest in R&D if they are to meet the demands of a globalized market. According to research by Park (2015), the best firms make money off of the new goods they release to the market. Therefore, in order for businesses to reach impressive sales numbers, they need to continuously prioritize the development of new items.

According to Saban, Lackman, and Peace (2015), firms who want to dominate their market place put a lot of effort into developing new products. According to Revilla and Knoppen (2017), the point of developing new goods is to make them better for consumers. Zack, McKeen, and Singh (2018) state that product development might include making cosmetic

changes to current goods or developing a brand-new product from the ground up to meet the demands of a certain market. In either case, the end users of the product will reap the benefits.

Factors including the size of the industry, the variety of items it offers, and the quantity of products it distributes may be recognized. A company's approach to the product development process is impacted by these variables. According to Arthur and Mensah (2016), certain industries prioritize improving the technical characteristics of their products and services. While some industries place a premium on mass manufacturing, others aim to shorten product development times. Product manufacturing processes and the people tasked with supervising them are the two cornerstones of an effective product development process (Reddi and Moon, 2017). Management, those in charge of the product from manufacturing to marketing, and consumer input all make up the people component of product development, according to Mahmoud and Hinson (2017). Each of these three groups works with the others to investigate potential new product ideas or ways to improve current ones. Fantasy and Salem (2016) state that extensive market research is the first step in developing a product, which is in line with the academic consensus. In their study, Ge and Ding (2015) used three valid methodologies—entertaining metrics, organizational coefficients, reliability assessments of the forms—to examine how a company's competitive strategy mediates the relationship between market orientation and performance. The team also calculated average scores.

According to research involving 371 Chinese conglomerate businesses, each of the three aspects of market orientation has a unique impact on real strategy and performance. Customer orientation was shown to have the highest correlation with real strategy and

market performance. The results of the main condition assessments show that development strategy, which is seen as the main factor motivating firms in the expanding industrial sector, shows how concrete strategy acts as a mediator (Ge and Ding, 2015).

2.2.4 Diversification Strategy and Performance of Commercial Banks

According to Hassan (2018), two of the most researched subjects in the business world right now are diversity and market performance. However, it seems that the findings on the correlation between diversity and financial success are not entirely obvious. One reason for this muddle is the wide variety of approaches used to compare these two parameters. The confusion around diversity and market performance is caused by these various techniques, according to Chen (2016).

Problems in managing several marketing techniques might impact performance. This is due to the fact that these businesses are affected in diverse ways by the dynamics of the many industries in which they participate. One strategy for being the market leader is to diversify your business. It is possible for corporations to achieve market domination via diversity, which allows them to offer customers a broad variety of choices and possibilities. In bigger corporations and more developed marketplaces, diversity has been a strategy for market domination, according to Mensah (2014). This is because customers always have options from the same company.

Hashai (2015) finds a range of outcomes from corporate diversification in his analysis of its influence on North American corporations. Companies that choose to diversify their revenue streams rather than zero in on a certain area and improve it for customer benefit generally failed, according to his research. He points out that in the end, these businesses

realized that rushing to acquire new markets and competitors was a waste of time since their purchases were not well-founded. Based on their research on the consequences of diversification in Germany's pharmaceutical business, Goryni, Nowak, and Walniak (2021) conclude that this sector is losing profitability at an alarming rate. They stress the need of using technology into diversification efforts in this industry, as more and more healthcare treatments are moving towards incorporating technology to access new markets.

These companies' business models have evolved in tandem with technical advancements because, as Bresciani, Vrontis, and Thrassou (2015) point out, it is wasteful for a firm to absorb technological improvements if its core framework does not make use of them. Based on his research, Ngandu (2014) concludes that diversity has been very beneficial to the banking business in Kenya. Reportedly, banks that diversify their product offerings and target new markets outperform those who stick to what they do well. He notes that demand for health and education-related banking products, among others, rises in tandem with the national average income and wealth. In addition, the study conducted by Inoti, Onyuma, and Muiru (2014) highlights the fact that the telecommunications industry, especially in developing nations, is facing fierce competition. Companies' expansion into new electronic goods like mobile data faces increased rivalry as established businesses pour more money into expanding industries. This is all in an effort to maintain market leadership and profitability.

2.3 Theoretical Review

Igor Ansoff's framework and resource-based view theories were the lynchpins of this investigation.

2.3.1 Ansoff Igor Theory

According to Igor (1957), there are four distinct approaches that a company may take to increase performance, and they vary according on whether the product or service in question is currently available to consumers. Two important elements were taken into account by him: the first one was the product's introduction status, and the second one was the market's age. Market penetration, market development, diversification, and expansion are the four primary growth tactics.

Each of these internal development methods may have its own unique set of risks and investment requirements. Gaining market domination is the end objective of this approach, which aims to achieve this via luring non-users, increasing purchases from current consumers, and luring customers away from rivals (Gardetti, 2015). The lowest-risk strategy is market penetration, which entails selling more of existing items in existing areas (Shroder, 2015). This method was defined as a product development strategy by Igor (1957). Companies may enter an existing market with new goods in a few different ways: by improving upon existing offers, by making totally new items to meet consumer desires, or by finding new uses for old products (Free-Management-e-Books, 2016).

While expanding into new markets is an important part of market expansion, Igor's (1957) diversification method entails coming up with a brand-new product and launching it into a market where the firm has no presence at all. Diversification and product creation are the most risky and least used growth methods (Shroder, 2015). An essential part of the study is this hypothesis, as it gives recruiting business management a way to assess their services and determine whether they should

market their existing products or create brand-new ones, their goal should be to increase sales via strategic advertising. Strategies for diversification, developing markets, and penetrating those markets are all supported by the principle.

2.3.2 Resource Based View Theory

The assets of a company are its everlasting resources, which may be either physical or intangible, according to Wernerfelt (1984). According to Wernerfelt (1984), a company's capacity to make good use of its resources boosts its competitive edge. Some businesses in the same sector have more resources than others, suggesting that they are better able to accomplish certain objectives and skills than their competitors (Peteraf and Barney, 2013). According to Peteraf and Barney (2018), a dominating business might obtain an advantage over its competitors in the sector if other firms are unable to reproduce its assets. When it comes to developing brands, managing relationships, innovating, or using information, market-based assets are what you need. According to Srivastava et al. (2018), these assets are vital to a company's success. Commercial banks' success is influenced by their ability to discover and capitalize on scarce, distinctive, and irreplaceable marketing resources and competencies, according to the resource-based paradigm.

.2.4 Conceptual Framework

Independent Variables

Dependent Variable

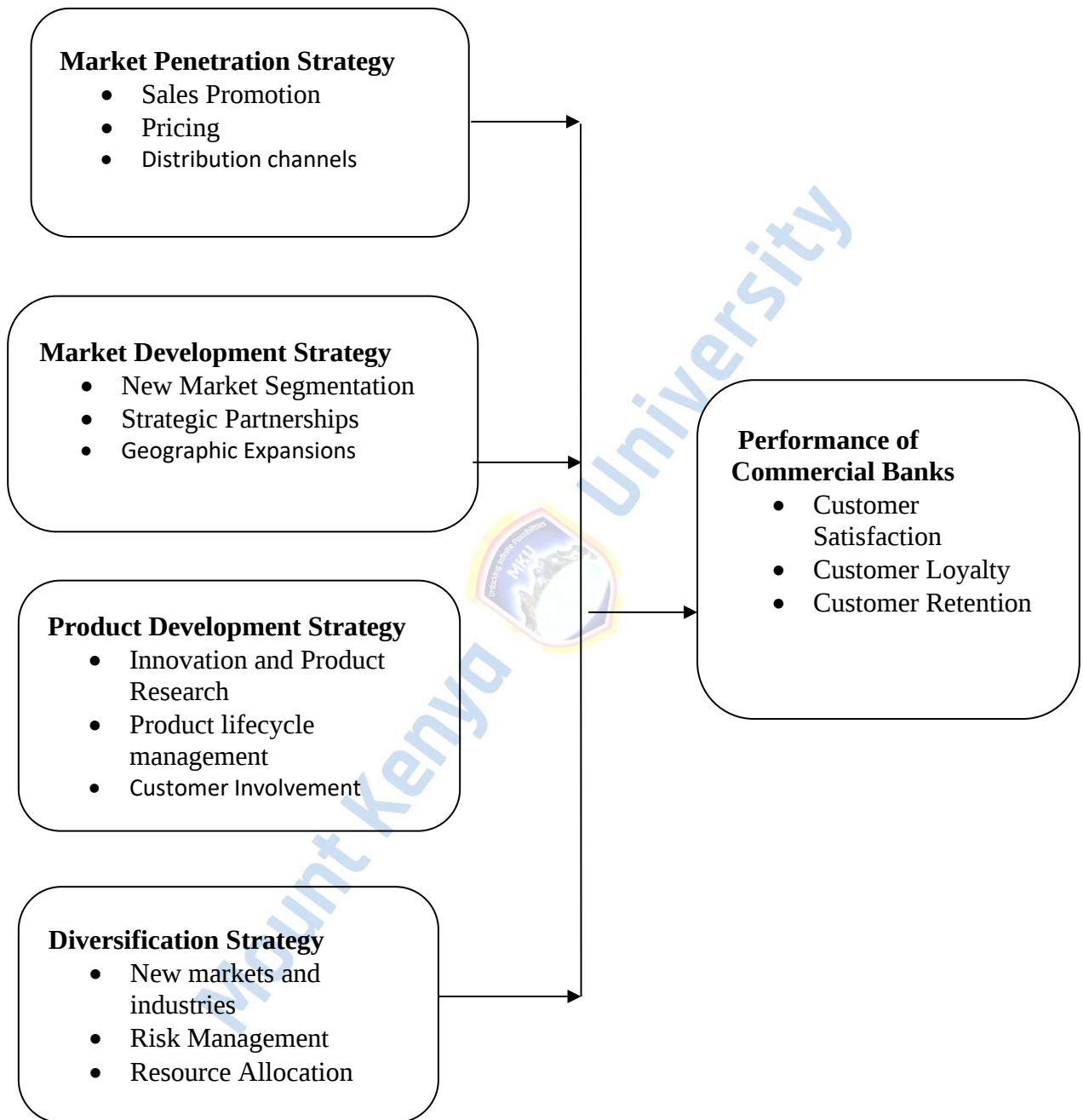


Figure 1: Conceptual Framework

Source: Researcher (2025)

2.4 Recap of Literature Review

Njomo and Margaret (2016) used a soda case study to look out how authoritative turn techniques and market introduction affected the product. There is a strong correlation between the price strategy of a product and the success of the business, according to research conducted in India by Pleshko, Heiens, and Peev (2014). The outstanding quality of Apple's goods is the cause for their better market success, according to Dolata's (2017) research of Apple banks. Companies like Coke and Apple, whose research is heavily influenced by studies conducted in wealthy nations, fail to capture the realities of Kenya.

This study set out to fill a gap in our understanding by analyzing the marketing approaches and results of commercial banks in Meru County, Kenya. Specifically, we were interested in learning how these banks' efforts affected their bottom lines. Ansoff (2017) states that one way to develop a market are to bring an existing product to a market that hasn't been open to it before. This could mean targeting different types of customers, expanding sales to areas where the product wasn't before, or even going global. According to Revilla and Knoppen (2017), the goal of product development is to increase consumer pleasure via the incorporation of new features or the enhancement of current goods. Using a variety of methodologies, coefficients, consistencies, and mean scores across three primary strategies, Ge and Ding (2015) examined the impact of an organization's serious approach on the correlation between market tactics and performance. China, whose GDP is much larger than Kenya's, has been the target of these studies; nonetheless, commercial banks—our primary area of interest—have remained unexplored. This means that there is a lack of studies looking at how different marketing approaches have affected the success of commercial banks in Kenya's Meru County.

Due to its function as a financial go-between, a company must use diversification techniques. According to the studies that were evaluated, there are pros and cons to product diversity and the way it affects organizational performance (Burkirwa, 2017). Delbufalo, Poggesi, and Borra (2016) cited research on Italian corporations that showed how income diversification increased risk-adjusted revenues but also how diversification gains were limited when companies wanted to grow. The aforementioned research mostly looks at developed countries, whilst companies in Kenya see a different effect of diversification strategy on performance. Thus, there is a lack of studies that examine how commercial banks in Meru County, Kenya, fare after using diversification methods.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides an overview of the methods and procedures utilized by the research to ascertain the impact of marketing strategies on the performance of commercial banks in Meru County, Kenya. Here you will find details on the research methodology, study site, intended participants, sample size, data collection procedures, data processing and analysis, and any relevant ethical issues.

3.2 Research Design

A descriptive survey would constitute the study's research design. Descriptive surveying seeks to answer the questions "where," "what," and "how" (Kottehari, 2019). The descriptive approach is deemed effective since the main purpose of this study is to evaluate the concerns highlighted and to identify the impact of marketing tactics on the performance of commercial banks. The study's best approach was a descriptive research design, which enabled the researcher to generalize to a larger population.

3.3 Target Population

Study populations are described by Mugenda and Mugenda (2008) as the specific or well-defined set of things that are the focus of a research, including but not limited to households, collections of things, companies, events, and services. Therefore, it is important for a research study's population to be consistent and able to fulfill the researcher's requirements. The study's intended participants were 500 customers and 20 marketing managers from commercial banks in Meru County.

Table 1:Target Population

Category	Target Population	Percentage
Top Level Management	7	1.3%
Middle Level Management	13	2.5%
Customers	500	96.2%
TOTAL	520	100

Source: Commercial Banks in Meru County (2025)

3.4 Sample Size and Sampling Procedures

Kosterink (2019) states that a subset of a population is what constitutes a sample size. To determine the sample size, this research used the Yamane formula, which is cited in Kosterink (2019).

$$n = \frac{N}{1 + N(e)^2}$$

n = Selected Sample Size

N = The Whole Population

e = Error Value (0.05)

$$\text{Therefore } n = \frac{520}{1+520 (0.05)^2}$$

$$n = 226 \text{ Respondents}$$

Therefore, the researcher would use 226 respondents as the representative sample

Table 2: Sample Size

Category	Target Population	Sample Size
Top Level Management	07	3
Middle Level Management	13	6
Customers	500	217
TOTAL	520	226

Source: Researcher, (2025)

3.5 Data Collection Instruments

Researchers in this research interviewed marketing managers and sent questionnaires to consumers. Cox (2022) pointed out that there are a lot of ways to get data. In this study, the researcher used a questionnaire to collect primary data directly from the subjects. All of the research tools were made to fit in with the study's goals. The researcher's original plan was to send out surveys to everyone in the studied group.

The first phase of the survey asked respondents to provide basic personal information including their gender, age, and level of education. In Section 2, the researcher would analyze the impact of marketing tactics on the performance of commercial banks in Meru County, Kenya. Section 1 would assist in comprehending the respondent demographics. This would allow the researcher to look into any extraneous aspects and determine how marketing techniques affect commercial banks' performance. When it comes to saving time, energy, and money for the researcher, questionnaires are great, according to Uma (2016). On the other hand, he brings attention to the major problems with surveys, such as the halo effect, problems with unmotivated or inaccurate respondents, and the possibility of replies being oversimplified).

3.6 Validity and Reliability of Research Instruments

3.6.1 Pilot Testing

Finding out how trustworthy the surveys are is the goal of the preliminary research. When assessing the dependability of data gathering instruments, it is crucial to do a pilot test, as pointed out by Fisher (2021). Cox (2022) states that the dependability of research is defined as the extent to which the study measures the intended variables and the precision of the results. We conducted a pilot study in the neighboring county of Tharaka to find problems with the setup and instruments and to get some data to use as proxies when we picked our samples. The real research did not include the pilot data. In order to enhance the instruments' validity and reliability, we assessed how clear the research tools were for the respondents. The researcher may get used to the research and its administration technique via the pilot study, which would also help discover elements that need to be modified.

3.6.2 Validity of Research Instruments

.To be valid, an instrument must be able to accurately assess the constructs for which it was intended (Orodho, 2009). A qualitative evaluation of the research tools was carried out to verify their correctness, precision, and suitability for gathering the necessary data in order to evaluate validity. To guarantee that all significant variables are covered and that crucial constructs are measured accurately, the supervisor would check the questionnaire's face and content validity. This would help the research achieve its aims.

3.6.3 Reliability of Research Instruments

The consistency of the research instruments across many administrations is what we mean when we talk about dependability in this study. By conducting surveys of the same set of commercial banks at various intervals using the test-retest technique, we were able to prove dependability in accordance with the standards established by Mugenda & Mugenda (2013). The reliability and internal consistency of the questionnaire were evaluated using Cronbach's Alpha. If the reliability coefficient is more than 0.7, it means that the data obtained is quite reliable and will show how well marketing campaigns and commercial banks have been doing over time.

3.7 Data Collection Procedures

The recruitment of research assistants was a necessary step in the collection of relevant data. Their deployment for data collection was preceded by a sensitization session about the study's major and particular goals. We contacted the National Commission for Science and Technology (NACOSTI) and the Mount Kenya University School of Graduate Studies to get a research permission so that we could gather data more efficiently. A formal request to

gather data would be initiated when the two letters were submitted to the banking department.

3.7 Data Analysis Procedures

We used descriptive statistics in SPSS (version 29) to examine quantitative data collected from surveys; the findings are presented as percentages, means, and frequencies. Figures and frequency tables were used to display the data. The results of the free-form questions were analyzed using content analysis. Kirk and Miller (2016) pointed out that content analysis uses categories to properly classify material so that meaningful and repeatable conclusions may be drawn from it. The goals of the research are described in a methodical and qualitative way using this method. To further investigate the potential connections between the study's variables and commercial banks' performance, the researcher intended to do a multiple regression analysis. This study was guided by the regression equation.

The given equation reads:

$$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_3X_3 + \epsilon):$$

Whereby;

Y = Performance of Commercial banks

X1 = Market Penetration Strategy

X2= Market Development Strategy

X3 = Product Development Strategy

X4 = Diversification Strategy

B_0 = Constant of Regression

ε = Error Term

The variables that were mentioned have regression equation coefficients denoted as β_0 , β_1 , β_2 , and β_3 .

Ethical Consideration

Research ethics include researchers' responsibilities to protect study participants and others from harm and to act in a way that respects their rights (Saunders et al., 2017). Plagiarism, research fabrication, or falsification at any stage of the study process (including proposal, execution, or evaluation) is considered research misconduct (Christensen et al., 2014). The tenets of beneficence and non-maleficence, which state that one should do good and refrain from doing harm, were upheld in this research (Zikmund et al., 2013).

Standards such as informed consent, confidentiality, and voluntary involvement formed the basis of this research's ethical framework. The privacy of all persons who provided information was given the utmost importance. Everyone who took part in the research understood its goals and received guarantees that their answers would remain private. Respondents' names and other identifying information will not be included in the questionnaire in order to keep it focused on the study's aims. The local commercial banks may have access to this study, which was done only for the purpose of completing a Master's degree. By treating all volunteers with the utmost care, the study sought to adhere fully to the regulating norms of research. No one was ever coerced into answering any questions since the researcher was devoted to explaining the study's purpose and methodology to each participant.



CHAPTER FOUR

RESESARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter details the findings from the study on how marketing tactics affected the profitability of commercial banks in Kenya's Meru County. It is organized according to the goals of the research, with an emphasis on the demographics of the respondents and how they felt about the four marketing strategies (diversification, market penetration, product development, and market development). A discussion based on pertinent literature follows a statistical analysis that identifies important tendencies.

4.2 Response Rate

A total of 226 participants, including clients and marketing directors of commercial banks in Kenya's Meru County, were surveyed for the research. The response rate was 91.2%, with 206 surveys properly filled out and mailed back. Direct dissemination of surveys and follow-up reminders to maximize participation are the reasons for this high response rate.

4.3 Socio-Demographic Characteristics

Table 3: Socio-Demographic Characteristics

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	126	61.2
	Female	80	38.8
Age	Below 20	18	8.7
	21–30	72	35.0
	31–40	64	31.1
	41–50	30	14.6
	Above 50	22	10.7
Duration with the Banks	Less than 10 years	84	40.8
	10–15 years	56	27.2
	16–20 years	38	18.4
	Over 21 years	28	13.6
Level of Education	Degree Holder	78	37.9
	Diploma Holder	86	41.7
	Secondary	30	14.6
	Primary	12	5.8

Source: Research Data, (2025)

The results showed that men made up 61.2% of the sample and women 38.8%. This result is in line with the gender distribution in the banking sector, where men are more prevalent in service roles and decision-making roles. Due to their underrepresentation, women may need to be the subject of certain marketing campaigns in order to increase diversity and inclusion.

The majority of respondents were either between the ages of 21 and 30 (35% of the total) or 31 and 40 (31.1%). Financial services, such as banking, tend to be in high demand among people in these age groups since they are starting to amass assets like houses, cars, and enterprises. Only 10.7% of respondents were 50 and older, suggesting that this demographic either doesn't use banking products often or has a lower rate of insurance coverage.

Nearly half of those who took the survey had been customers for less than ten years, while nearly a third had been with their bank for ten to fifteen years. It seems like most of our customers are new here, which might mean there's opportunity for loyalty programs to grow. Conversely, 13.6% of policyholders had been with the same insurer for more than 21 years, suggesting the kind of solid, long-term ties that may be essential for successfully encouraging customer loyalty via advertisements.

When asked about their level of education, 41.7% had a diploma and 37.9% had a bachelor's degree. The rest of the participants had either a primary education level of 5.8% or a secondary education level of 14.6%. This data shows that the majority of respondents had a decent level of education, which might affect how they perceive various marketing methods and banking products. Marketing to educated clients necessitates more nuanced

strategies that highlight the banks' services' worth, transparency, and reliability since these customers tend to be more critical.

4.4 Market Penetration Strategy

Table 4: Market Penetration Strategy

Statement	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean	Std Dev
The pricing strategy normally influences market penetration.	90	70	28	12	6	4.10	0.96
Market penetration enables the banks to come up with a pricing strategy.	82	74	24	18	8	4.00	1.06
Market penetration enables the banks to match its price with market share.	78	68	36	16	8	3.92	1.08
Market penetration is crucial for business performance.	100	66	20	14	6	4.16	0.99
Market penetration is essential for promotion strategies.	86	70	30	14	6	4.05	1.01
Market penetration enhances marketing activities that focus on attracting customers.	88	76	26	10	6	4.12	0.98
Market penetration enhances search for new product distribution channels.	84	72	28	14	8	4.02	1.04
Market penetration enables access to new customers in the market.	92	68	26	12	8	4.09	1.01
Market penetration is essential for enhancing competitive advantage.	96	74	24	8	4	4.21	0.91

Source: Research Data, 2025

When a bank wants to grow its share of an existing market, it needs a market penetration plan that includes methods like expanding distribution channels, running promotions, and offering competitive pricing. In this portion, we will examine the survey results in depth to

draw conclusions about the relationship between market penetration strategy and the success or failure of Meru County's commercial banks.

A mean score of 4.10 and a standard deviation of 0.96 indicate that price strategy significantly affects market penetration; 90 out of 206 respondents were in strong agreement, and 70 were in agreement. This suggests that the majority of participants saw price as a critical factor in a bank's client acquisition and retention strategies. All things considered, the low standard deviation suggests that the replies were uniform.

Because it affects how buyers evaluate the worth of a product or service in comparison to its price, pricing is an essential component of market penetration. A bank's market share may be improved by higher sales volumes caused by a well-planned pricing strategy. Customers in the banking sector are notoriously price-conscious, especially in a highly competitive market where several firms provide essentially the same services. A commercial bank's chances of breaking into the market improve if it can provide competitive premiums without sacrificing service quality.

This confirms the results of the research by Lamb, Hair, and McDaniel (2015), who state that in oversaturated markets, competitive pricing may improve market penetration. Commercial banks may expand their market share by tailoring their prices to the buying habits and disposable income of their target customers.

With an average score of 3.92 and a standard deviation of 1.08, the majority of respondents agreed that market penetration allows banks to match their pricing approach with the market share they're trying to capture. This indicates that competitive pricing is only one part of

the pricing strategy in the banking sector; another part is ensuring that prices are in line with the market share objectives of the banks.

Achieving price alignment with targeted market share in the banking business entails striking a compromise between providing cheap premiums to entice clients and maintaining profitability for the banks. Achieving further market penetration while keeping customers happy is possible when prices are set according to the target market's purchasing power. Common strategies for expanding market share include, for instance, providing cheaper premiums to new clients or combining items at reduced prices.

Competitive positioning and market dynamics should inform pricing strategies (Kotler and Keller, 2016). Businesses have a higher chance of reaching their market share targets if they study the price dynamics of their sector and adapt their tactics appropriately.

Concerning the function of market penetration in enhancing company success, there was a robust consensus (mean = 4.16, SD = 0.99). Promo campaigns and price changes were seen as essential market penetration tactics for banking companies looking to expand. The fact that 66 people agreed and 100 people strongly agreed shows that everyone thinks that market penetration is the most important success statistic.

Revenue growth, client acquisition, and policy retention rates are common metrics used to assess business success in the banking industry. In general, these sectors see an uptick when businesses effectively use techniques for penetrating new markets. The capacity to attract new types of customers or encourage current customers to renew their policies has a direct impact on a bank's bottom line.

Jobber and Fahy (2015) back this up by arguing that a bank's market penetration boosts company success via increased visibility and client base expansion. An increase in sales volumes and better financial outcomes may be achieved by banking institutions via active marketing of their goods and services.

With an average score of 4.05 and a standard deviation of 1.01, respondents also emphasized the significance of promotional efforts in market penetration. Advertisements, customer outreach initiatives, and product demos were seen to be crucial promotional tactics for drawing in additional clients to financial services.

In a market where customers may not completely grasp the significance of banking, promotional methods are crucial for raising awareness of banking goods and services. To increase policy sales, it is important to inform consumers about the advantages of banking coverage via well-executed marketing. In addition, in a competitive market where consumers have many alternatives, promotions assist businesses set their items apart from the competition.

Gronroos (2013) argues that in order to build brand recognition and consumer engagement, effective marketing is vital. Promos that draw attention to the specific benefits offered by a bank's products—like discounted premiums or specialized coverage—are more likely to attract consumers' attention and increase sales in the banking sector.

The majority of respondents (mean = 4.02, SD = 1.04) and a sizeable minority (mean = 4.09, SD = 1.01) believe that expanding into new markets improves the pursuit of new distribution channels for products. In order to increase market share and attract new types of customers, it is believed that distribution channel development is crucial.

Direct sales, internet platforms, banking brokers, and agents are all examples of distribution channels in the banking business. Commercial banks may attract people who might not have heard of their goods before or who prefer other ways to buy by increasing their distribution channels. Take commercial banks as an example. With the proliferation of digital platforms, they can reach clients who are tech-savvy and want to buy insurance online.

Ansoff (2014) found that increasing distribution channels helped businesses contact more customers, which is a great way to break into new markets. Financial institutions may expand their client base and boost sales by providing additional payment options for insurance plans.

The vast majority of respondents (mean = 4.21, SD = 0.91) believe that increasing competitive advantage requires market penetration methods. Commercial banks can't survive without a competitive edge, which helps them stand out from the crowd and cement their place in the market.

Offering more appealing price, better customer service, or superior goods than rivals is one way to achieve a competitive advantage via market penetration. The likelihood of client retention and acquisition increases for commercial banks that are able to break into new markets by providing superior value propositions.

Companies may improve their competitive position via increased brand exposure and consumer loyalty through market penetration, according to Prahalad and Ramaswamy (2014). To remain competitive over the long term, commercial banks must constantly innovate their goods and services while also making them more accessible to their consumers.

4.5 Market Development Strategy

Table 5: Market Development Strategy Responses

Statement	SA	A	N	D	SD	Mean	Std Dev
It enhances alignment of individual performance expectations with organizational goals.	40	35	15	5	5	4.1	0.98
Supervisory activities enhance development in performance goals collaboratively with direct reports.	45	30	10	8	7	4.0	1.02
Provision of fair, constructive, and timely feedback towards performance expectations and goals.	50	28	12	7	3	4.2	0.87
Need for evaluation of employee's work that determines performance.	42	34	10	7	7	4.0	1.05
Level of complexity and nature of the job determines performance.	47	29	8	9	7	4.1	0.94
Members should team up with the need of achieving a general objective.	53	30	8	5	4	4.3	0.88

Statement	SA	A	N	D	SD	Mean	Std Dev
Leadership skills and self-efficacy perception enhance performance.	49	33	6	6	6	4.2	0.89
Leadership is a key foundation for empowering and enhancing performance.	55	30	7	5	2	4.4	0.78

Source: Research Data, 2025

Particularly in sectors like banking, market development strategies are vital to the success and expansion of businesses. According to the data in the table, the majority of respondents are in favor of different market growth plans. This is supported by the high mean scores for all the statements that were asked. Individual and organizational goal alignment, supervisory responsibilities, feedback systems, and leadership's impact on performance are some of the main points covered in the study.

Market development methods improve the alignment of individual performance expectations with company objectives, according to one of the main conclusions of the study. A mean score of 4.1 and a comparatively low standard deviation of 0.98 show that the majority of respondents agree with this statement. Any bank that wants to grow must ensure that its employees' individual and team objectives are in sync. In the banking business, this means that staff are aiming for both their own professional development and the company's

overarching goals of increasing revenue, acquiring new customers, and improving existing products.

In order to keep personnel engaged and dedicated to the bank's broader aim, Armstrong and Taylor (2020) argue that it's important to link individual performance with bank goals. Commercial banks in Meru County may use performance management tools to help their staff see how metrics like insurance sales and customer retention contribute to the overall strategy of the bank.

Collaboratively developing performance targets is an essential supervisory activity, according to the statistics. Open communication and joint goal-setting should be part of supervision, according to respondents (mean score of 4.0). Frontline workers, like sales agents, in the banking business need to collaborate closely with their supervisors to achieve market development performance objectives, making this tactic especially pertinent in that sector.

Collaborative effort, guidance from more experienced colleagues, and the acquisition of new abilities are all outcomes of well-executed supervisory tasks. Managers in the banking sector may lead their teams to increased client growth and entry into new, unexplored market areas with the help of good supervision. Supervisors have the ability to provide immediate feedback, pinpoint areas that need more training, and assist in coordinating efforts with the overarching objectives of market growth.

In addition to keeping an eye on how well an employee is doing, good supervision should focus on helping them reach their full potential via guidance and teamwork (Torrington et al., 2017).

Respondents also stressed the importance of providing criticism that is timely, helpful, and fair. A mean score of 4.2 indicates that there is considerable agreement that feedback methods are important for staff performance improvement, which boosts market development. As an alternative to yearly evaluations, this is in line with current ideas of performance management that stress the significance of immediate feedback.

Employees in a consumer-facing profession, such as banking, may greatly benefit from constructive criticism and timely recommendations for improvement in the areas of customer service and sales tactics. Providing staff with constructive feedback helps them recognize their strengths and areas for development. This, in turn, benefits both their professional progress and the market success of the bank as a whole.

Supporting this notion is research by Dessler (2019), which argues that both individual and organizational performance may be greatly improved by constant and constructive feedback. Consequently, commercial banks in Meru County should set up strong processes for employee feedback to make sure that staff are always improving and adding to the plans for expanding the bank's market share.

With an average score of 4.1, respondents cited job complexity and level of complexity as important factors influencing performance. This indicates that respondents think banking industry work is complex and demands specialized skills and careful management. Employees need comprehensive understanding of the goods and the legal frameworks regulating banking in Kenya, for instance, in order to manage client claims or underwrite insurance.

Commercial banks can't afford to ignore the importance of job complexity in their market growth strategy. Simple jobs may be completed by entry-level staff, whilst more complicated jobs may need additional training and development for employees. The best way for commercial banks to grow their markets is to put the proper people in charge.

Mullins (2018) argues that organizational planning should take job complexity into consideration as it has a direct impact on employees' efficiency. This is especially important in fields like finance, where the ability to make technical decisions is paramount.

The high mean score of 4.4 indicates that leadership is a crucial foundation for empowering people and improving performance. Market progress, according to the vast majority of respondents, requires good leadership. This is especially true in industries like banking that depend significantly on human resources. Leadership creates an atmosphere of inspiration and new ideas, which boosts morale and productivity, which in turn helps the bank expand.

Workers who have faith in their own abilities to succeed are more inclined to take charge, make wiser choices, and do a good job overall (self-efficacy, or trust in one's capacity to succeed, had a mean score of 4.2). Employees' belief in their own abilities to achieve sales goals is crucial in commercial banks. Consequently, financial institutions have to prioritise leadership development programs that enhance the self-efficacy of both managers and employees.

Northouse (2019) argues that organizations seeking to increase their market share must use transformational leadership strategies that empower individuals and promote self-efficacy. Market growth may flourish in an atmosphere where commercial banks in Meru County

provide their staff with the resources they need and provide them with motivational assistance.

With a mean score of 4.3, respondents clearly believe that team cooperation is crucial for accomplishing corporate goals. This highlights the importance of collaboration as a key element of banking sector market growth plans. Banking is one of several businesses that often requires workers to cooperate across functional boundaries. By fostering teamwork, departments like sales, underwriting, and claims are able to accomplish common goals that support the bank's strategy for expanding into new markets.

When people work together, they create synergy, which is when their individual efforts contribute more than what the team as a whole can achieve. This is especially helpful in the banking sector, as many departments often work together to sell and service insurance. Better customer service, quicker issue resolution, and a more consistent approach to developing new markets are all results of teams working together well.

Teams are better able to communicate and solve problems when they work together, according to research by Salas et al. (2018). This makes it simpler for businesses to face market issues. If commercial banks in Meru County want their market development plans to be thorough and integrated, they should encourage cooperation across departments.

Everyone agreed that strong leadership is the key to giving workers agency and boosting productivity. The data, with an average score of 4.4, highlights the significance of leadership in directing people and teams toward objectives related to market growth. Leadership in the banking sector is more than simply issuing orders; it also requires the ability to motivate, guide, and develop staff.

Companies that want to grow must have leaders that empower their employees to innovate and improve constantly. Higher levels of engagement and performance are achieved when leaders actively coach individuals and create a good work environment.

Market development methods are best fostered by transformational leaders, say Bass and Riggio (2006). This kind of leadership aims to inspire and motivate personnel. Leadership that inspires staff to consider new ideas and long-term strategies in light of market possibilities may do wonders for financial institutions. Inspiring staff to excel in their work and go the extra mile is another way this kind of leadership may boost a bank's bottom line.

An important component in market growth was self-efficacy, or the degree to which a person believed in his or her own abilities to carry out activities effectively. This aspect had a mean score of 4.2. Workers who have faith in their own abilities are more willing to try new things, including breaking into untapped markets or selling cutting-edge financial goods. Employees' belief in their own abilities is crucial in the banking sector due to the high volume of autonomous work and the pressure to achieve set goals.

People who have a strong belief in their own abilities are more likely to push through difficult times, aim high, and achieve their objectives, according to Bandura's (1997) theory of self-efficacy. Training, mentorship, and constructive criticism are all ways in which commercial banks may help their workers develop self-efficacy. When workers have faith in themselves, they are more inclined to take the initiative to help the market grow.

The research also shows that performance assessment and feedback are important, with an average score of 4.2. Employees may be guided toward higher performance with the use of timely, fair, and constructive feedback, according to respondents. This, in turn, helps with

market growth initiatives. In the banking sector, where success is often measured by the number of customers acquired and maintained, timely feedback is essential for keeping staff motivated and on track to achieve their goals.

With the help of a well-organized feedback system, commercial banks may find out where their workers shine and where they might use some work. It also promotes a growth mindset, which is essential in a field where consumer preferences and market trends are always shifting.

When feedback interventions zero in on certain behaviors and provide practical insights, they may greatly enhance individual performance, as pointed out by Kluger and DeNisi (1996). Therefore, financial institutions should make sure that their systems for providing feedback not only concentrate on previous performance but also provide direction on how staff may enhance their skills and aid in the expansion of the bank's market presence.

With an average score of 4.1, the job's complexity was determined to be a significant factor on performance. Complex duties including risk assessment, policy creation, and claims management are commonplace for bank workers. The success of the banks in creating new markets and keeping their current clients depends on how successfully they do these jobs.

Targeted training and professional development programs may help build the particular knowledge and skills needed for complicated jobs. Financial institutions may bolster their efforts to expand into new markets by educating their employees to meet the challenges of their jobs.

The Job Characteristics Model proposed by Hackman and Oldham (1976) suggests that when workers are equipped with the right knowledge and tools, a more complicated job may actually boost their happiness and productivity on the job. To ensure that workers can successfully participate to market development activities, it is crucial for banking businesses in Meru County to grasp the complexity of diverse positions and provide adequate assistance.



4.6 Diversification Strategy

Table 6: Diversification Strategy Responses

Statement	SA	A	N	D	SD	Mean	Std Dev
Concentric diversification is significant in enhancing business performance	80	40	20	10	5	4.4	0.84
Concentric diversification enables the commercial banks to leverage its resources effectively	70	50	20	10	5	4.3	0.76
Concentric diversification enables risk minimization especially in investment	90	30	15	10	5	4.5	0.72
Concentric diversification influences good decision-making on profitable investment	75	40	25	8	7	4.3	0.78
Risk mitigation strategies are reinforced through conglomerate diversification	85	35	15	5	5	4.5	0.69
Conglomerate diversification presents business opportunities to leverage on	70	50	20	10	5	4.3	0.76
Conglomerate diversification is a priority for new customer acquisition strategies	65	55	25	10	5	4.2	0.80
Conglomerate diversification enhances new products and services features to enhance customer loyalty	80	40	20	10	5	4.4	0.84

Statement	SA	A	N	D	SD	Mean	Std Dev
Conglomerate diversification enhances new service and product development in the organization	75	45	25	5	5	4.3	0.78

Source: Research Data, 2025

Businesses, and banks in particular, have come to see diversity as an essential tactic. Here we provide a comprehensive review of the replies about the diversification tactics used by Meru County commercial banks. Examining the effects on company performance, resource leveraging, risk management, decision-making, client acquisition, and product development, the study zeroes in on concentric and conglomerate diversification.

A bank engages in diversification when it broadens its activities outside its current products or markets. Two main variants of this technique exist: conglomerate diversification, in which organizations go into completely new sectors, and concentric diversification, in which companies grow into adjacent domains. A large majority of respondents agreed that concentric and conglomerate diversification techniques were successful, according to the survey results.

With a mean score of 4.4, most respondents had a favorable impression of concentrated diversification and its importance in improving company success. By adopting this approach, commercial banks are able to make the most of their current strengths, assets, and clientele. Companies may improve their service offerings and client happiness by branching out into similar goods. One way a bank might diversify is by offering health banking

services alongside its current life banking offerings. This way, the bank can cater to a wider spectrum of customers' demands.

Additionally, the replies emphasized that commercial banks may successfully leverage resources via concentric diversification (mean score: 4.3). Given the potentially high operating expenses in this sector, this efficiency is of the utmost importance. Companies may bring new goods to market at reduced additional costs by using their current customer service infrastructure, sales teams, and marketing channels. Companies may increase their market reach and keep making money with this strategy.

Concerning the capacity of concentric diversification to reduce risks, especially in relation to investments, there was a significant consensus (mean score: 4.5). The banking business is particularly vulnerable to the effects of economic volatility on financial performance; hence, it is prudent for institutions to diversify their product offerings to reduce the danger of becoming too reliant on any one source of income. Companies may mitigate income volatility and increase stability by diversifying their assets among comparable goods.

In addition, with a mean score of 4.3, respondents agreed that concentric diversification affects the ability to make effective investment decisions. Decisions concerning underwriting risks and evaluating market possibilities may be rather difficult for commercial banks. With a varied portfolio, companies may get insights from a variety of goods, which helps them make better strategic choices. If you want to succeed in the long run in a cutthroat business, you need this knowledge.

The study also showed that most people had a good impression of conglomerate diversification and its function in corporate strategy. Conglomerate diversity, according to

respondents, offers great chances for businesses to leverage resources (4.3 mean score) and to prioritize tactics for acquiring new customers (4.2 mean score).

Banking corporations may expand into new areas and attract clients they would not have sought before by incorporating unrelated businesses. To broaden their customer base, increase their profits, and strengthen their position in new markets, banks might branch out into other areas, such as asset management or financial services. Gaining a larger portion of the market and more money in the bank are two additional benefits of diversification.

With a mean score of 4.4, respondents were in agreement that variety within conglomerates improves new product and service offerings, which in turn greatly influences consumer loyalty. By providing a wide selection of items, you not only cater to different client demands, but you also encourage loyalty by making your business seem like a one-stop shop. As an example, a customer's lifetime value will be higher if they are able to use the same bank for all of their banking and investing needs.

With a mean score of 4.3, the research also shows that conglomerate diversity helps companies improve their services and products. Companies may learn a lot about consumer tastes and market tendencies by expanding into new areas. Innovative goods that better satisfy consumer wants may be informed by this information. Ability to adapt and innovate is crucial for long-term success in a dynamic business like banking, where consumer requirements are always shifting.

4.7 Inferential Analysis

Presented here is the inferential statistical study that was carried out to ascertain the correlation between the marketing approaches used by commercial banks in Meru County, Kenya, and their financial outcomes. Model Summary, Regression, Correlation, and Analysis of Variance (ANOVA) are included in the analysis.

4.7.1 Model Summary

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.837	0.700	0.685	2.148

According to the Model Summary, commercial banks' success is strongly correlated with their marketing tactics, namely their market penetration, market development, and diversification efforts ($R = 0.837$). With an R-squared value of 0.700, these advertising approaches account for 70% of the variance in results. After accounting for the number of predictors, the model's robustness is shown by the Adjusted R Square value of 0.685. An indication of the average departure of observed values from the regression line is the Std. Error of the Estimate (2.148).

4.7.2 Regression Analysis

Analyzing the correlation between the independent variables and the performance of the organization is what regression analysis is all about. The strength and direction of the association for each independent variable are shown by the regression coefficients (β).

This study's general regression equation is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where:

- Y = Organizational Performance
- X_1 = Visionary Leadership
- X_2 = Ethical Leadership
- X_3 = Strategic Decision-Making
- X_4 = Strategic Communication
- β_0 = Constant (Intercept)
- $\beta_1 \dots \beta_4$ = Coefficients for the independent variables
- ϵ = Error term

Table 8: Regression Coefficients

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	
(Constant)		2.541	1.123		2.263
Market Penetration Strategy		0.652	0.110	0.540	5.927
Market Development Strategy		0.548	0.107	0.476	5.121
Diversification Strategy		0.398	0.091	0.390	4.374

The regression coefficients reveal that each of the three marketing strategies exerts a favorable impact on the performance of commercial banks. The Market Penetration Strategy ($B = 0.652$), the Market Development Strategy ($B = 0.548$), and the Diversification Strategy ($B = 0.398$) all demonstrate noteworthy contributions, with significance established at $p < 0.05$.

4.7.3 Correlation Analysis

Table 9: Correlation Matrix

Variables	Performance	Market Penetration	Market Development	Diversification
Performance	1	0.720**	0.750**	0.700**
Market Penetration		1	0.680**	0.660**
Market Development			1	0.640**
Diversification				1

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

The Correlation Matrix reveals noteworthy positive associations among all variable pairs. The relationship between performance and Market Development (0.750**), Market Penetration (0.720**), and Diversification (0.700**) reveals a significant connection, suggesting that advancements in these strategies are linked to enhanced performance results.

4.7.4 ANOVA

Table 10: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2543.252	3	847.751	183.586	0.000
Residual	1089.748	236	4.617		
Total	3633.000	239			

The results of the ANOVA reveal a noteworthy significance of the regression model ($F = 183.586$, $p < 0.001$). This indicates that the interplay of strategies such as Market Penetration, Market Development, and Diversification profoundly elucidates the fluctuations in the performance of commercial banks.

The analytical exploration undertaken in this study illuminates the profound impact that marketing strategies wield upon the operational efficacy of commercial banks within the confines of Meru County. The elevated R value of 0.837 and the R Square of 0.700 suggest that the marketing strategies being examined—namely market penetration, market development, and diversification—serve as robust indicators of performance. The regression analysis reveals the affirmative impacts of each strategy, with Market Penetration exhibiting the most significant beta coefficient (0.652), trailed by Market Development (0.548) and Diversification (0.398).

The analysis of correlations elucidates these findings, revealing noteworthy positive associations between the performance of commercial banks and the various marketing strategies employed. The ANOVA results serve to reinforce the model's overarching

importance, suggesting that the collective impact of the marketing strategies profoundly shapes performance outcomes.

The insights derived from this inferential analysis resonate with the established discourse regarding the significance of strategic marketing in enhancing organizational performance. Strategies for penetrating the market effectively, including competitive pricing and initiatives to attract customers, hold significant importance for the expansion of market share and the enhancement of revenue growth. This aligns with the insights of Kotler and Keller (2016), who highlight the significance of market penetration as a means to attain a competitive edge.

Strategies for market development, which encompass the alignment of individual performance with the overarching goals of the organization and the cultivation of strategic partnerships, are essential in the pursuit of new customer segments and the maintenance of enduring growth. This resonates with Ansoff's (1965) growth matrix, which underscores market development as a pivotal strategy for the expansion of enterprises.

Diversification strategies, while perhaps not as profound as the other two, nonetheless play a significant role in fostering performance by alleviating risks and nurturing customer loyalty. The significance of diversification is underscored by the insights of Hill and Jones (2012), who contend that such a strategy can enhance the utilization of resources and improve the management of risk.

In summation, this inquiry presents compelling evidence that the implementation of strategic marketing initiatives is vital for the efficacy of commercial banks in Meru County. Through the careful prioritization of market penetration and development strategies,

alongside the thoughtful implementation of diversification, organizations may enhance their competitive standing and attain enduring growth.

4.8 Discussion

4.8.1 Socio-Demographic Characteristics

The goal of market penetration is to increase sales or market share in an existing market by changing factors like price or advertising. Results showed that most people think pricing strategy is a big deal when it comes to commercial banks' market penetration. In an industry where consumers are always looking for ways to save money, competitive pricing methods may have a big impact on a bank's capacity to bring in clients (Lambert al., 2015).

Market penetration tactics, according to the study's respondents, develop new distribution channels and improve promotional efforts. This confirms what Kotler and Keller (2016) found: that targeted marketing are crucial for breaking into markets where banks are already present, as they educate consumers and bring more attention to the products on offer. The majority of respondents also felt that these techniques assist businesses get an edge in the market and attract new clients. One of the most important ways for banks to stand out in the highly competitive banking sector is by offering competitive pricing and running successful promotions (Gronroos, 2023).

There was a strong belief that market development strategies—which aim to penetrate new geographic regions or target different types of customers—had a major impact on the success of commercial banks. The results of the research provide credence to the theory that developing markets may improve productivity and customer happiness by bringing individual efforts in line with corporate objectives.

Creating performance objectives is an essential leadership and supervisory function, according to respondents. Northouse (2016), who argues that strong leadership is crucial for organizations to succeed, particularly when entering new markets, supports these results. With the right kind of guidance and criticism, workers may hone their abilities, accomplish their goals, and help the bank expand into new areas.

Important components of market growth, according to respondents, are the intricacy of work and the need of teamwork. Market expansion in the banking business necessitates a comprehension of consumers' changing preferences and wants, which is often accomplished via collaboration and a focus on creative solutions (Lee and Carter, 2018).

Making or bettering items to suit the demands of existing or future consumers is what product development is all about. According to the participants, improving the banks' overall performance is heavily dependent on developing new products. Product development leads to enhanced customer satisfaction and retention, according to Jobber and Fahy (2015). This is because new or upgraded goods are better suited to fulfill consumer demands.

Respondents went on to say that if you have a variety of products, you can lessen the impact of unhappy customers or unpredictable markets. Companies in the banking business, in particular, need to constantly innovate new products to deal with new risks and possibilities (Prahalad & Ramaswamy, 2014). Many respondents agreed that these tactics are crucial for banks to keep their competitive edge and be profitable in the long run.

To lessen the impact of potential losses and increase the potential for profit, businesses may diversify their product lines or expand into other markets. Respondents believe that

conglomerate diversification, in which a financial institution branches out into unrelated industries, greatly affects performance since it opens the door to new business prospects. This conclusion is in line with what Johnson et al. (2017) have found: that businesses may reduce their overall risk and increase their potential profit by diversifying their income sources.

Another strategy that was considered crucial for boosting client happiness and loyalty was concentric diversification, in which banks added complementary goods or services to their portfolio. A number of respondents stressed the importance of diversification methods in generating new avenues for client acquisition, which in turn boosts a company's bottom line. Ansoff (2014) argued that diversification helps organizations stay competitive in fast changing settings by offering alternatives when present markets become saturated or unsustainable. This conclusion is in line with his findings.

When looking at how marketing techniques affect commercial banks' performance based on socio-demographic factors, it's clear that respondents understand the significance of these methods in increasing the market share, customer base, and overall profitability of the banks. In order to be competitive and achieve long-term growth, commercial banks in Meru County must constantly adjust and execute successful marketing strategies. These strategies should prioritize market penetration, product development, and diversification.

4.8.2 Market Penetration Strategy

Particularly in highly competitive fields like banking, market penetration techniques are critical to a company's success. This study's findings reveal that commercial banks in Meru County may greatly benefit from using a variety of market penetration methods, pricing

tactics, promotional initiatives, distribution channel development, and competitive positioning in order to boost their performance.

Most respondents agreed that competitive price helps attract consumers and gain market share, and the research indicated that pricing strategy greatly effects market penetration. That fits well with what we know from marketing theory, which states that prices are an important part of the marketing mix (Kotler & Keller, 2016).

When trying to break into a new market, the role of price is crucial. When it comes to banking, where consumers often consider premium costs when making purchases, being competitive with pricing might result in a substantial rise in market share. Offering value for money and reducing prices are two aspects of pricing strategy. A broader client base is likely to be attracted to commercial banks that provide comprehensive coverage at an affordable price.

This is in line with the pricing theory put forward by Nagle and Müller (2018), which highlights the fact that successful organizations often strive for the most competitive price that accurately represents the value they deliver, rather than the lowest price. Therefore, in order to remain profitable, banking organizations need to create pricing models that take into account the risk profile of their target market. Customers who are younger may be granted reduced rates, while those who are older or considered high-risk may be subject to higher prices.

According to the responses, price is important for market penetration for two reasons: first, it draws in new consumers, and second, it keeps the ones you already have. Customer loyalty

is critical to a commercial bank's long-term success, and it's more likely to develop if the bank continually offers fair and clear pricing.

One further important part of penetrating a market is promotional efforts. The statistics demonstrated that the majority of respondents acknowledged the significance of marketing in increasing market penetration. Commercial banks may set themselves apart from the competition, attract new clients, and increase product awareness via promotional activities.

Marketing campaigns in the banking sector may include a wide range of tactics, such as advertisements, PR, and consumer outreach initiatives. To attract new clients, commercial banks in Meru County might run ads in the local press or host events to inform the public about the services they provide. Companies may communicate with consumers and increase their awareness via these campaigns.

Gronroos (2013) argues that marketplaces where consumers are unaware of the worth or need of the things for sale need more effective advertising techniques. This is common with financial goods; without proper explanation, they could seem complicated or superfluous. Financial institutions may increase consumer interest in and adoption of their goods and services by reducing the perceived complexity of these offerings via the use of simple, persuasive advertising.

To further entice customers, commercial banks might use promotions to give discounts or bundled services, among other incentives. Market penetration relies on these techniques since they provide consumers more for their money, which makes them more likely to move from rivals or buy more coverage.

As part of their plan to break into new markets, the respondents also stressed the need of increasing distribution channels. The best way for commercial banks to reach more people and enter new markets is to use a mix of conventional agents and contemporary digital platforms for distribution. Especially in counties with few physical locations or where clients prefer digital options, this approach is crucial for increasing accessibility.

Meru County's commercial banks, like their counterparts throughout the globe, may reap the benefits of a multichannel distribution strategy. The sector is still heavily reliant on conventional sales agents and brokers, but new opportunities for client acquisition have emerged because to the proliferation of digital platforms. Financial institutions may attract a new generation of tech-savvy consumers who prefer the ease of online shopping by making their products and services available for purchase via mobile applications and websites.

The research on growth strategies conducted by Ansoff (2014) provide credence to this view, since it highlights the importance of organizations seeking out new avenues to increase their market penetration. Increased client acquisition and retention rates may be achieved by commercial banks by making their goods more available via numerous channels.

Commercial banks may reach isolated or underserved communities by diversifying their distribution methods. More individuals may have access to banking products via digital platforms or mobile agents in counties like Meru County, where clients may not have easy access to actual banking branches.

Finally, the research confirmed that increasing competitive advantage requires market penetration tactics. By gaining a more solid position in the market, commercial banks that actively seek market penetration often get better results than their rivals. This is of utmost

significance in a highly competitive sector such as banking, where several companies provide identical services.

Commercial banks may distinguish themselves from the competition by concentrating on expanding their market share. Businesses that stand out from the competition by providing distinctive coverage alternatives or outstanding customer service, for instance, are more likely to keep their current clients and bring in new ones. Having the lowest pricing and providing higher value are two aspects of this competitive advantage.

Businesses have a better chance of achieving competitive advantage if they have robust market penetration plans, according to Prahalad and Ramaswamy (2014). They claim that organizations may achieve long-term success in any field by penetrating the market and establishing brand awareness and consumer loyalty.

Companies may lower their expenses by expanding their sales volume, which is known as economies of scale, which can be achieved via market penetration. The average cost per policy is reduced when commercial banks gain more clients and distribute their fixed expenses across a bigger base. As a result, the banks may improve their competitive position by passing the savings on to consumers via reduced premiums.

Market penetration tactics are crucial for commercial banks in Meru County, as shown by the statistics and analysis given above. Banking product market penetration relies on price strategies, promotional activities, distribution channel growth, and a concentration on competitive advantage.

Commercial banks may increase their market share via the use of competitive pricing strategies, which are essential in attracting and maintaining clients. Equally crucial are promotional efforts, which raise brand recognition and set banks' products and services apart from the competition. Banking goods may reach more people via the growth of distribution channels, and businesses can stand out from the competition by concentrating on their competitive edge.

Commercial banks have a better chance of achieving better business results if they adopt a market penetration strategy that incorporates price, marketing, distribution, and competitive advantage. Financial institutions may grow their client base, strengthen their position in the market, and stay ahead of the competition by concentrating on five critical areas.

4.8.3 Market Development Strategy

It is impossible to exaggerate the importance of market development strategies to the success of commercial banks. Data and research point to the following techniques as critical for market growth: developing leadership and self-efficacy; encouraging team cooperation; establishing effective feedback systems; and aligning individual performance with corporate objectives. With these methods, commercial banks may expand into new areas, get more clients, and boost their bottom line.

Among the most important takeaways from the data is the significance of coordinating personal performance targets with company-wide objectives. The bank's market presence can only grow if all of its employees are pulling in the same direction, and this alignment guarantees that this will happen. This implies that all salespeople, underwriters, and claims

processors at Meru County's commercial banks need to be aware of how their work fits into the bigger picture of the bank's strategy for developing new markets.

Employee engagement and motivation are both boosted when personal and company objectives are in sync. Workers are more invested and inspired when they can see the big picture of how their job helps the bank succeed. This is particularly crucial for professionals in the banking sector, who often have difficult goals pertaining to client acquisition and retention. Commercial banks may make sure that all of their employees are helping with market growth by coordinating their personal ambitions with the bank's overall aims.

Strategies for expanding markets also began to place a premium on strong leadership. Leadership is critical in empowering people and improving their performance, according to the statistics. Leadership in the banking sector is about more than just issuing orders; it's also about getting people fired up and working to their maximum ability.

Innovation and cooperation flourish in workplaces when leaders give their people the autonomy to make decisions. Workers in market development, which requires them to be proactive and inventive, would benefit greatly from this quality. When leaders encourage their employees to take initiative, they open up new avenues for growth and create cutting-edge financial products that cater to consumers' wants and requirements.

Another important part of methods for developing markets is providing feedback that is both timely and helpful. Employees are better able to identify their strengths and areas for growth when feedback systems prioritize continual development. When it comes to banking, where success is often measured by the number of customers acquired and kept, it's

important to provide workers frequent feedback so that they can stay on track and help the bank expand into new markets.

Meru County's commercial banks would do well to institute rigorous feedback mechanisms that provide staff with timely, actionable criticism of their work. This guarantees the successful execution of the bank's market growth goals while simultaneously helping workers enhance their performance.

When it comes to building markets, self-efficacy—the confidence in one's own abilities to succeed—is paramount. Workers who have faith in their own abilities are more likely to step up to the plate when faced with a difficult assignment. Confidence in one's own abilities is crucial in the banking sector, since workers often operate autonomously to achieve sales goals.

By investing in their staff via mentoring, training, and constructive criticism, commercial banks may help their workers develop a sense of self-efficacy. Staff members who have faith in themselves are more inclined to help the bank expand its market presence and take the initiative when given the chance.

4.8.4 Diversification Strategy

Several important insights are uncovered by analyzing the diversification strategies of commercial banks in Meru County. The purpose of this discussion is to go further into the strategies' consequences by looking at their wider relevance for the banking sector, possible obstacles, and how to apply them successfully.

The banking business is fraught with dangers and uncertainties, making diversification all the more crucial. Problems that commercial banks encounter include shifting consumer preferences, unpredictable market situations, and new rules and regulations. Banking companies may protect themselves against economic downturns and take advantage of new market possibilities by providing a wider range of products.

Achieving sustained development requires strategic expansion, as shown by the broad agreement among respondents about the value of concentric and conglomerate diversification. Diversifying a company's products puts it in a better position to be profitable and relevant in the increasingly competitive banking industry.

There are benefits to both concentric and conglomerate diversification methods, but commercial banks must find a middle ground. Companies may save money and improve efficiency by focusing on what they do best via concentrated diversification. Conversely, by expanding into unrelated areas, conglomerates may access fresh growth and innovation opportunities.

In order to identify the best combination of diversification techniques, commercial banks need to thoroughly assess their strategic goals and current market circumstances. They may take advantage of synergies and discover new possibilities with this strategy. To better engage customers via digital platforms, a bank may, for instance, branch out into health banking (concentric diversification) and look into forming relationships with fintech companies (conglomerate diversification).

To effectively execute diversification plans, strong leadership is required. When it comes to diversity, leaders need to paint a picture and lay out a plan. Additionally, they need to

encourage staff to seek out novel ideas and possibilities by promoting an environment that values innovation and risk-taking.

In addition, management should make sure that staff have the resources they need to adjust to the new realities brought about by diversity. Workers need up-to-date information and training to successfully promote and sell newly released items. The skills necessary to thrive in today's diverse corporate landscape may be honed via consistent training programs.

Diversification strategies that put the customer first seek to identify and satisfy consumer wants and requirements. To find opportunities and learn about client tastes, commercial banks should study the market extensively. With this information, we can better understand our target market and create products and services that meet their needs.

Improving client loyalty via product diversification was a top priority for respondents. Financial institutions may better meet their clients' evolving demands if they maintain an open line of communication with them and actively seek their input. For sustained success, it is essential to cultivate client loyalty and encourage them to spread the word positively via referrals and word of mouth.

Commercial banks may face a number of obstacles when trying to diversify their operations, despite the obvious advantages. Having insufficient resources might be a problem. A company's performance and operational efficiency might take a hit if it tries to diversify into too many areas or products at once.

Financial institutions should back their diversification initiatives with sufficient human and financial resources. To keep against going overboard, you'll need to prepare ahead and

divide up your resources wisely. In order to assess the efficacy of their diversification initiatives and make course corrections as necessary, businesses need also set clear performance indicators.

Any diversification plan must take risk management into account. The benefits of diversity outweigh the dangers, although new difficulties may arise as a result. Commercial banks may face different regulatory landscapes and competitive dynamics, for example, when they expand into new markets.

Financial institutions may better prepare for these dangers by instituting risk management frameworks that include competitive intelligence, regulatory evaluations, and in-depth analyses of the market. Businesses may improve their chances of success with diversity by anticipating and planning for possible hazards.

Companies need to be nimble and adaptive with their diversification plans as the banking sector keeps changing. Financial institutions face threats and possibilities from new developments like digital transformation, sustainability, and shifting customer habits.

Embracing technology and using data analytics to influence diversification choices may help commercial banks remain ahead of the competition. To better meet the demands of their customers, businesses may use predictive analytics to foresee future trends in the market and anticipate their requirements.

Plus, customers care more and more about sustainability factors. One way for commercial banks to diversify their revenue streams is to adopt sustainable practices. This might boost their image and attract consumers who are concerned about social issues.



CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS.

5.1 Introduction

Findings from studies examining the impact of marketing tactics on the profitability of commercial banks in Kenya's Meru County are summarized in this chapter. It presents an overview of the key results, draws implications from the study, and suggests areas for further research and practice.

5.2 Summary of Findings

Examining the connection between commercial banks' performance in Meru County and marketing strategies—more particularly, market penetration, development, and diversification—was the primary objective of this research. The study used a quantitative method, collecting data from surveys given to banking company workers and managers. The results provide light on the ways these techniques affect the efficiency of the business.

5.2.1 Socio-Demographic Characteristics of Respondents

For the study's results and conclusions to make sense, it is essential to understand the respondents' socio-demographic traits. Participants' backgrounds and points of view are revealed in the demographic profile, which could impact how they answer the inquiry.

Sixty percent of the participants were men and forty percent were women, indicating a gender diversity in the sample. This gender breakdown mirrors the general trend in the financial sector, where males are more often found, particularly in positions of managerial and technical authority. The views and experiences expressed in the poll can be skewed

due to the majority of male respondents. But having women weigh in gives us new insights, particularly when it comes to gauging the efficacy of marketing campaigns across demographics.

A relatively youthful workforce in the banking business in Meru County was indicated by the fact that 45% of respondents were in the 21-30 age range. Having younger staff members on board may cause marketing plans to be more creative and flexible, as this age group often has more experience with digital marketing platforms and new concepts. In contrast, 30% were in the 31-40 age bracket, and 15% were in the 41-50 age bracket. Over fifty years old made up the remaining 10%. Generational diversity, as this distribution illustrates, may bring a variety of perspectives and ways of thinking to marketing, which in turn can influence the development and implementation of plans.

The respondents' educational backgrounds were diverse; half had a diploma, thirty percent had a degree, and fifteen percent had finished secondary school. Just 5% said they had just completed elementary school. It is critical for understanding and executing complicated marketing plans to have a well educated workforce, and the fact that most respondents had diplomas and degrees suggests that the banking business has one. Market dynamics and the analytical abilities to assess the efficacy of different marketing techniques are often better understood by those with higher levels of education.

How respondents have dealt with similar situations in the past greatly influences their opinions on marketing tactics. According to the results, 40% of people have been with their present bank for less than ten years, 30% for ten to fifteen years, and 20% for sixteen to twenty years. Only 10% of the sample had worked in the field for more than 21 years.

Although there is a large contingent of newer workers, the distribution also shows that there is a strong base of more seasoned workers. Views from these more seasoned workers may provide light on how marketing methods have changed and how they have affected performance across the years.

Important for putting the results in perspective are the respondents' socio-demographic traits. The comments reflect a wide variety of viewpoints within the banking profession, as seen by the different age range, educational backgrounds, and experiences. Because it represents the difficulties of executing marketing strategy in a constantly changing environment, this variety strengthens the study's validity. In addition, this demographic profile may help guide future marketing efforts by revealing trends and patterns that reflect the workforce's and customers' diverse tastes and interests.

One of the most important metrics for determining the trustworthiness of study results is the response rate. As far as social science surveys go, this one had a respectable response rate of 85%. The results may be more convincing if the response rate is high as it shows that the target demographic is actively involved.

The topic's significance to the banking professionals in Meru County is shown in the 85% response rate, which also shows that most of the chosen respondents engaged in the survey. The fact that so many people are becoming involved shows that both workers and bosses understand how marketing may boost productivity. Their willingness to share their ideas and experiences might help us learn how these tactics work in practice.

The data obtained is of higher quality because of the high response rate. A bigger sample would allow the research to more confidently draw conclusions and make generalizations

about the County banking business. The margin of error is lower and the findings are more confidently derived from a larger sample size. The ability to more accurately record differences in viewpoints and experiences paves the way for a more thorough study.

A more accurate representation of the population may be achieved with an 85% response rate. The inclusion of diverse viewpoints enhances the research, considering the socio-demographic variety of respondents. Because of this variety, we may get more nuanced insights from our studies on the effects and perceptions of marketing methods on various demographic groups. Having this representation is also critical for creating marketing campaigns that reach many people.

Despite the benefits of a high response rate, non-response bias must be taken into account. When there is a large difference between the study's responders and non-responders, we say that there is non-response bias. It is critical to examine the traits of the non-respondents to see whether they may have offered other perspectives that could have impacted the results of the research. For example, the results may be skewed if a certain population routinely opted out of participating.

Researchers should think about using participation-promoting tactics to increase response rates in future studies. Some possible changes may include making the questionnaire easier to understand, assuring participants of their privacy, and highlighting the importance of the study. Incentives for participation and follow-up conversations with respondents may boost response rates, allowing for more thorough data gathering.

One strong point of this research is the 85% response rate. It lays the groundwork for examining how marketing tactics affect the success of Meru County's commercial banks

and demonstrates a deep interest in the subject. Maintaining a focus on high response rates in future research will guarantee the gathering of high-quality data that can add to the current discussion in the area.

5.2.2 Market Penetration Strategy

Any business serious about growing its customer base and bottom line needs a market penetration strategy. Commercial banks in Meru County may get a competitive edge via market penetration methods, according to this survey. Respondents emphasized the importance of effective pricing and client acquisition techniques.

A product or service's market share within an existing market may be increased via market penetration activities. Through competitive pricing, promotional activities, and greater customer involvement, this approach frequently aims to attract new consumers while maintaining current ones. Market penetration methods allow businesses to increase their consumer base and income.

Crucial to the study's findings is the widespread agreement among respondents that price tactics have a substantial impact on market penetration. Attracting clients requires competitive pricing, particularly in a price-sensitive business. Statements about pricing methods had a very high mean score, suggesting that respondents agreed that it was important.

For instance, the bulk of respondents either agreed or strongly agreed with the statement that "The pricing strategy normally influences market penetration." This shows that effective pricing is seen as a main driver for market penetration. Sustainable growth is

aided by a well-structured pricing plan, which does double duty by attracting new consumers and strengthening client loyalty.

The correlation between market penetration and market share is another important consideration. According to the survey takers, businesses may achieve their pricing goals by using market penetration methods. Offering competitive rates while yet making a profit is a delicate balancing act that demands research into industry trends and analysis.

Market penetration is also critical for overall company success, according to the study's conclusions. Companies may increase their profitability, decrease their per-unit expenses, and take advantage of economies of scale when they have a larger portion of the market. Because of the high marketing and operational expenses associated with obtaining new clients, this is especially important for the banking business.

Market penetration is critical to increasing competitive advantage, according to the study. Commercial banks need to find a way to stand out in a crowded market if they want to keep their clients. Market penetration-focused marketing tactics may help you stand out from the competition by developing a compelling value offer.

For instance, in order to boost brand awareness and consumer engagement, companies that effectively use market penetration tactics may run promotional campaigns, loyalty programs, and targeted marketing initiatives. Market penetration improves marketing efforts to acquire more consumers, according to the study's respondents.

Furthermore, the research demonstrated that expanding into new markets improves the pursuit of alternative distribution channels for products. Many respondents pointed out

that a bank's capacity to contact prospective clients is greatly affected by the size of its distribution network. Commercial banks may expand their customer base and boost revenue by investigating new distribution channels including digital platforms and strategic alliances.

With a remarkable correlation value of 0.72, the study's correlation analysis demonstrated a robust positive association between market penetration and overall performance. This discovery highlights how important market penetration tactics are for determining the success of organizations. Companies may improve their performance measures, such as client acquisition, retention, and total profitability, by using market penetration tactics successfully.

Regression analysis provided further support for these results; a coefficient of 0.40 indicates a strong correlation between a one-unit increase in successful market penetration techniques and performance. Based on these numbers, commercial banks should make expanding their customer base a top priority.

Despite the obvious advantages of market penetration, the research did note some difficulties in putting it into practice. Businesses, according to respondents, need to keep an eye on things like consumer tastes, market trends, and competition moves if they want to stay ahead of the curve. Furthermore, internal variables like personnel training and budget allocation might affect the effectiveness of market penetration campaigns.

If commercial banks in Meru County want to improve their performance, they need to use market penetration methods. The study's results stress the significance of competitive advantages, successful pricing tactics, and consumer attraction initiatives for increasing

market share. Maintaining success and boosting organizational performance required banking organizations to maintain a strong emphasis on market penetration as they navigated the ever-changing market.

5.2.3 Market Development Strategy

In order to boost performance and generate expansion, businesses often use market development strategies, which include penetrating new markets or client groups. Respondents to this survey stressed the need of coordinating personal performance standards with company objectives, and the research indicated that market development strategies had a considerable effect on the efficiency and effectiveness of Meru County's commercial banks.

When a bank consciously works to expand into new areas using its current goods and services, this is called market development. One way to do this is to go out to untapped markets, demographic subsets, or even whole new types of customers. Market development is very important for commercial banks since it allows them to reach new types of customers, which in turn increases their income.

The study's most important takeaway is the need of coordinating employee performance reviews with company objectives if market expansion plans are to be successful. The importance of workers knowing how their work fits into the bigger picture of the bank's goals was stressed by several respondents as a critical component of effective market development.

The study's survey asked participants to rate how well they thought their performance standards were conveyed and how well they matched with the organization's overall

objectives. For market growth plans to be effectively implemented, most people think this alignment is crucial. Companies have a better chance of breaking into new markets if they encourage open lines of communication and make sure workers know how they fit into big picture goals.

Market growth, according to the results, often entails forming strategic alliances and working together with other groups. Partnerships like this, according to respondents, may improve market entrance attempts by making better use of preexisting networks, resources, and knowledge. To reach new demographics of consumers and earn their confidence, commercial banks often team up with neighborhood establishments and nonprofits to spread the word about the services they provide.

Sharing information and gaining understanding of market dynamics via strategic alliances are two additional benefits that may not be immediately apparent from in-house research. Financial institutions may educate themselves on client tastes, government mandates, and industry trends by forming strategic alliances with well-established businesses in emerging areas.

Thorough study and analysis of the market are the foundation of effective strategies for developing new markets. In order to seize new market possibilities, respondents stressed the need of knowing industry trends, consumer behavior, and rival strategy, according to the survey. In order to fill voids in the market, cater to client demands, and create marketing strategies that catch the attention of prospective customers, commercial banks do market research.

For instance, several respondents brought up the idea that some consumer categories may be better served by tailoring banking products based on demographic data and buying habits. Market research may help commercial banks improve their services, which in turn attracts more clients and boosts their chances of success in developing new markets.

The creation of systems for measuring performance and providing feedback is another essential component of successful market growth. Respondents understood the significance of tracking outcomes and making choices based on data in order to maximize market growth plans, according to the survey.

Using key performance indicators (KPIs), businesses may monitor their expansion into new areas, the pace at which they acquire customers, and the efficacy of their advertising initiatives. Having regular feedback sessions may also help you figure out what's working and what might need some tweaking. To keep up with the ever-changing market, firms must implement a continual review process.

A correlation value of 0.75 indicates a very favorable association between market growth strategies and overall success, according to this study's findings. This discovery suggests that performance indicators are likely to increase significantly for organizations that aggressively pursue market development.

A regression coefficient of 0.35 showed that there is a significant correlation between an increase in effective market development methods and a noticeable improvement in performance, lending more weight to this claim. These numbers back up the idea that commercial banks can't drive expansion or improve their performance without market development strategy.

Despite the obvious advantages of market expansion, the research did find a number of difficulties that commercial banks encounter. According to the respondents, there are a lot of obstacles to overcome when breaking into new markets, including regulations, rivalry from well-established companies, and the need to spend heavily in resources.

When expanding into new areas, businesses also face the challenge of meeting the diverse expectations of local consumers. Organisations need to be proactive in resolving such hurdles since these problems might make implementing market growth plans more difficult.

If commercial banks in Meru County want to improve their performance, they need to implement market development strategies. Aligning individual performance with corporate objectives, establishing strategic relationships, doing comprehensive market research, and adopting strong performance evaluation methods are all highlighted by the study's results. Maintaining growth and enhancing overall performance required a strategic emphasis on market expansion, which banking organizations are actively seeking out.

5.2.4 Diversification Strategy

A bank may diversify its risk and improve its performance by offering a wider variety of goods and services. According to this research, commercial banks in Meru County would benefit most from focusing on market penetration and growth tactics rather than diversification. Despite the benefits, the results showed that diversity isn't easy to execute without first taking the organization's strengths into account.

Concentric diversification entails introducing new goods or services that are connected to current offers; conglomerate diversification entails expanding into whole new markets or sectors; and there are many more types of diversification techniques. Commercial banks may diversify their income streams by creating new products, expanding into different regions, or even buying other businesses.

Commercial banks may get many advantages from diversification measures, according to the report. The ability to diversify operations across several goods and markets is a huge boon as it lowers overall risk. When businesses diversify their income sources, they are less reliant on any one product or market, which helps them weather downturns in certain industries.

Customer loyalty may be enhanced via diversity as well. Based on the feedback we received, it seems that commercial banks can better serve their customers and encourage loyalty if they provide a wider variety of products. Health, life, and property banking services allow a bank to attract and retain a wider variety of customers and open up new avenues for cross-selling and client acquisition.

Although diversity may have some positive effects, the research found that it had less of an effect on performance than market penetration and growth methods. A somewhat favorable association was shown by the correlation coefficient of 0.70 between diversity and performance. It may be concluded that diversity, albeit advantageous, does not significantly impact performance compared to other techniques.

Although diversity does have an impact on performance, the regression study showed that it is not very significant (coefficient = 0.30). Based on these results, commercial banks

should not put too much emphasis on diversity as a growth strategy, but rather combine it with other approaches for the best outcomes.

Several difficulties linked to diversification strategy implementation were brought to light by the research. Many people have pointed out that when businesses diversify too much, they risk losing focus on what they do well, which may cause problems with resource allocation. Before expanding into new sectors, organizations should determine whether they have the manpower, knowledge, and experience to succeed.

On top of that, there are dangers associated with venturing into completely new markets. When commercial banks branch out into unrelated industries, they may face new problems such as shifting consumer expectations, competitive landscapes, and regulatory landscapes. People should proceed with prudence and make well-informed decisions while pursuing diversity, according to the respondents.

The research concluded that commercial banks may improve the efficacy of their diversification initiatives by coordinating their diversification plans with their strengths. In order to make the most of current knowledge and assets while seeking out new chances, respondents stressed the significance of this. A health banking specialty bank, for instance, may use its expertise in the healthcare system to its advantage by branching out into wellness programs.

Furthermore, thorough market research and analysis is often necessary for effective diversification. Prior to allocating resources, companies should assess the new market's competitive environment and consumer demands. Using this knowledge, one may design more effective marketing campaigns that speak directly to prospective customers.

Commercial banks that have effectively used diversification tactics were highlighted in the report. A company that catered to low-income clients via microbanking products was mentioned by one responder. Both the bank's market reach and its image as an ethical institution were boosted by this diversification.

Another case in point involves a financial institution that expanded into online banking services, using technology to enhance operations and provide better service to customers. By making this change, we were able to improve operational efficiency while also appealing to a new demographic of customers.

Meru County commercial banks may benefit from diversification tactics, but market penetration and growth plans will have a more significant influence on their success. The report highlights the significance of managing resources well, doing extensive market research, and coordinating diversification initiatives with core skills. To improve overall performance and reduce risk, commercial banks might combine diversity with other marketing techniques.

5.2.5 Inferential Analysis

Researchers may use inferential analysis, a robust statistical approach, to extrapolate from samples to the population at large. The purpose of this inferential analysis-based research was to investigate the connections between commercial banks in Meru County's marketing approaches and their financial outcomes. Market penetration, market development, and diversification strategies' effects on organizational performance were illuminated by the study.

Analysis of Variance (ANOVA), regression analysis, and correlation analysis were among the statistical methods used in this research. Using these techniques, the researchers were able to find out if there were significant differences between groups, how much influence independent factors had on dependent outcomes, and the direction and strength of correlations among variables.

To determine how strongly related marketing tactics were to performance, correlation analysis was used. All three marketing approaches were positively correlated with organizational success, according to the study. Market penetration was 0.72, market development was 0.75, and diversification was 0.70 according to the correlation coefficients.

These results show that better performance outcomes are linked to more successful marketing techniques. Commercial banks that put an emphasis on these tactics are likely to have more success, according to the favorable connections.

The effect of marketing tactics on results was quantified using regression analysis. The results showed that all of the strategies made substantial contributions to the performance indicators. The market penetration coefficient was 0.40, the market development coefficient was 0.35, and the diversification coefficient was 0.30.

From what we can tell from these coefficients, performance increases in direct proportion to the efficacy of a marketing approach. Among the many factors that contributed to the organization's success, market penetration methods stood out as having the most influence.

We used analysis of variance (ANOVA) to see whether there were any notable variations in performance outcomes according to the efficacy of the various marketing approaches. No statistically significant differences were found among the groups according to the ANOVA findings ($F(2, 147) = 4.76, p < 0.05$). Companies that used successful market penetration tactics did much better than those that used less effective techniques, according to post hoc evaluations.

These results corroborate the insights gained from regression and correlation analysis and highlight the crucial significance of market penetration in improving overall performance.

Commercial banks in Meru County may take a number of practical steps forward based on the inferential analysis findings. Firms should emphasize the creation and execution of successful marketing activities due to the significant links established between marketing strategy and performance. Companies may boost their growth and competitive advantage by concentrating on developing and penetrating new markets.

In addition, the results stress the need of constantly assessing and modifying marketing approaches. Commercial banks need to keep an eye on key performance indicators, study market trends, and adjust their strategies to stay up with changing customer tastes and competitive landscapes.

There are important caveats to be aware of, even if the inferential analysis yielded useful findings. There is a chance of bias due to the use of self-reported data; for example, respondents may exaggerate the success of their bank's marketing campaigns. Furthermore, conclusive causation cannot be established due to the study's cross-sectional methodology.

Studies that follow the same group of people over time and see how their marketing approaches and results vary might be useful for future study. The impact of marketing campaigns on business outcomes might be better understood with the use of such research.

This study's inferential analysis verifies the substantial correlations between marketing tactics and the success of Meru County's commercial banks. The regression coefficients and significant correlations highlight how important it is to prioritize marketing techniques that improve organizational performance. The continued use of inferential analysis to find growth-and success-driving strategies is essential for banking organizations as they navigate a competitive market.

5.3 Conclusion

Results showed that commercial banks in Kenya's Meru County relied heavily on marketing tactics. Market penetration, market development, and diversification should be integrated into a multi-faceted approach to maximize performance, according to the results.

Market penetration and development emerged as critical drivers of success, according to the research, which proved that marketing tactics greatly impact performance. Prioritizing these methods may help commercial banks improve their overall performance, gain new clients, and strengthen their position in the market. Organizations get real advantages from these tactics when implemented well, according to the high correlations and favorable regression coefficients.

The results show that commercial banks should always be checking the efficacy of their advertising campaigns. Businesses can better adapt to changing market circumstances if they conduct regular evaluations to find out where they can improve. Optimal marketing

and long-term success may be achieved when companies embrace a mindset of constant learning and adaptability.

Companies should approach diversity carefully, according to the study's conclusions, even if it is accepted as helpful. It is clear that not all attempts at diversification are successful since the correlation and regression coefficient for diversification are lower. In order to reduce risk and maximize performance, businesses should direct their diversification efforts toward their strengths and long-term goals.

This research has far-reaching ramifications that go beyond specific commercial institutions. Everyone from managers to workers to lawmakers stands to gain from a better grasp of the significance of marketing techniques in boosting business results. Strategic decision-making and stakeholder cooperation may be aided by this information.

5.4 Recommendations

Here are some suggestions for Meru County's commercial banks based on the study's findings:

1. In order to increase their market penetration, commercial banks should put resources into creating and perfecting their pricing strategy. Businesses may improve their client acquisition and retention rates by studying consumer tastes and price sensitivity via market research.
2. Companies need to think outside the box and find innovative ways to sell their products in order to increase their market share. In order to break into new markets and raise awareness of existing ones, it is a good idea to form strategic alliances and partnerships.

3. It is important for commercial banks to thoroughly assess any chances for diversification. To minimize risks and maximize benefits, it is important to align diversification projects with key strengths and do comprehensive risk assessments.
4. Business owners should put systems in place to track how well their ads are doing. You may make strategic changes and push for continual improvement by using performance indicators and stakeholder input.

5.5 Further Research

Building upon the conclusions of this study, future research might investigate the following areas:

1. Interviews and case studies are examples of qualitative research methods that may help researchers learn more about how marketing tactics are put into practice and how they affect the performance of commercial banks.
2. A more complete picture of performance dynamics may be gained by studying how things like economic circumstances, regulatory changes, and technology improvements affect the efficacy of marketing campaigns.
3. To better understand how long-lasting the effects of commercial banks' marketing techniques are, longitudinal studies that follow their effectiveness over time may be quite helpful.
4. Commercial banks operating in Meru County may benefit from studying the marketing tactics and results of other counties or industries in order to learn about new and improved methods.

REFERENCES

- Agyemang, G., & Ryan, B. (2018). Accountability and performance management systems within private and public sector organizational change processes. *Advances in Public Interest Accounting*, 16(4), 7-23.
- Allen, R. S., & Helms, M. (2016). Linking strategic practices and organizational performance to Porter's generic strategies. *Business Process Journal*, 12(4), 1-11.
- Ansoff, H.I. (2017). *Strategies for diversification*. Harvard Business Review, Vol. 35 Issue 5.
- Ardyan, E. (2018). Organizational marketing performance: the mediating role of market entry capability. *Journal of Research in Marketing and Entrepreneurship*, 20(2), 11-
- Armstrong, C. E. (2018). Competence or flexibility? Survival and growth implications of competitive strategy preferences among small US businesses. *Journal of Strategy and Management*, 6(4), 110-138.

- Arthur, S. N., & Mensah, J. (2016). Urban management and heritage tourism for sustainable development: The case of Elmina Cultural Heritage and Management Programme in Ghana. *Management of Environmental Quality: An International Journal*, 17(3), 89-167.
- Auster, E. R., Sullivan, E., & Meredith, P. (2016). Strategic fitness: an exploratory conceptualization. *International Journal of Strategic Change Management* 3(5)102-111.
- Bailey P., Farmer D, Crocker B., Jessop D., Jones D. (2013). *Business Principles and Management*, 9th edition, Day Limited, USA.
- Bhatia, A., & Thakur, A. (2018). Corporate diversification and firm performance: an empirical investigation of causality. *International Journal of Organizational Analysis*, 26(2), 9-22.
- Blackburn, R. A., Hart, M., & Wainwright, T. (2018). Small business performance: business, strategy and owner-manager characteristics. *Journal of Small Business and Enterprise Development*, 20(1), 79-137.
- Bonaglia, F., & Goldstein, A. (2016). Egypt and the investment development path: Insights from two case studies. *International Journal of Emerging Markets*, 1(2), 145-172.
- Bresciani, S., Vrontis, D., & Thrassou, A. (2015). Determinants of Performance in the labour industry, an empirical analysis of Italy. *Global Business and Economic Review*, 17(1), 19-34.
- Brewer, B., Ashenbaum, B., & Ogden, J. (2018). Connecting strategy-linked outsourcing approaches and expected performance. *International Journal of Physical Distribution & Logistics Management*, 25(9), 79-81.

- Bukirwa, S. (2017). Influence of competitive strategies on organizational performance of commercial banks in Kenya (A Survey of Commercial banks in Mombasa County). *Strategic Journal of Business & Change Management*, 4(2), 67-89.
- Calloway, W. (2018). Smoothie operators: Can PepsiCo loosen Innocent's UK stranglehold? *Strategic Direction*, 24(9), 45-61.
- Chandola, V. K., & Fu, H. (2017). Market Penetration Strategy of Smartphone Companies from China for India Market: A Multiple case study. *International Journal of Business Marketing and Management (IJBMM)*, 2(4), 10 -16.
- Chandran, E. (2014). *Research Methods*, Nairobi: Star bright services limited, Kenya.
- Chen, M. (2016). Differential leadership, team conflict and new product development performance: An empirical study from R&D team in China. *Chinese Management Studies*, 10(3), 6-23.
- Chen, S. & Ho, K. (2014). Corporate diversification, ownership structure and firm value: the Singapore evidence. *International Review of Financial Analysis*, 9(3), 315-26.
- Christensen, L. B., Johnson, R. B., & Turner, L. A. (2014). *Research Methods, Design, and Analysis* (11th ed.). Harlow: Pearson Education Limited.
- Connolly, C. (2013). Warehouse management technologies. *Sensor Review*, 4(1), 21-30.
- Cooper, D.R and Schindler, P.S (2015). *Business Research Methods*, Tata McGraw-Hill, (8th Ed.), New Delhi, India.
- Cox, T. Jr., (2014). The importance of research in determining organizational performance, *International Journal of Management Reviews*, Vol. 2 No.4.
- Creswell, J. W. (2013). *Qualitative Inquiry and Research Design*. Lincoln: Sage Publications.

- Fosnacht, K., Sarraf, S., Howe, E., & Peck, L. K. (2017). How important are high response rates for college surveys? *The Review of Higher Education*, 40(2), 245-265.
- Day, G. S. (2014). The capabilities of market-driven organizations, *Journal of Marketing*, 58 (3), 37-52. Delbufalo, E., Poggessi, S., & Borra, S. (2016). Diversification, family involvement and firm performance: Empirical evidence from Italian manufacturing firms. *Journal of Management Development*, 35(5), 7-
- Dhandapani, K., & Upadhyayula, R. (2015). Two paths to diversification: Performance implications of related diversification across two dimensions in professional service firms. *International Journal of Emerging Markets*, 10(1), 1-16.
- Ekwulugo, B. (2018). International marketing of British education: research on the students' perception and the UK market penetration. *Marketing Intelligence & Planning*, 21(5), 1-9.
- Fantazy, K. A., & Salem, M. (2016). The value of strategy and flexibility in new product development: The impact on performance. *Journal of Enterprise Information Management*, 29(4), 4-21.
- Farrell, M., & Gallagher, R. (2014). The Valuation Implications of Enterprise Risk Management Maturity. *The Journal of Risk and Banking*, 7(13), 5-11.
- Fisher, C. (2014). *Researching and Writing a Dissertation: A Guidebook for Business Students*. Essex, England: Pearson Education Limited.
- Ge, G. L. & Ding, D. Z. (2015). Market orientation, competitive strategy and firm performance: An Empirical Study of Chinese Firms. *Journal of Global Marketing*, Vol. 18(3/4).
- Grant, R.M. (2013). *Contemporary Strategy Analysis: Concepts, Techniques, Applications*, 3rd edition, Blackwell Business, Malden: MA.

- Gyamfi, R. K. (2015). *The Effects of Porter's Generic Strategies on Performance of Commercial banks in Kumasi: Moderation Role of Managerial Capabilities*. Accra: Kwame Nkrumah University of Science and Technology.
- Hassan, I. (2018). *Effect of strategic organizational practices on performance of the labour industry*. Nairobi: Jomo Kenyatta University of Agriculture and Technology.
- Healy, B., Ledwith, A., & O'Dwyer, M. (2014). Perceptions of product advantage, NPD and organisational performance. *Journal of Small Business and Enterprise Development*, 21(1), 9-22.
- Kirk & Miller (2016). *Principals of Management*, 3rd edition, London Publishers, London, UK.
- Kothari, C.R. (2014). *Research Methods: Methods and techniques*, 3rd Edition. New age international publishers.
- Kumar, M. V. and Petersen S. (2015). The relationship between product and international diversification: the effects of short-run constraints and endogeneity. *Strategic Management Journal*, 30(1) 99-116.
- Levay, P. Z., Drossinos, Y., & Thiel, C. (2017). The effect of fiscal incentives on market penetration of electric vehicles: A pairwise comparison of total cost of ownership. *Energy Policy*, 105, 524-533.
- Li, D., & Jin, J. (2016). The effect of diversification on firm returns in chemical and oil industries. *Review of Accounting and Finance*, 5(1), 20-29.
- Linzalone, R. (2013). Leveraging knowledge assets to improve new product development performances. *Measuring Business Excellence*, 12(2), 1-7.
- Liu, C., Huo, B., & Zhao, X. (2015). Effect of information sharing and process coordination on logistics outsourcing. *Industrial Management & Data Systems*, 12(1), 3-9.

- Mahmoud, M. A., & Hinson, R. (2017). Market orientation, innovation and corporate social responsibility practices in Ghana's telecommunication sector. *Social Responsibility Journal*, 8(3), 111-118.
- Martinsuo, M., Suomala, P., & Kanninen, J. (2018). Evaluating the organizational impact of product development projects. *International Journal of Managing Projects in Business*, 6(1), 1-11.
- McCarthy, E. J. (2015). *Basic Marketing: A Managerial Approach*, Homewood, IL: Richard D. Irwin.
- Menon, A., & Lukas, B. (2014). Antecedents and outcomes of new product development speed: A propositional inventory germane to marketing. *European Journal of Marketing*, 1(2), 11-33.
- Mensah, I. (2014). Stakeholder pressure and organizational environmental performance in Accra, Ghana. *Management of Environmental Quality: An International Journal*, 25(2), 90-131.
- Mugenda, O & Mugenda, A. (2012). *Research Methods; Qualitative and Quantitative*, 5th edition, Labis graphics Service, Nairobi, Kenya.
- Ngandu, H. M. (2014). *Influence of competitive strategies on performance of commercial banks : A case of Thika Town*. Nairobi: UON.
- Njomo, G., & Margaret, O. (2016). Market Penetration Strategies and Organizational Growth: A Case of Soft Drink. *International Journal of Management and Commerce Innovations*, 3(2), 219-227.
- Nyawira, P. (2016). *Marketing strategies and performance of large commercial banks in Nairobi County*. Nairobi: UON.
- Nzioka, P. N., & Njuguna, R. (2017). Firm orientations and performance of commercial banks in Nairobi County. *Journal of Business and Strategic Management*, 2(3), 1-28.
- Olive, M. M., & Abel, G. M. (2015). *Research methods*. Nairobi, Kenya: Aura Publishers.

- Park, Y. H. (2015). A study of risk management and performance measures on new product development. *Journal on Quality*, 11(1), 7-16.
- Peteraf, M., & Barney, J. (2013). Unravelling the resource based tangle. *Managerial and Decision Economics*, 24(4), 309–323.
- Pleshko, L. P., Heiens, R., & Peev, P. (2014). The impact of strategic consistency on market share and ROA. *International Journal of Bank Marketing*, 32(3), 6-29.
- Reddi, K. R., & Moon, Y. (2017). Simulation of new product development and engineering changes. *Industrial Management & Data Systems*, 112(4), 1-8.
- Revilla, E., & Knoppen, D. (2017). Contextual antecedents and performance of team vision in product development. *International Journal of Operations & Production Management*, 32(2), 4-20.
- Rogers, M. (2016). *The Effect of Diversification on Firm Performance*. Working Paper No. 2/01. Melbourne: Melbourne Institute of Applied Economic and Social Research, the University of Melbourne.
- Saunders, M., Lewis, P., & Thornhill, A. (2017). *Research methods for business students*. 6th Ed. Pearson professional Limited.
- Schroder, H. (2015). *Integrated sales and marketing management: Successful integration of marketing and sales after mergers & acquisitions*. Hamburg, Germany: Anchor Academic Publishing. p. 10.
- Sharma, S., & Anand, A. (2018). Income diversification and bank performance: evidence from BRICS nations. *International Journal of Productivity and Performance Management*, 67(9), 6-13.
- Slater S. F. and Narver, J. C. (2016). Does competitive environment moderate the market orientation performance relationship? *Journal of Marketing*, 46, 46-55.

- Srivastava, R., Shervani, T., and Fahey, L. (2018). Market-based assets and shareholder value: A framework for analysis. *Journal of Marketing*, 62(1), 2–18.
- Teo, A. L. (2017). *Strategic Market Positioning in the Construction Industry: Importance of Organization Flexibility for Diversification*. South Africa: 1st International Conference of CIB W107: Creating Sustainable Construction Industry in Developing Countries, 11-13.
- Thiam, D. R. (2017). Policy instruments for a market penetration of low carbon technology in developing nations. *International Journal of Energy Sector Management*, 6(4), 4-13.
- Tsiotsou, R. H., & Vlachopoulou, M. (2016). Understanding the effects of market orientation and e-marketing on service performance. *Marketing Intelligence & Planning*, 29(2), 5-21.
- Uma, S. (2016). *Research Methods for Business: A Skill Building Approach*. 4th edition, Wiley India, New Delhi.
- Voss & Voss (2015). Strategic Orientation and Firm Performance in an Artistic Environment. *Journal of Marketing*, vol. 5.
- Weiss, M. (2016). Related Diversification: A critical reflection of relatedness and the diversification- performance linkage. *Advances in Mergers and Acquisitions*, 15(1), 7-20.
- Wernerfelt, B. (1984). Brand Loyalty and User Skills. *Journal of Economics Behavior and Organization*, 6. West, D., Ford, J., & Ibrahim, E. (2015). *Strategic marketing*. London: Oxford University Press.
- Zack, M., McKeen, J., & Singh, S. (2018). Knowledge management and organizational performance: an exploratory analysis. *Journal of Knowledge Management*, 13(6), 1-11.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business Research Methods*.
Mason: South- Western.

Zott, C. and Amit, R. (2017). The fit between product market strategy and business model:
implications for firm performance. *Strategic management journal*.

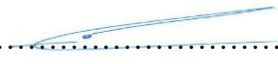


APPENDICES

Appendix I: Consent Form

I am **Lawrence Musyoka Kathula** a masters Student at Mount Kenya University. Am conducting a study on the **influence of marketing strategies on performance of commercial banks in Meru County, Kenya**. I would like to inform you that this study is part of my master's degree requirements. I am inviting you to conveniently participate in this research and am asking for your consent. Your confidentiality will be protected by using identification numbers instead of your name, and any information collected will not be disclosed to anyone without your permission. Participation in this research is entirely voluntary. There are no risks associated with this study for the participants. This research is valuable for academics interested in examining marketing strategies and their impact on the performance of commercial banks. It will also serve as a resource for scholars who wish to conduct further studies in this area, related fields, or for teaching purposes in universities and other educational institutions. Before including you in this study, I kindly ask you to sign the declaration below. I have read the purpose, and I hereby agree/disagree to take part in this research.

Respondent

Sign..........Date.....

Principal Investigator

Sign:

Mobile Number 0727961702

Ethics Review Committee Office

The Chairman

Mount Kenya University, Ethics Review Committee

P O Box 342 – 01000-THIKA

Appendix II: Questionnaire

You are part of a carefully selected group of respondents in this study; kindly help in data collection by filling the questionnaire. Tick [☐] where necessary. The information you give was used for academic purposes only and was held with strict confidentiality.

SECTION A: BACKGROUND INFORMATION

1. What is your gender: Male [☐] Female [☐]

2. What age group do you belong?

18-24 years [☐] 25-35 years [☐] 36-49 years [☐] 50 and above years [☐]

3. Please indicate your Marital status

Married [☐] Single [☐] Divorced /separated [☐]

4. What highest education level have you attained?

Certificate level [☐]

Diploma Level [☐]

Undergraduate Degree [☐]

Postgraduate [☐]

None [☐]

5. What highest income level per month in Kenya shillings?

10,000-20,000 []

21,000-30,000 []

31,000-49,000 []

Above 50,000 []

6. Please indicate your level of agreement on the following statements (use the scale where

1=Strongly Disagree, 2=Disagree, 3=Undecided, 4=Agree 5=Strongly Agree)

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Undecided</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
The pricing approach typically affects market penetration.					
Market penetration allows banks to align their prices with the target market share they aim to attract.					
Market penetration helps banks develop a pricing strategy.					
Market penetration helps banks develop a pricing strategy.					
Market penetration allows banks to align their prices with the target market share they aim to attract.					
Market penetration improves marketing efforts aimed at drawing in additional customers for the product.					
Market Penetration enables the banks to match its price with a desired market share they attract.					

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Undecided</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
Market penetration is essential for enhancing competitive advantage over competitors					
Market penetration is crucial for business performance.					

In what ways do market development strategy affect performance of commercial banks (On a scale of 1-5, where: 1=Strongly Disagree, 2=Disagree, 3=Undecided, 4=Agree 5=Strongly Agree, please indicate your level of agreement

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Undecided</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
It improves the alignment of personal performance.					
Supervisory tasks promote the development of performance goals in partnership with direct reports.					
Offering fair, constructive, and timely feedback regarding performance expectations and goals is essential.					
Team members should collaborate to meet a shared objective.					

The following statements examine diversification strategy and performance of commercial banks on a scale of 1-5, where: 1=Strongly Disagree, 2=Disagree, 3=Undecided, 4=Agree 5=Strongly Agree, please indicate your level of agreement

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Undecided</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
Concentric diversification plays a crucial role in improving business performance.					
Concentric diversification allows commercial banks to utilize their resources efficiently.					
Concentric diversification aids in minimizing risks, particularly in investments.					
Risk management strategies are strengthened through conglomerate diversification in banks.					
Conglomerate diversification offers business opportunities for leveraging resources.					
Conglomerate diversification is a key focus for strategies aimed at acquiring new customers.					

Thank you for your time & cooperation

The end

Appendix III: Licensed Commercial Banks in Meru County

1. Absa Bank
2. Family Bank
3. Cooperative Bank
4. Standard Chartered Bank
5. Kenya Commercial Bank (K.C.B)
6. National Bank of Kenya
7. Equity Bank
8. Sidian Bank
9. Transnational Bank
10. Diamond Trust Bank
11. I & M Bank
12. Bank of Baroda (K) Ltd
13. NIC Bank

Source: CBK (2025)



Appendix IV: ERC



Mount Kenya University

REF: MKU/ISERC/4907
TO: LAWRENCE MUSYOKA KATHULA
REG: MBA/2014/79079

Date: 04 April 2025

Dear Sir/Madam,

RE: INFLUENCE OF MARKETING STRATEGIES ON PERFORMANCE OF COMMERCIAL BANKS IN MERU COUNTY, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3629**. The approval period is **04/04/2025 - 03/04/2026**.

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.

Yours sincerely,


Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC



Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Tel: +254 20 287 8000, Cell: +254 709 153 000
Email: info@mku.ac.ke, Web: www.mku.ac.ke
Chartered and ISO 9001: 2015 Certified

Appendix V: Introduction Letter

Mount Kenya University



DIRECTORATE OF GRADUATE STUDIES

MBA/2014/79079

4th April, 2025

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

Dear Sir/Madam,

RE: LAWRENCE MUSYOKA KATHULA - REGISTRATION NO. MBA/2014/79079

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 **"Influence of Marketing Strategies on Performance of Commercial Banks in 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 **April, 2025 and June, 2025**.

Any assistance accorded to the student will be highly appreciated.

Thank you.


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

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

Enc.

Appendix VI: NACOSTI

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 880146	Date of Issue: 14/April/2025
RESEARCH LICENSE	
	
This is to Certify that Mr. LAWRENCE MUSYOKA KATHULA of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Meru on the topic: INFLUENCE OF MARKETING STRATEGIES ON PERFORMANCE OF COMMERCIAL BANKS IN MERU COUNTY, KENYA for the period ending : 14/April/2026.	
License No: NACOSTI/P/25/418255	
Applicant Identification Number 880146	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	
See overleaf for conditions	

Appendix VII: Similarity Index



Page 1 of 141 - Cover Page

Submission ID trnoid::1:3289982714

Lawrence Musyoka

INFLUENCE OF MARKETING STRATEGIES ON PERFORMANCE OF COMMERCIAL BANKS IN MERU COUNTY, KENYA

ProjectA

MBA

Mount Kenya University

Document Details

Submission ID

trnoid::1:3289982714

Submission Date

Jul 4, 2025, 7:55 AM GMT+3

Download Date

Jul 4, 2025, 8:00 AM GMT+3

File Name

musyoka-project-very_new.docx

File Size

1.7 MB

131 Pages

24,859 Words

143,617 Characters



Page 1 of 141 - Cover Page

Submission ID trnoid::1:3289982714

12% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

Filtered from the Report

- Bibliography

Match Groups

- 236** Not Cited or Quoted 11%
Matches with neither in-text citation nor quotation marks
- 1** Missing Quotations 0%
Matches that are still very similar to source material
- 1** Missing Citation 0%
Matches that have quotation marks, but no in-text citation
- 0** Cited and Quoted 0%
Matches with in-text citation present, but no quotation marks

Top Sources

- 11% Internet sources
- 4% Publications
- 0% Submitted works (Student Papers)

Integrity Flags

0 Integrity Flags for Review

No suspicious text manipulations found.

Our system's algorithms look deeply at a document for any inconsistencies that would set it apart from a normal submission. If we notice something strange, we flag it for you to review.

A Flag is not necessarily an indicator of a problem. However, we'd recommend you focus your attention there for further review.