Journal of International Business, Innovation and Strategic Management

2020: 4 (3): 31 - 54

ISSN: 2617-1805

EFFECT OF COMPETITIVE STRATEGIES ON FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN KENYA

[1] Jeffrey Otieno Ooko & [2] Dr. Winifred Karugu

[1 & 2] School of Business, Jomo Kenyatta University of Agriculture and Technology, Kenya

Corresponding Author Email: ookojeff@yahoo.com

To Cite this Article:

Ooko, J.K & Karugu, W. (2020). Effect of competitive strategies on financial performance of commercial banks in Kenya. J*ournal of International Business, Innovation and Strategic Management*, 4 (3), 31 - 54

ABSTRACT

Business banks in Kenya are confronting firm challenges requiring the structure of focused systems to ensure their exhibition. Banks ought to along these lines not just concoct methodologies to counter the challenge yet additionally measure the impacts of the joined procedures that they utilize. The motivation behind this examination was to evaluate the effect of competitive strategies (market focus and differentiation strategies) on financial performance of commercial banks in Kenya focusing on tier one banks categorized as large. The theories that anchor to the study were Dynamic Capabilities Theory and Competitive Theory. A descriptive research design was adopted by the study where the 9 tier 1 commercial banks was focused on. The 62 Tier 1 bank's branches in Nairobi CBD, Kenya were targeted where two employees in management positions from the department of digital banking and operations were targeted from each bank making the sample size to be 124. Through a structured questionnaire, data was collected on the independent variables while secondary data on financial performance was obtained from the Central Bank of Kenya reports. Using Statistical Package for Social Sciences v 24, this data was analyzed through descriptive and inferential analysis to establish the relationship between the variables.

The results indicated that both strategies, that is, Market focus and differentiation had a positive and significant effect on financial performance of commercial banks in Kenya. This led to the recommendation that the management of tier 1 commercial banks as well as other commercial banks and players in the banking industry to increase innovations such as new and improved services, new processes and new marketing methods by investing more in it in order to increase financial performance significantly. There is also a need to allocate more resources to advance market focus strategy by offerings service to suit unique needs, particular segments and offering product for particular segments and needs. Doing that would lead to a significant improvement in financial performance of the commercial banks.

Key Words: *Market Focus, Differentiation Strategies, Financial Performance, Kenya*

BACKGROUND OF THE STUDY

Competitive strategies and a firm's performance are two special terms with actually a complex association. Well formulated competitive strategies after carrying out environmental analysis, optimally implemented and extensively evaluated yield best firm's performance (Aziza 2015). Formulation and evaluation of strategy is usually done by experts in liaison with organization goals and objectives while implementation is done by the entire organization (Fiordelisi & Molyneux, 2013). Top management have to orchestrate major implementation initiatives. For competitive advantage to be achieved and sustained, managers need to examine an organization's internal processes so as to allow for efficiency and cost effectiveness. By identifying their core competences, banks were able to concentrate on areas that give them a lead over competitors and provide competitive advantage.

A competitive strategy mainly looks at business and managerial innovation by looking at ways to improve customer satisfaction and fulfilling the client's expectation and rebuff competition challenges in order to maintain a requisite market share for growth (Bennett & Rundle, 2014). According to Porter (2013) there are three generic approaches to outperforming others in an industry - overall cost leadership, differentiation and focus. If there are few perceived differences between products and their uses are widespread, then the lowest cost firms will get the advantage. This is the case with mobile money bank applications, users opt for the lowest cost provider (Ouma 2016). Secondly, if there is a large perceived difference created, then the firm has more price leeway. Banks like Barclays and Standard Chartered have successfully created a perceived quality advantage. Focus strategies concentrate on serving a particular segment better than anyone else (Prescott 2015). A good example of this is Tier 1 Banks which has perfected this art.

Different resources and capabilities also have effect on export business enterprise. There has been a drastic increase in volume of banks in banking sector with high demand for quality services, change in taste and preferences of customers which enable them to switch with ease to the bank of their choice that offers and satisfies their needs (Ngari & Bichanga 2017). This prompted the researcher to carry a study on competitive strategies and financial performance of Tier 1 Banks limited. Tier 1 banks have been purposively chosen for this study because of their asset base and because they are the largest banks in Kenya however a challenge looms in the banking sector whereby most of them are stuck in the era where banking was meant for a few people especially due to high bank fees, untailored bank products and services and limited geographical reach which are contrary to the demands of banking services of this era and those banks that are competitive enough improve in financial performance hence making Tier 1 banks suitable for this study.

STATEMENT OF THE PROBLEM

In their day-to-day operations, companies utilize a wide range of competitive strategies. However, such strategies are dependent on several factors such as the business environment (Porter, 2004). For decades, the banking industry not only in Kenya but the entire world, has traditionally operated in a relatively stable environment (Kungu, Desta & Ngui, 2014). However, in the current times, the industry is faced with a problem not from traditional competitors but also from unexpected new and sometimes unrecognized competitors (Reynolds, 2005). Commercial banks are facing stiff competition both from within and outside whereas also the customers are now more informed and their demands vary in complexity and time (Wanyonyi, 2011). The immense competition has resulted in little or no differentiation among the products being offered due to product imitation thus no bank can claim a substantive competitive edge over the other (Ngari, 2017; Thuranira, 2012). These market trends and stiff competition has seen commercial banks record mixed performance. Statistics from the CBK supervision report (2018) indicated that the number of bank branches decreased from 1,518 in 2017 to 1,505 in 2018, which translated to a decrease of 13 branches.

The decrease was highest in Nairobi County which saw a decrease in the number of branches by 11 branches due to stiff competition. There was also an increase in the outstanding value of non-performing mortgages from Ksh.27.3 billion in December 2017 to Ksh.38.1 billion in December 2018 which reflects poor financial performance. The commercial banks also indicated a decrease in the loan portfolio to the MSMEs from Kshs. 413.9 B to Kshs.393.0 B in the year 2018. There was also a decrease in asset quality due to an increase in NPLs from 12.3% in the year 2017 to 12.7% in the year 2018. In regard to operational costs, there was an increase in operating expense by 2.2% in the year 2017 compared to the year 2017 (CBK, 2018). The problem of commercial banks with regards to competitive strategies is that competition in the banking industry has been increasing remarkably and as such each and every commercial bank has to establish the appropriate strategies so as to maintain a competitive edge in the industry (Kaiba, 2016). In line with this, this study sought to determine the extent to which commercial banks have implemented competitive strategies for survival and establish its effect on financial performance.

OBJECTIVES OF THE STUDY

i. To determine the effect of market focus strategies on the financial performance of commercial banks in Kenya.
ii. To examine the effect of differentiation strategies on the financial performance of commercial banks in Kenya.

THEORETICAL REVIEW

This study was anchored on the Dynamic Capabilities and the Competitive Theory. The Dynamic capacity is the company's capacity to incorporate, form, and reconfigure inward and outside capabilities to address quickly evolving conditions" (Teece, Gary & Shuen, 1997). The term dynamic was utilized to exhibit the capacity to recharge skills in order to a match with the changing condition Teece *et al.*, (1997) featured how significant way conditions are, and the significance of rebuilding the assets of a firm with an end goal to take into consideration change and to advancement. Dynamic abilities are created from a system made out of three factors: hierarchical positions, way conditions and procedures (Teece *et al*., 1997).

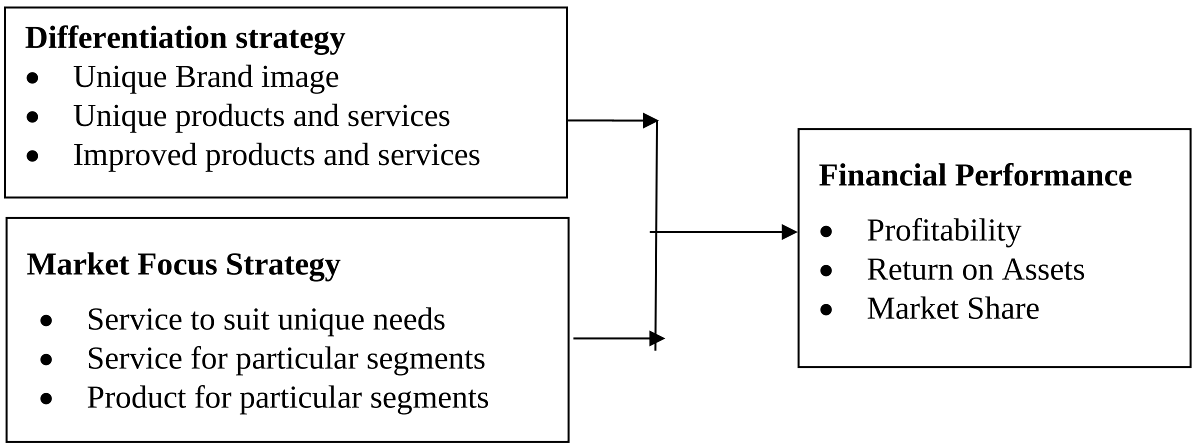
The procedures see how assignments are performed subsequently: examples of training and schedules. They decide manners by which capacities can be created inside the associations to gain by the present open doors through investigation of inward and outside abilities. Asset enrichments, for example, protected innovation, innovation and relationship with providers and clients characterize the situation of an association (Teece *et al*., 1997). Developmental hypothesis features the transformative way of capacities where unmistakable abilities rise up out of the advancement of past abilities (Ambrosini & Bowman, 2009). In this manner, way conditions center around progress of firms' key choices through the adjustment of its present abilities

The Competitive Theory by Watchman (2008) portrays five market powers as furious competition, passage chance, substitution risk, providers control, and purchaser's quality. He keeps up that knowing the powers that shape rivalry in a segment is the reason for the making of a procedure. Doorman infers that no organization gets convincing rates of return if the powers are mellow, most organizations are beneficial. The piece of the five powers changes by industry, and for each unmistakable industry an association needs a different technique. Watchman (2013) nonexclusive procedures involve ease, separation, center and mix techniques. These are normally regular as a key typology for all associations. A company's relative situation inside its industry decides if a company's benefit is above or beneath the business normal. There are two essential sorts of upper hand a firm can have: minimal effort or separation (Porter, 1980, 1985). These joined with the extent of exercises which a firm tries to accomplish them lead to three conventional techniques to be specific cost authority, separation and core interest. Nonexclusive procedures can be successfully associated to authoritative execution by utilizing key rehearses. The center system has two variations cost center and separation center. In cost authority a firm decided to turn into the minimal effort maker in its industry. Cost bit of leeway sources are fluctuated and rely upon the market structure (Porter, 2008).

These may incorporate the accomplishment of economies of scale, exclusive innovation, crude materials special access, and different components. All wellsprings of cost preferred position must be found and misused by a minimal effort maker. In the event that an organization can accomplish and keep up generally cost authority, it will be a better than expected industry entertainer. In separation system a firm tries to be one of a kind in its industry along certain measurements that are generally esteemed by purchasers. It chooses at least one traits that numerous purchasers in an industry see as significant and remarkably positions it to address those issues. Watchman's model is a persuasive device for efficiently analyze a market primary aggressive weights and assess how solid and significant each is. Kitoto (2005) saw that a legitimate investigation of the five powers will help a firm in choosing one of the standard methodologies that will enable the organization to prevail in an industry for benefit. Administrators in the business banks thusly can just progress and pick winning approaches by first distinguishing the aggressive weights that exists, estimating the virtual quality of each and increasing a significant comprehension of the part's entire focused structure. Watchman's way to deal with the worth chain permits surveying the business' allure. Banks would then be able to construct approaches to use them in a manner that fortifies their own focused situation with the data about the quality and intensity of aggressive powers. To endure, the banks must adjust their techniques to suit the dynamic commercial center.

The triumphant methodology chose can change the effect of focused powers on the firm. The point is to diminish the intensity of focused powers. Albeit various organizations seeking after cost and separation simultaneously may get caught in the center, there is patent proof to recommend that probably a few organizations have been triumphant in accomplishing higher monetary execution by seeking after the two points of interest (Bresnahan & Reiss, 2010). The vital inquiry in deciding productivity is how a lot of significant worth firms can make for their purchasers, and the amount of this worth will be caught or registered away. Industry structure figures out who will catch the worth. In any case, a firm is certifiably not a total detainee of industry structure; firms can impact the five powers through their own methodologies. The five powers feature what is significant and coordinates administrators towards those perspectives and most essential to long haul advantage (Porter, 2002).

CONCEPTUAL FRAMEWORK



Independent Variables **Dependent Variable**

Figure 1 Conceptual Framework

EMPIRICAL REVIEW

Rukia *et al*., (2015) did an investigation on the impact of differentiation on the Performance of business banks in Kenya. The investigation was moored on Porter's focused business system typology. It was established that there is a positive connection between differentiation strategy and financial performance of commercial banks. In another study, Watchman (2012) examined the effect of differentiation of firm performance and obtained similar results. Barney (2010) showed that corporate development strategies affected financial performance of firms significantly. Similarly, David (2011) ascertained that an improvement in differentiation strategies of firms led to a significant dominance and performance. Related studies such as Khaled (2012) also supported the positive effect of differentiation strategy.

Ndungu (2013) established that emphasis on market focus led to an improvement of commercial bank's performance in Kenya. Through a case study, the study found evidence of a significant effect. Grosse (2004) and Karanja (2002) also supported strongly that market focus was a strong determinant of firm performance. Other studies indicating affirmative results were Phillips, Chang and Hill (2011) and Dess and Davis (2013).

RESEARCH METHODOLOGY

This study employed descriptive research design. The population of interest of this study comprised of the employees in management positions from the department of digital banking and operations of each of the 62 Tier 1 Bank's branches in Nairobi, Kenya. The study conducted a census on the entire number of branches in CBD and thus a total of 124 respondents were targeted from the branches. This study used primary data collected through structured questionnaires.

Secondary data on financial performance of the tier 1 commercial banks was also collected from the CBK latest records for the last five years (2014-2018). This was used to supplement the primary data and establish trends in performance of the banks over time. Prior to the main research, a pilot study was done to verify the instrument for data collection and establish its validity and reliability. A pilot test was hence conducted on 12 respondents from 6 commercial banks selected in Tier 2 category but operating in Nairobi, Kenya. A reliability test indicated that the predictor variables were reliable since they had a Cronbach Alpha value above 0.7. The collected data was edited, coded and analysed through descriptive statistics such as mean and standard deviation. Correlation and regression analysis were also conducted to establish the relationship between the study variables. The statistics were generated with the aid of Statistics Package for Social Sciences (SPSS) V. 24.

The regression model was as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where: Y = Financial Performance of Tier 1commercial banks, α = Constant Term, β_1 and β_2 = Coefficients of determination of the independent variables, X_1 = Differentiation and X_2 = Market Focus

RESEARCH FINDINGS AND DISCUSSIONS

The target population of the study was 62 branches where a total of 124 questionnaires were issued. Out of the number of questionnaires issued, a total of 88 questionnaires were filled which gives a response rate of 71%. This response rate is satisfactory based on the comments by Ngechu (2004) supporting a response rate above 50%.

Descriptive Findings

The section gives the response for each of the questions per variable. Descriptive statistics describes the response given in a Likert form. Mean and Standard deviations were adopted and the standard deviations were used to indicate the variations in responses.

Descriptive Findings of Market Focus

Statements on market focus were rated on a Likert scale (1 = Very Low Extent, 2 = Low Extent, 3 = Moderate Extent, 4 = High Extent, 5 = Very High Extent) and the measures of central tendency results extracted.

Table 2 Descriptive Findings of Market Focus

Statements	Mean	Standard Deviation
Offering services to suite unique specific needs of customers more than competitors	3.50	1.20
Offering products to suite unique specific needs of customers more than competition	3.63	1.26
Developing unique low-cost services for a particular segment	3.85	1.32
Targeting a specific market segment	4.13	1.10
Developing unique low-cost products for a particular segment	3.86	1.10
Overall	**3.79**	**1.20**

The descriptive findings on market focus as shown in Table 2 indicate that commercial banks in Tier 1 offer services to suite unique specific needs of customers more than competitor's to a high extent (M= 3.50; SD = 1.20), ooffer products to suite unique specific needs of customers more than competition to a high extent (M= 3.63; SD = 1.26), develop unique low cost services for a particular segment to a high extent (M= 3.85; SD = 1.32), ttarget a specific market segment to a high extent (M= 4.13; SD = 1.10) as well as develop unique low cost products for a particular segment (M= 3.86; SD = 1.10). Overall, it can be concluded that the tier 1 commercial banks practice market focus to a high extent (M= 3.79; SD = 1.20). In a related study, Dess and Davis (2013) also indicated that market focus was gaining centre stage among firms in the modern world which seek to cement their competitive edge.

Descriptive Findings of Differentiation

The Likert scale statements on differentiation were also evaluated and the mean and standard deviation for each statement established at shown in Table 3. Statements on market focus were rated on a Likert scale (1 = Very Low Extent, 2 = Low Extent, 3 = Moderate Extent, 4 = High Extent, 5 = Very High Extent) and the measures of central tendency results established.

Table 3 Descriptive Findings of Differentiation

Statement	Mean	Standard Deviation
Developing a unique brand image valued by customers	3.59	1.26
Offering distinguished and attractive services than other competitors	3.68	1.22
Offering wide range of products than competitors	3.89	1.48
Offering distinguished and attractive products than other competitors	3.64	1.40
Continuously improving the services and products in range	3.71	1.43
Overall	**3.70**	**1.36**

It was demonstrated in Table 3 that tier1 commercial banks in Kenya engage in development of unique brand image valued by customers to a high extent (M= 3.59; SD = 1.26), offering of distinguished and attractive services than other competitors to a high extent (M= 3.68; SD = 1.22), offering of wide range of products than competitors to a high extent (M= 3.89; SD = 1.48), offering of distinguished and attractive products than other competitors to a high extent (M= 3.64; SD = 1.40) and continuously improve the services and products in range to a high extent (M= 3.71; SD = 1.43). Generally, the commercial banks in Tier 1 implement differentiation strategies to a high extent (M= 3.70; SD = 1.36). The results agree with that of Khaled (2012) who also attested the adoption of differentiation strategies among Jordanian Companies as a way of improving financial performance.

Financial Performance of Tier 1 Commercial banks in Kenya

Financial performance of commercial banks, that is market share, profits and ROA were extracted from the CBK reports between 2014 and 2019 and trends drawn as indicated in Figures below. Figure 2 indicate the trends for ROA between 2014 and 2018.

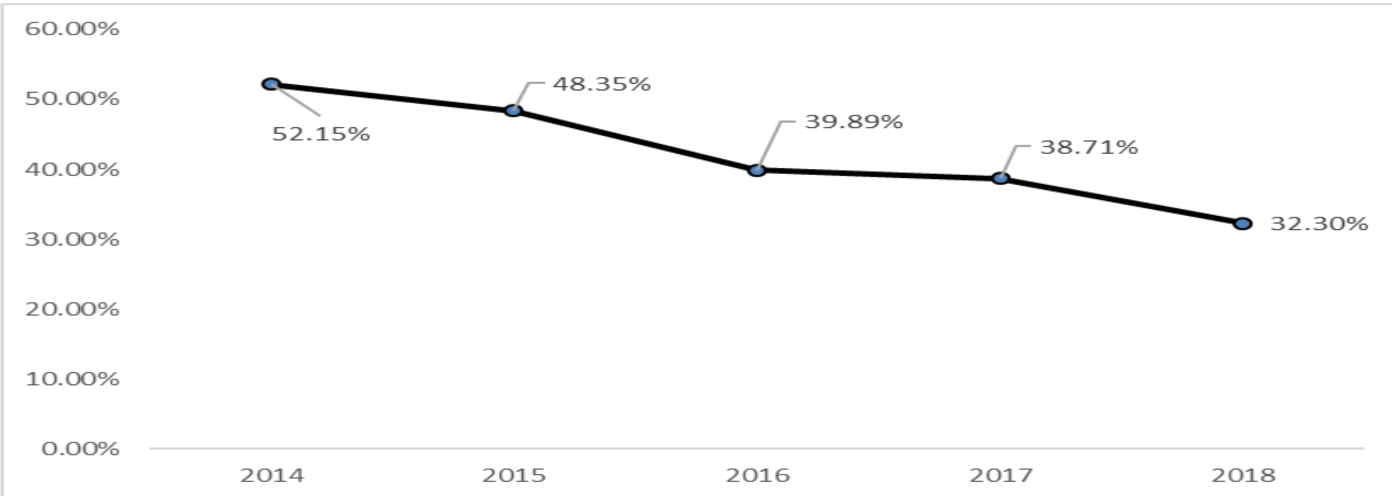


Figure 2 ROA Trends for Tier 1 Commercial banks (2015-2018)

The trends reveal a decreasing trend in the ROA of the tier 1 commercial banks between the year 2015 and 2018 as indicated in the statement of the problem by the CBK reports. These trends support the need for competitive strategies among these commercial banks. Figure 3 indicates the trends for profits between 2015 and 2018.

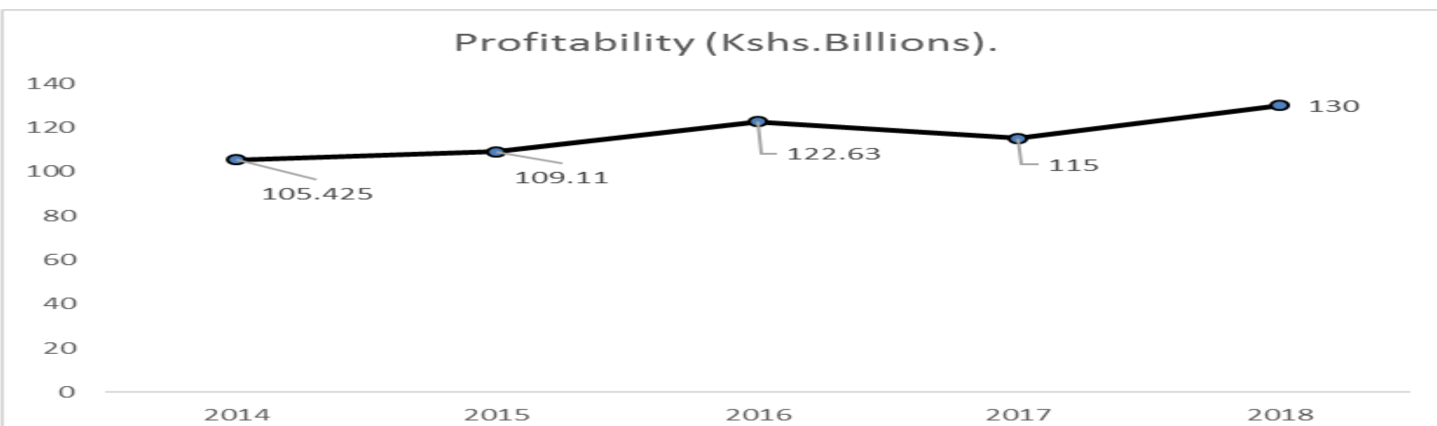


Figure 3 Profitability Trends for Tier 1 Commercial banks (2015-2018)

As indicated in Figure 4, the trends for profitability in Billions was unsteady whereby besides increasing between the year 2014 and 2016, it decreased in the year 2017 then increased in the year 2018. These unsteady trends again documents why the study investigated competitive strategies among tier 1 commercial banks. Figure 4.5 indicates the trends for market share between 2015 and 2018.

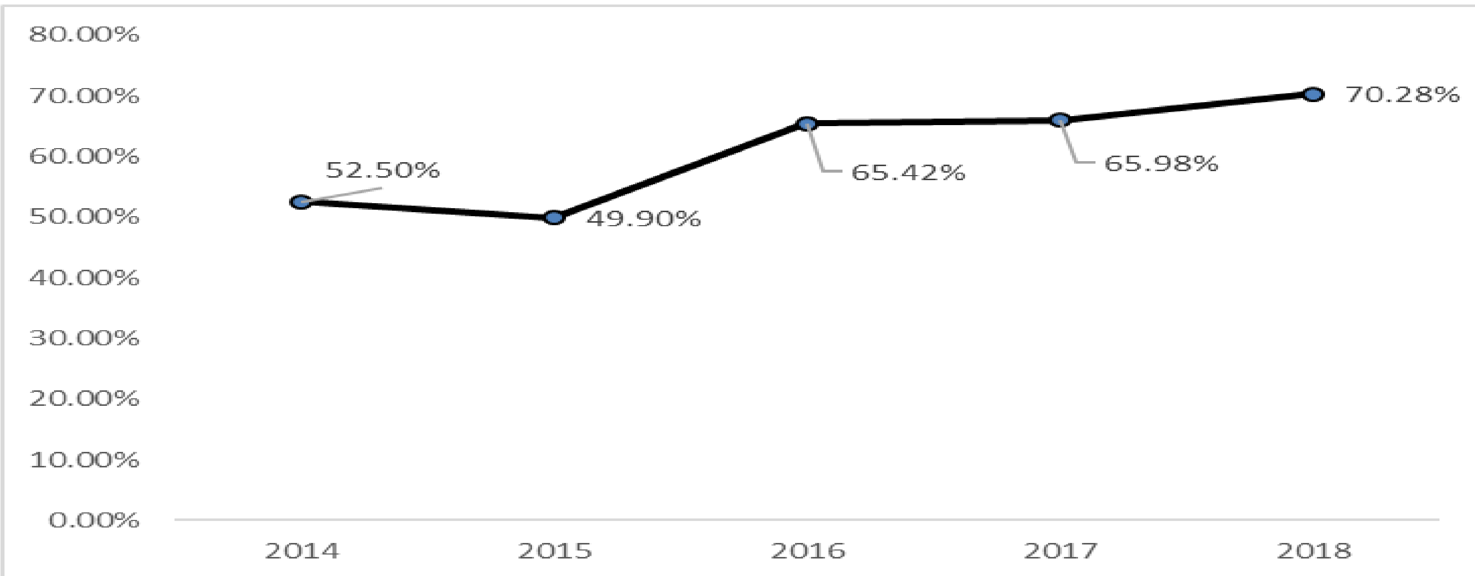


Figure 4 Market Share Trends for Tier 1 Commercial banks (2015-2018)

The trends indicate that just like profitability, the market share of commercial banks in tier 1 is unsteady whereas while it increased between 2015 and 2016, it decreased in the year 2014 as well as 2017. This unsteady trend again documents why the study investigated competitive strategies among tier 1 commercial banks. Figure 4.5 indicates the trends for market share between 2015 and 2018.

Correlation Analysis

The study used Pearson Correlation analysis to determine the relationship between competitive strategies and financial performance of commercial banks in Kenya. A negative value indicates negative relationship while a positive value indicates a positive relationship. The results are shown in Table 4.

Table 4 Correlation Matrix

		Market Focus	Differentiation	Financial Performance
Market Focus	Pearson Correlation	1		
	Sig. (2-tailed)			
Differentiation	Pearson Correlation	.430**	1	
	Sig. (2-tailed)	0.000		
	Sig. (2-tailed)	0.000	0.001	
Financial Performance	Pearson Correlation	.651**	.769**	1
	Sig. (2-tailed)	0.000	0.000	
	N	88	88	88
** Correlation is significant at the 0.01 level (2-tailed).				

The results as indicated in Table 4 indicated that market focus has a positive and significant effect on financial performance of commercial banks in Kenya ($r = 0.651$; $P < 0.05$). This demonstrates that adoption of market focus strategy can significantly improve financial performance of commercial banks. The findings are consistent with that of Karanja (2002) who demonstrated that market focus was associated with improved performance among firms in Kenya. Another insight from the results is that differentiation is positively and significantly associated with financial performance of commercial banks in Kenya ($r = 0.769$; $P < 0.05$). This demonstrates that adoption of differentiation strategy is critical in increasing financial performance of commercial banks significantly. Watchman (2012) similarly attested to the positive effects of this strategy on firm performance in the developed economies.

Regression Analysis

The study adopted a multiple regression analysis to establish the magnitude and significance of the competitive strategies on financial performance of commercial banks in Kenya. The findings indicated the model summary, ANOVA and model coefficients as discussed below. The model summary results are depicted in Table 5.

Table 5 Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.876	0.767	0.756	0.21656
Predictors: (Constant), Cost Leadership, Innovation, Market Focus, Differentiation			

The R-square results in Table 5 indicate that the two competitive strategies (Market Focus and Differentiation) are important in explaining up to 76.7% of the variation in financial performance of commercial banks in Kenya. Only a small fraction, 22.4%, of the variation in financial performance is explained by other factors which can be investigated in future studies. The model ANOVA results shows whether the regression model was a good fit. The model ANOVA results are indicated in Table 6.

Table 6 Model ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	12.837	2	3.209	68.432	.000
Residual	3.893	85	0.047		
Total	16.73	87			
Dependent Variable: Financial Performance					
Predictors: (Constant), Market Focus, Differentiation					

The results as shown in Table 6 demonstrates that the regression model adopted to predict the effect of competitive strategies on financial performance of Tier 1 commercial banks was a good fit ($P < 0.05$). This shows that the results are reliable in making meaningful deductions. The model coefficients indicate the magnitude of the beta coefficients, sign and significance of the effect of the predictor variables. The model regression coefficients are indicated in Table 7.

Table 7 Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.355	0.212		6.402	0.000
Market Focus	0.260	0.044	0.365	5.884	0.000
Differentiation	0.158	0.032	0.381	4.873	0.000
Dependent Variable: Financial Performance					

It was also indicated that market focus has a positive ($\beta = 0.260$) and significant ($P < 0.05$) effect on financial performance of commercial banks in Kenya in the study period. It can be implied that increasing the adoption of market focus strategy could increase financial performance (ROA, Profits and Market Share) of commercial banks in Tier 1 by 0.260%. Ndungu (2013) attested to implementation of this strategy by Equity bank Kenya in order to improve its financial performance. Another demonstration of the results is that differentiation strategy has a positive ($\beta = 0.158$) and significant ($P < 0.05$) effect on financial performance of commercial banks in Kenya in the study period. It can be implied that aggressively implementing differentiation strategy could increase financial performance (ROA, Profits and Market Share) of commercial banks in Tier 1 by 0.158%. The results are consistent with that of Rukia *et al*., (2015) who after investigating the

CONCLUSION

The study findings led to the conclusion that aggressively adopting market focus strategy by offerings service to suit unique needs, particular segments and offering product for particular segments and needs could increase financial performance (ROA, Profits and Market Share) of commercial banks significantly. Another conclusion is that adopting differentiation strategy through unique brand image, unique products and services as well as improved products and services could increase financial performance (ROA, Profits and Market Share) of commercial banks significantly.

RECOMMENDATIONS

The study recommends that the management of tier 1 commercial banks as well as other commercial banks and players in the banking industry to allocate more resources to advance market focus strategy by offerings service to suit unique needs, particular segments and offering product for particular segments and needs. Another recommendation is that the management of tier 1 commercial banks as well as other commercial banks and players in the banking industry to invest more resources towards enhancing differentiation by having a unique brand image, unique products and services as well as improved products and services.

CONFLICT OF INTEREST

No potential conflict of interest was recorded by the authors

BIBLIOGRAPHY

Allen, S. & Helms, M. (2006). Linking strategic practices and organizational performance to Porter's generic strategies. *Business Process Management Journal*. 12(3), 433- 454.

Ambrosini and Bowman (2009 January). *What are dynamic capabilities and are they a useful construct in strategic management*? pp: 29-49.

Aosa (1992). *"An empirical investigation of aspects of strategy formulation and implementation within, large private manufacturing companies in Kenya"* PhD dissertations, University of Srathclyde Scotland unpublished.

Augier, M., & Teece, D. (2007). *Dynamic Capabilities and Multinational Enterprise: Penrosean Insights and Omissions. MIR: Management International Review, 47(2), 175-192.* Retrieved from http://www.jstor.org/stable/40658167.

Aziza, F. O. (2015). *The effects of monetary policy on stock market performance: A cross-country analysis. Journal of Economic Literature, 3(6), 762-830.*

Barney Jay B. (2002). *Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. Journal of Management Vol 27, Issue 6,* pp. 643 – 650. Retrieved from https://doi.org/10.1177/014920630102700602

Belsley, David A., Kuh Edwin, Welsch Roy E. (1980). *Regression diagnostics: Identifying influential data and sources of collinearity.*

Bennett, G. & Rundle-Thiele, F. R. (2014). *Developing buyer-seller relationships. Journal of Marketing, 51*, 11–27.

Berney, G. (2010). Developing buyer-seller relationships. *Journal of Marketing*, 51, 11–27.

Bloch, H. (2017). *Schumpeter's price theory*. Routledge.

CBK 2010, 2012, 2014, and 2015, *Annual Report*. Retrieved from http://www.centralbank.go.ke

Cohen, J., Cohen, P., West, S. G., & Aiken, L. S. (2003). *Applied multiple regression/correlation analysis for the behavioral sciences (3rd ed.).*

Collis, D.J., (1991). *A resource-based analysis of global competition: The case of the bearings industry.*

Datta, N. (2009). The Decline of America's Soft Power in the United Nations. *International Studies Perspectives*, 10: 265-284.

David, F. (2014). *Strategic management: concepts.* (9th ed). New Jersey: Prentice-Hall.

Day, George, S. (1994 October). *The Capabilities of Market-Driven Organization. Journal of Marketing.*

Deephouse, David L. (1999). *To Be Different, or to Be the Same? It's a Question (and Theory) of Strategic Balance.*

Strategic Management Journal - 147-166.

Dess, J. & David, G. (2013). How top management use control systems as levers of strategic renewal. *Strategic Management Journal*, 15(3), 169-89.

Edwards Samwel, (2016 January 5). *3 Companies Using Speed as a Competitive Advantage*. Retrieved from https://www.entrepreneur.com/article/253372

Fiordelisi and Molyneux 2013 *"The determinants of shareholder value in European banking," Journal of Banking & Finance, Elsevier, vol. 34(6).*

Gachuhi Rodney Mwangi (2015 November). *Competitive Strategies Adopted by Barclays Bank of Kenya Ltd in Response to Competition from Microfinance Institutions.*

Gathoga, H. (2011). *Competitive strategies by commercial banks in Kenya*. Unpublished MBA Project, College of Nairobi.

George, J. (2010). The Links between Competitiveness, Firm Innovative Activities and Public R&D Support in Safaricom Ltd: *An Empirical Analysis, Technology Analysis and Strategic Management,* 9 (1), 19–33.

Humphries, B. (2017). *Re-thinking social research: anti-discriminatory approaches in research methodology*. Routledge.

Hunjra, A. I., Faisal, F., & Gulshion, F. (2018). The Impact of Cost Leadership Strategy and Financial Management Control System on Organizational Performance: An Empirical Investigation of Pakistani Service Sector. *The Lahore Journal of Business, Forthcoming*.

Kharub, M., Mor, R. S., & Sharma, R. (2018). The relationship between cost leadership competitive strategy and firm performance. *Journal of Manufacturing Technology Management*.

Kumar, R. (2019). *Research methodology: A step-by-step guide for beginners*. Sage Publications Limited.

Pfeffer Jeffrey (1994). *Competitive advantage through people: Unleashing the power of the work force.* By Boston: Harvard Business School Press.

Phillips, C., & Chang, P. & Hill, K. (2011). *Banking Customer Satisfaction Evaluation: A Three-Way Factor Perspective Advances.* Columbia University Press. New York.

Pisano, Gary P., David Teece, and Amy Shuen, (August 1997).*"Dynamic Capabilities and Strategic Management." Strategic Management Journal 18.*

Porter, M. E. (1990). *The Competitive Advantage of Nations*. New York: Free Press. (Republished with a new introduction, 1998.)

Porter, M. E. (2004). *Competitive strategy: techniques for analyzing industries and competitors.* Free press.

Porter, M.E. (1980). *Competitive strategy: Techniques for Analyzing Industries and Competitors*. The Free Press, New York, NY.

Porter, M.E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance.* The Free Press, New York, NY.

Porter, M.E. (2002 November 22). *Competitiveness and the Role of Regions. The Center for Houston's Future Houston, Texas.*

Porter, M.E. (2008). *"The five competitive forces that shape strategy",* Harvard Business Review, Vol. 86 No. 1, pp. 79-93.

Reynolds, P., Bosma, N. and Autio, E. (2005). *Small Business Economics 24: 205*. Retrieved from https://doi.org/10.1007/s11187-005-1980-1

Reynolds, R. L. (2005) *Basic micro economics: An outline. Alternative Microeconomics Part II.*

Rukia, L. (2015). Client satisfaction in commercial banks: An empirical study. *Management Research Review*, 140(1), 148-164.

Sagwa Evans Vidija and Kembu, Appolonius. (2016). *Effects of Competitive Strategy on the Performance of Deposit Taking SACCOs in Nairobi County, Kenya. European Journal of Business and Management.*

Snow C. and Hrebiniak L. (1980). *Strategy, Distinctive Competence, and Organizational Performance.* Administrative Science Quarterly, 25(2), 317-336.

Swamidass P.M. (2013). Cost leadership strategy. *Encyclopedia of Production and Manufacturing Management.* Springer, Boston, MA

Thompson A. & Strickland A.J. (2002). *Strategic Management: Concepts and Cases*. New York: Irwin.

Wahlberg, A. (2017). *Driver behaviour and accident research methodology: unresolved problems*. CRC Press.

Witt, U. (2016). How evolutionary is Schumpeter's theory of economic development? In *Rethinking Economic Evolution*. Edward Elgar Publishing.

Zewdia, G.H. (2013). *The Effects of Financial Innovation on the Financial Performance of Listed Commercial Banks in Kenya,* Unpublished MBA Projects, University of Nairobi.