

**FACTORS INFLUENCING ENTRY INTO REGIONAL MARKETS BY
KENYA COMMERCIAL BANK (KCB)**

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REG NO: BBM (DL) 112/01436

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
BACHELOR OF BUSINESS MANAGEMENT OF MOUNT KENYATTA
UNIVERSITY.

MARCH 2014

ABSTRACT

Kenyan banking sector is extremely competitive in nature with no single bank having an overwhelming dominance. The competition has been through the acquisition of customer numbers and introduction of the new distribution channels such as agency banking. Due to the high competition in the Kenyan banking sector as well as the saturation in the banking sector, the Kenyan banks are thus expanding into regional markets such as Uganda, Tanzania, Burundi, Rwanda, and South Sudan. However, in this expansion there are challenges that need to be overcome. This study will examine the context in which KCB has expanded into the regional markets, the challenges it has encountered and the ways in which it has mitigated those challenges. This study will use the purposive sampling method so as to choose members who are knowledgeable on the subject matter. The data will be presented using pie charts. A majority of staff had worked in KCB subsidiaries in the 2005-2008 period which also corresponds to the period in which the bank had opened a majority of its subsidiaries. Among the reasons advanced for the regional expansion included the need to increase KCB shareholder's value and the need to exploit the virgin markets in the East African region. Among the strategies that KCB used in its regional expansion included marketing itself as a regional bank and the use of celebrities in the local markets to increase its visibility. However, the bank was faced with diverse challenges in its expansion including the training costs and cultural differences.