ANALYSIS OF THE COMPETITIVENESS OF THE COOPERATIVE BANK OF KENYA LTD

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Approval of the Thesis

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Abstract

ANALYSIS OF THE COMPETITIVENESS OF THE COOPERATIVE BANK OF KENYA LTD

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The rapid growth in the banking industry in Kenya supported by the ever-evolving government reform efforts have resulted into increased number of bank branches to over 1,000 country-wide, establishment of 2,205 automated teller machines (ATMs), increased use of agent banking services by licensing over 9,748 active-agents who transacted more than $506 million in 2011 together with improved access to mobile and internet banking services which have significantly increased competition in the banking sector and enhanced financial inclusion in the rural areas.

The overarching goal of this research was to establish how Cooperative Bank of Kenya had successfully designed its strategic intent and actions while leveraging its competitive marketing strategies, technological-change, and internationalization of its leading financial brands to sustainably gain growth and profitability in the financial sector. Mixed research method was adopted in this research study in conjunction with the Convergent Parallel Mixed Method Design. In-depth interviews and survey questionnaires were used for data collection. A sample size of 86 participants out of 150 senior employees of the Cooperative Bank of Kenya Ltd were selected as research participants particularly senior bank managers and middle-level cross-functional managers. Research results indicated that the adoption of technological change by the bank had resulted into enhanced product differentiation and diversification, increased efficiency and operational effectiveness, improved brand recognition and brand positioning of its market offerings, and improved economies of scales by embodying integrated Supply Chain Management System and the Enterprise-Resource-Planning (ERP). Achieving a competitive advantage in the global markets requires that commercial banks to adopt internationalization of their market offerings to gain economies of scale through global dispersal of value chains and acquisition of small firms in foreign countries largely to give them strategic footprints in the global market. Future studies to investigate how the Cooperative Bank can leverage on its National Diamond Advantage to enhance its strategic positioning in the global markets. Future studies also to investigate the role of technological change in improving quality of service delivery at CooperativeBank.

Keywords: Technological Change, Digitalization, Competitive Marketing Strategies, Globalization, Competition, Branding, Differentiation

Declaration

I declare that this thesis has been composed solely by myself and that it has not been submitted, in whole or in part, in any previous application for a degree. Except where states otherwise by reference or acknowledgment, the work presented is entirely my own.

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List of Abbreviations

ANCOVA: Analysis of Covariance.

CBK: Central Bank of Kenya.

CCIA: Co-op Consultancy & Insurance Agency Limited.

CMA: Capital Markets Authority

CRM: Customer Relationship Management.

CSFs: Critical Success Factors.

DEFF: Design Effect.

DFIs: Direct Foreign Investments

ERM: Enterprise Resource Management

ERP: Enterprise Resource Planning.

ESOP: Employee-Stockownership.

FGDs: Focused Group Discussions.

GDP: Gross Domestic Product.

ICT: Information Communication Technology.

KCB: Kenya commercial Bank.

KSH: Kenya Shillings.

KPI: Key Performance Indicators.

MOA: Market Opportunity Analysis.

NSE: Nairobi Securities Exchange.

PR: Panzar-Rosse.

P-O-P: Point-of Purchase.

QDA: Qualitative Data Analysis.

QRSV: Quality Reliability, Service and Value for Money.

RBA: Retirement Benefits Authority.

RBE: Responsible Business Ethics.

RCT: Randomized Controlled Trail.

R&D: Research and Development.

SASRA: Sacco Societies Regulatory Authority.

SES: Socio-Economic Status.

SPSS: Statistical Package of Social Sciences.

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CHAPTER 1: CONCEPTUALISING THE STUDY

1.1 Background

The banking sector in Kenya plays an important role in the growth of the economy. Given the rise in competition and need for survival, it is critical that banks adopt prudent and strategic management practices that ensure efficiency and high-quality services while reducing operational costs incurred that are different from competitors. The banking sector in Kenya has gone through incremental evolution; early phase, nationalization of the sector, and liberalization through extensive reforms of the sector in the 1991, which opened business opportunities for the international banking brands such as Standard Chartered Bank, Barclays Bank, etc to enter the competitive Kenyan market. Due to intense competition, most commercial banks in Kenya have resorted to benchmarking of their operations against international banks, purposefully to remain competitive and to increase their foothold in the regional market.

The competitive positioning of the banking sector has evolved over the years when the commercial banks started to create an array of products and integrated business models to improve their business processes to enhance their growth and profitability. For commercial banks to achieve superior profitability and competitive advantage, they must align and establish the right fit between their business strategies, architecture, operations, and business workflow processes to match the new competitive realities, and to experience learning curve economies. As such, the banking sector had increasingly pursued product differentiation, diversification, globalization, and adopted cutting-edge technologies to gain a strong footprint in the market.

To ensure adequate control and regulation of the banking services, and to protect customers deposits, the Central Bank of Kenya, has over the years provided strategic leadership, regulations, monetary policies, procedures, and guidance. The Central Bank of Kenya through the Kenya Banking Act (1989), therefore regulates all commercial banks and financial institutions in the country. Increasingly the ever-changing operating business environment, increasing domestic and global competitions as well as ever-increasing volatile financial markets have significantly resulted in massive reform and transformation of the banking industry including cooperative savings societies such as Cooperative Bank of Kenya to enable them to grow and succeed in the competitive financial market.

Currently there are 39 privately owned commercial banks, 24 are locally owned, while 15 are internationally owned. These commercial entities have recorded high performance despite high inflation, rising interest rates, and increasing devaluation of the Shillings against major global currencies.

Commercial banks have the primary role of accepting customer deposits, offering money transfers and merchant bank facilities, lending money to borrowers, providing safety locker facilities to customers, disbursing payments, issuing travelers cheques, offering forex services and providing financial advisory on investments and insurances. Kenya plex (2018) underscored that the roles of commercial banks in the economy include offering lending services, facilitating transfer of money, accepting deposits, providing investments and financial advisory services to customers, as well as increasing awareness of the customers and public on the money market. The banking sector through provision of several banking services greatly contribute to the Gross Domestic Product (GDP) of the country. The Central Bank provides overall monetary policies and strategic regulations which enable the commercial banks to meaningfully contribute to the development and growth of the country.

In 2011, the banking sector recorded an accelerated growth of 51.8 per cent in pre-tax profit. The significant growth and profitability in the banking sector in 2011 in Kenya witnessed an increased profit from $874.2 million in 2010 to $105.3 million which was attributed to increased competition, improved operational efficiency by pursuing technological change and digital transformation of the banking services, increased leading to corporate and individual customers, government reforms in the banking sector, increased assets, improved financial markets, increased market penetration and diversification of the product offerings.

The never-ending rapid growth and increased profitability in the banking industry supported by the ever-evolving government reform efforts have largely resulted into increased number of bank branches to over 1000 country-wide, establishment of 2,205 automated teller machines (ATMs), increased use of agent banking services by licensing over 9,748 active-agents who transacted more than $506 million in 2011, improved access to mobile and internet banking services, which have significantly increased financial inclusion in the rural areas.

CBK (2018) reiterated that the Kenya Commercial Bank is the largest commercial bank in the country by assets and liquidity. It has a net worth of $3.9 billion, followed by Absa, Equity bank Ltd, Standard Chartered bank, Co-operative Bank of Kenya Ltd, the National Bank and Citi Bank. The Cooperative Bank of Kenya was registered in 1965, and later incorporated under the Banking Act of Kenya in June 2008. It was first listed on the Nairobi Securities Exchange (NSE) in 2008 with a view to raise capital to increase its branch banking and expand the scope of its operations with focus on stockbroking, Co-opTrust Investments, and insurance agency services. The Cooperative Bank has over the years integrated its services by adopting cutting-edge digitalization

technology and Enterprise Resource Planning (ERP) to enhance efficiency and improve operational effectiveness, which and thus resulted into the achievement of hyper-growth and superior profitability.

Due to increasing competition from local and international banks, the Cooperative Bank of Kenya Ltd was facing an incredible challenge and had to strategically leverage technology and efficiencies to offer products which were tailored to different market segments to significantly strengthen its brand positioning and increase its market share locally and regionally. The Cooperative Bank had made great footprint in the banking sector by pursuing process innovation and process improvements and by fostering mergers and acquisition of small banks with a view to expand its networks, increase its market share, and improve shareholder value. To sustain competitive success in the financial sector, the Cooperative Bank had strategically benchmarked its business processes and operations against international banks, pursued an array of innovative financial solutions, embraced market penetration and diversification of its products offerings, adopted competitive marketing and branding strategies, strengthened its Unique Selling Proposition (USP) and consistently focused on business re-engineering and delivery of Quality of Reliable Services and enhanced Value for Money (QRSV).

It is evidently clear that for the Cooperative bank to consistently maintain a competitive edge in the market, it had to adopt technological change and digitalization of its integrated services pursued integrated supply chain processes, adopted low-cost leadership, and unique differentiation of its financial services, as well as rigorously embodied process innovation and improvement, embraced benchmarking and re-engineering of its flagship brands, adopted competitive marketing strategies such as digital marketing, segmentation marketing, and mass promotion of its leading financial products and brands, with focus on personal, business and corporate banking services. To ensure sustainable competitive advantage in the financial sector, the Cooperative bank had strategically enhanced and reinforced its brand value and brand meaning as a commercial bank of choice for the low-end and progressive farmers in the country. It consistently strengthened its strategic competitive positioning as a technology leader and a low-cost provider of unparalleled financial services by progressively pioneering retail banking inclusive of introducing over-the-counter banking services (FOSAs) and offering payment card systems (Co-op switch), which greatly enhanced increased access to finances by farmers, and largely improved financial inclusion for cooperative members and farmers country wide. The Cooperative bank also adopted effective and efficient customer-relationship management

approaches by embodying progressive customer satisfaction, retention, and loyalty strategies, promoted business ethical culture, and pursued corporate social responsibility.

To survive increased competition and to ensure continued growth and profitability and remain a leading financial firm in Kenya, the Cooperative Bank of Kenya adopted the principles of the five forces of competition, embraced branding and brand positioning, and espoused technological change by introducing mobile banking (MCo-Op-Cash) and internet banking services as well as internationalized its financial services to other regional markets in South Sudan, Tanzania, Burundi, Rwanda and Uganda. It also adopted Quality and Reliability of Services and Value for Money by differentiating and diversifying its marketing offerings through personal banking, business banking (asset finance, mortgages, and loans for constructions) and corporate banking.

The Co-operative Bank of Kenya has consistently sustained its growth and profitability by posting a 7.5 percent profit growth to Sh18.4 billion in the nine months ended September 2023, and this profitability was mainly driven by higher interest income from loans and low operating costs due to the adoption of technological changes in linking its business services, improved competitive marketing strategies, and strong branding positioning in the market. The net earnings grew from Sh17 billion a year earlier to Sh18.4 billion in 2023. Overall, the bank's total interest income has increased 12.8 percent to Sh49.3 billion because of significantly increasing its lending to ordinary customers and through huge purchases of government treasuries. Its super performance was driven by its strategic focus on sustainable growth, technological change, resilience, internalization of its market offerings and agility (Cooperative Bank, 2024).

Jihen (2023) underlined the critical role of digitalization of banking services to create efficiency in the banking sector by reiterating that digitalization of the banking services have resulted into the development of new financial services which significantly impact bank performance, enhance sustained growth, and increase profitability. Digitalization and technological change using internet and mobile banking services have increasingly enhanced efficiency and operational effectiveness, ensured banking stability, and elevated performance of commercial banks leading to sustained growth and profitability.

The increased adoption of cutting-edge digitalization solutions by commercial banks by embracing electronic banking services by commercial banks has greatly enhanced convenience banking, improved tracking of online statements, improved security through rigorous multifactor authentication and verification processes, elevated access to international transactions, enhanced

real-time access to finances inclusive of the power to control one's expenditure, and increased access to digital tools for financial literacy.

Notably the Five forces of competition prompted the Cooperative Bank to embody technological-change overarchingly to enhance efficiency and strengthen its strategic positioning in the banking industry. Increasingly spurred by sustained economic growth and ever-growing balance sheet, the Cooperative bank "has attained accelerated growth of profit before tax (PBT) of KES 16.4 billion and profit after tax (PAT) of Ksh11.4 billion in 2017, which was attributed to innovative banking services, pursuit of new technology, substantial growth in customer base, increased lending, and internationalization of its financial services into other African markets" (Cooperative Bank, 2018, p. 100).

Whereas cooperative savings society development during state controlled and liberalized periods has been well documented, the rapid evolution of the Cooperative Bank of Kenya Ltd into a full-fledged commercial bank together with its seamless embodiment of technological change and low-cost leadership to enhance its strategic positioning and improve its operational effectiveness as well as to improve its competitiveness and profitability in the liberalized banking sector has little literature in existence and/or is yet to be researched on, which largely justifies this research. Limited and/or no previous research have been undertaken before to determine the underlying competition factors spurring the competitiveness of the Cooperative Bank, inclusive of analyzing the critical role played by its adoption of cutting-edge information technology, low-cost leadership, branding and brand positioning to enable it to enhance its competitiveness in the banking industry. The few research that exists focus on understanding the rapid evolution of the cooperative movement in expanding financial inclusion and improving agricultural productivity in the rural areas (Wanyama, 2016, p. 68). The pre-eminent goal of this research-study is to establish how the Cooperative Bank of Kenya has successfully designed its strategic intent and actions while leveraging on its competitive marketing strategies, technological change, internalization of its leading financial brands, and government banking policies to significantly increase and expand its market share and shareholder values, gain superior profitability, and enhance sustainable success in the competitive financial marketplace.

To achieve cost differentiation and low-cost advantages and to realise renewed growth and superior profitability in the banking industry requires that cooperative banks and commercial banks, consistently pursue; improved economies of scales through the adoption of integrated branding and branding positioning, espousal of diverse marketing strategies, and adoption of

internet banking by using mobile banking, ATMs, telebanking services. Adoption of technological change to improve efficiency and enhance convenience e-banking, as well as use of technology to establish an integrated Supply Chain Management System, and Enterprise-Resource-Planning (ERP) in order to reduce operating costs and gain benefits of economies of scale, are key determining factors for achieving competitive advantage in the banking sector.

1.2 The Statement of the Problem

The overarching problem-statement was to analyze the competitive business strategies and approaches that were adopted by the Cooperative Bank to enable the bank to gain and sustain rapid growth and profitability in the competitive banking industry. Despite the increased competition in the financial sector over the years, the Cooperative Bank of Kenya has increasingly maintained its competitive success and sustainably achieved growth and superior profitability in Kenya. This study's main objective was to determine the competitive strategies and approaches which the Cooperative Bank had adopted in the country to successfully maintain its competitive advantage in the market. Particularly it sought to establish to what extent the Cooperative Bank had adopted Porter's generic competitive strategies in the market.

Maina (2020) asserts that many cooperative societies in Kenya have survived competition and competitiveness from the mainstream financial banks by adopting the fundamental principles of competitive advantage, comparative and differential advantages, national diamond advantage and five forces of competitiveness with focus on low-cost-advantages, transformational and situational leadership, and unique differentiation of their products.

Within the framework of analyzing sustainable competitive advantage and five forces of competitiveness and competition, National Diamond Advantage, first mover advantage, and economies of scale, the Cooperative Bank of Kenya had over the years strengthened its sustainable competitive advantage, improved its Unique Selling Propositioning and competitive marketing strategies, enhanced its product differentiation and technological change by relentlessly pursuing economies of scale and internationalization of its marketing offerings.

Parklean (2022) argues that in order for a company like Cooperative Bank of Kenya to sustainably gain a competitive advantage in the banking sector, it must relentlessly adopt technological change, low-cost advantage, and unique differentiation of its business model and market offerings. Competition, growth, and profitability in any sector are determined by changes in supply and demand needs, adoption of technological change, and the intensity of rivalry within the industry. It has been observed that the cooperative bank has witnessed impressive growth over

the years which has been clearly demonstrated in its year-end financial report for 2018, which showed that the net profit for the entire year increased by 11.6% to Kshs12.7 billion ($12.7 million) from Kshs11.4 billion ($11.4 million) the year before. This significant increase was credited to the use of cutting-edge technology, careful cost control, and an increase in interest income (Cooperative Bank Financial Report, 2018).

Muchai (2015) and Kimani (2015) argue that Cooperative Bank has gained its competitive advantages by effectively leveraging on its strong brand positioning and brand awareness, consistently pursuing internal and external growth, embodying globalization and internalization of its leading brands and products to East and Central Africa to enable it to expand and elevate its market share. Increasingly the Cooperative Bank of Kenya has deepened financial access and inclusion by consistently supporting cooperative savings and credit societies and farmers unions across the country, who in turn, have become affiliates of the bank thus increasing its ledger accounts in terms of deposits, loans, and shareholding. Its low-cost pricing, focused comparative, and differential advantages and unique differentiation of its products are some of the key enablers of its competitive advantages in the financial sector.

The adoption of competitive marketing strategies by the Cooperative Bank, espousal of technological change and innovative business processes, pursuit of internalization and globalization of its marketing offerings, and compliance with evolving government banking policies and regulations are some of the key economic factors which have immensely contributed to its exponential growth and superior performance in the banking sector.

Increasingly efficiency gains are achieved by commercial banks like the Cooperative Bank when they reduce marginal costs, improve access to digital technology and strengthen their Unique Selling Propositioning (USP) and brand awareness with a view to gain higher market-share and attract more customers. To drive up sales in the banking industry, the Cooperative Bank has adopted multiple competitive marketing strategies such as digital and segmentation marketing, cross-selling of the market offerings, setting targets and rewards for excellent performance which largely enhanced its sustainable competitive advantage.

Strong brands and flagship brands enable the financial institutions and commercial banks like the Cooperative Bank in East Africa to create appropriate multi-channel marketing approaches creatively and innovatively for effective communication with potential customers with a view to strengthen their competitive marketing scope and significantly expand their market share to attain the competitive advantage. Progressively strong brands sharpen the competitive edge, they set

apart individual banks from the competition, they increase and motivate employee morale, they foster and increasingly build retention and loyalty amongst customers, promote trust, and inspire significant market confidence, increase shareholder value, and significantly expand market shares with a view to sustainably achieve competitive advantage and increase profitability in the banking sector. Overall, flagship brands are likeable, increasingly captivating, positively memorable, and undeniably relatable, and thus increasingly inspire confidence, foster trust, and loyalty amongst customers, as well as create a strong sense of customer-based value propositioning, and significantly reinforce predictable brand value and brand resonance, critical for growth and profitability.

Digital technology in the banking sector enables banks to integrate their services, improve real time and convenience banking and ensures improved safety and security of the customers' data through establishment of tightly integrated customer verification services. As such, digitalization of financial services by the Cooperative Bank has seamlessly made banking services to be faster, more reliable, and accurate in its attempt to generate revenue streams.

Increasing the contribution of the digital economy in East Africa, consistent with the Digital Economy Strategy requires strategic shifts and consistent focus and alignment with; digital capabilities and skills enhancement through various VETs, and promotion of digital and ICT enhancement legislation, fostering integrated, easy, and fast digital services, and seamlessly promoting structured digital skills enhancement in the banking sector. Noticeably supporting the digital economy in the banking sector in any country has significant scope for growth and profitability, and only requires strategic reinforcement and positioning of any enterprise in the digital economy, increasingly expanding information technology infrastructure, fostering sustainably capacity development and enhancing ease of access to internet services, which can productively and rapidly lead into rapid growth and sustainably in the banking sector globally.

For the financial institutions and banking sector to remain competitive, they must significantly boost and accelerate their investments in artificial intelligence (AI), and increasingly expand their digital banking services by ensuring enhanced investment in infrastructure development and improvement in the digital transformation, electronic payment systems, internet, and mobile banking services with a view to underpin and spur the elevated growth and profitability of the banking sector rapidly. To adequately achieve competitive advantages in the competitive market place, the financial institutions and banks must consistently embody; integrated easy, and fast digital banking services, improve on the efficiency of infrastructure of the internet networks, foster unified-digital-platform, and strengthen and increasingly reinforce common digital-enablers, fast track establishment of digital infrastructure and systems, improve on digital

capabilities and competency skill-sets, and progressively support digital legislations to ensure establishment of sustainably enabling environment for the financial institutions and commercial banks to optimally perform to their best to realize profitability sustainably.

It is evidently clear previous research on cooperative movement had primarily focused on the impact of liberalization on the growth of cooperative societies and/or how the societies have progressively survived the competitive market forces and competition to continue to grow and diversify their brands in the liberalized economy. This research is undoubtedly critical for generating valuable body of knowledge to determine the competitive factors which had enhanced the growth and profitability of the Cooperative Bank of Kenya. The findings of this research will spur new strategic management thinking and actions required for sustaining competitive advantage in the financial sector, inclusive of analyzing key determinants and turnaround business strategies which enabled the Cooperative Bank to move from a declined profitability to renewed growth over the years.

1.3 The purpose of the study

The purpose of the mixed-methods-research study was to analyze the competitive business strategies and approaches that were adopted by the Cooperative Bank to achieve increased market share and realize a strong brand positioning with a view to gain sustainable competitive advantage and profitability in the banking sector.

The research will review the bank's existing business ethical strategies and learning opportunities for enhancing competitive and techno-savvy human capital development, analyze available Enterprise Resource Management and value chain system and examine the profound impact of mobile banking in enabling the bank to generate superior profitability and growth. This research will also analyze how the Cooperative Bank of Kenya has consistently evaluated and dependably assessed its operating business environment (internally and externally) to gain better insights and micro-economics understanding of increasingly changing business policies and regulations, emerging business barriers, rivalry, and competitions in the competitive financial industry.

The research will further attempt to review and investigate the impact of embodying cutting-edge technology, examine the role of branding and branding positioning in enhancing unique selling propositioning and increasing market share, analyze the impact of transformative and situation leadership in motivating employees and developing compelling vision and goals to spur the bank into high performance, evaluate the impact of segmentation marketing and unique differentiation of its financial services in creating positive customer value proposition and enhancing its competitiveness in the banking sector, and evaluate the impact of adaptation of business ethics in

strengthening governance, improving market confidence, and improving ethical business culture in the organization.

The research study will review the impact of existing forces of competition, investigate the effect of National Demand conditions, examine the influence of its brand positioning and technological change, evaluate the effect of internationalization and diversification of its financial services in spurring, and enhancing its competitiveness in the banking sector.

1.4 Research Aims

This study aims to generate a new body of evidence, insights, and industry-focused knowledge to effectively determine and establish the critical underlying competitiveness strategies and unrivalled business models, which have propelled the bank to rapidly rise from a mere cooperative savings society to a fully-fledged commercial bank, yet many others have tried and failed to realize this achievement The study further aims to determine how the Cooperative Bank has successfully designed its strategic intent and actions while leveraging its competitive marketing strategies, technological change, government banking policies and internationalization of its flagship brands to increase and expand its market share and shareholder values, and to gain superior profitability and enhance its sustainable competitive success in the competitive financial marketplace.

1.5 Research Objectives

The overall research-objective of this study was to determine the key competitive factors which have spurred the rapid growth and profitability of the Cooperative bank of Kenya. The following were the sub-research objectives of the mixed-methods study:

- To analyse the existing competitive marketing strategies adopted by the Cooperative Bank to enhance its market share in the banking sector.
- To evaluate how the adoption of information technology has enabled the bank to achieve competitive advantage in the banking industry.
- To analyze how the internationalization and diversification of its financial services have enabled the bank to achieve sustainable competitive advantage.
- To determine how the existing government banking policies and regulations have enabled the bank to achieve competitive success in the banking industry.
- To determine how branding and brand positioning of the Cooperative bank services has impacted its growth and profitability.

- To examine how the leadership styles adopted by the bank had contributed to its competitive advantage.

1.6 Research Questions and Hypotheses

This research is important considering that it would examine the underlying competitive business factors enhancing the competitiveness of the Cooperative Bank of Kenya whilst investigating how the adoption of cutting-edge marketing strategies and technological change, low-cost leadership, internationalisation and globalisation of its financial services, unique differentiation and branding positioning of its services, have increasingly improved its business environment and expanded its market share, enhanced its competitiveness and competition, and spurred its competitive advantage and fostered sustainable growth in the sector. The outcome of this research would provide valuable business insights and management practices critical for achieving efficiency and operational effectiveness in the banking sector for adaptation by the cooperative saving societies and small banks. The following research questions are strategically aligned to the research objectives and hypotheses:

Q1. To what extent have the existing competitive marketing strategies adopted by the bank enhanced its market share in the banking sector?

Q2. To what extent has the adoption of information technology allowed the bank to achieve sustainable competitive advantage and economies of scales?

Q3. To what extent has the pursuit of internationalization and diversification of its financial services contributed toward to its growth and competitiveness?

Q4. To what extent have the existing government banking policies enhanced its growth and profitability in the banking industry?

Q5. How do customers perceive the brand and brand positioning of the bank in comparison to other competitors?

Q6. How do customers feel about the type of leadership and quality of customer care services offered by the bank?

1.6.1 Research Hypotheses

H1. Adoption of strategic marketing strategies by the bank has the potential to increase its market share in the banking sector.

H2. Embracing technological change can increasingly enable the bank to achieve sustainable competitive advantage and economies of scales.

H3. Pursuit of internationalization and diversification of its financial services can significantly enable the bank to achieve growth and profitability.

H4. Government banking policies can create enabling and competitive environment to spur growth in the banking industry.

H5. Customers' perception is that brand positioning of the Cooperative bank is comparatively better than other competitors in the banking sector.

H6. The leadership styles adopted, and quality of customer care services offered by the bank resonate well with the expectations of their customers.

1.7 Significance of the study

Principally, this research is important in generating valuable body of evidence-based knowledge critical for determining the underlying competitive factors enhancing competition and competitiveness of the Cooperative Bank of Kenya, including analyzing the role and impact of its of mobile banking services in generating superior revenues and profits to enhance its growth and profitability in the financial sector.

The study explores and examines the strategic significance of competitive marketing strategies adopted, use of information technology, espousal of internationalization and diversification of its financial services, adoption of quality customer care services and the role of government banking policies and regulations in creating enabling environment for the bank to achieve sustainable growth and profitability, overarchingly to inform appropriate industry policy changes for developing relevant competitive strategies for transforming and restructuring Sacco Saving Societies into commercial banking entities. The study would review and investigate the impact of embodying cutting-edge technology, examine the role of branding and branding positioning in enhancing unique selling propositioning and increasing market share, analyze the impact of transformative and situation leadership in motivating employees and developing compelling vision and goals to spur high performance and growth, evaluate the impact of segmentation marketing and unique differentiation of its financial services in creating positive customer value proposition and enhancing its competitiveness in the banking sector, and investigate the impact of adopting ethical business practices in strengthening governance, improving market confidence, and improving ethical business culture in the organization. The outcome and results of this

research study would be used for training mangers on the competitive business strategies and approaches critical for transforming cooperative saving societies into commercial banks, overarchingly to improve their comparative and differential advantages to enhance sustainably growth and profitability in their companies.

There exists a huge gap of critical information, relevant tools and useful business practices required to transform cooperative saving societies into commercial banks, which this research study would significantly address by concisely providing strategic information and prudent business processes for effective adaptation as well as offer strategic guidance for policy shifts in the financial sector.

The study further explores Unique Selling Proposition and competitive marketing strategies adopted by the bank to strengthen and reinforce its strategic brand positioning and branding awareness and its impact in expanding the market share and shareholder value in the banking sector. The study would examine how the adoption of various integrated marketing strategies, espousal of technological change, embracing globalization and diversification of market offerings, and embodying government banking regulations had impacted on renewed growth and profitability of the bank. The research study would also evaluate how the adoption of cutting-edge technological change, low-cost leadership, internationalisation, and globalisation of its financial services, branding and brand positioning and unique differentiation of its services, had increasingly improved the Cooperative Bank's business environment, enhanced its competitiveness, and spurred its competitive advantage and growth in the sector. The results and recommendations of this study would be impactful in the financial sector by concisely providing clear guidance on critical factors required to enhance competitive marketing scope and improve brand positioning of flagship products and services, and the efficiency gains commercial banks may achieve because of adopting cutting-edge technological change and digitalization of their business processes,

The study aims to bring a new body of evidence-based knowledge and clear insights on the underlying sustainable competitive business models (internal and external), National Demand Conditions and marketing strategies, inclusive of five forces of competition, which have spurred and enhanced the competitiveness and rapid growth of the Cooperative Bank of Kenya from a cooperative savings and credit society to a full-fledged commercial bank in the competitive banking sector.

The study will review the impact of information technology in improving business processes, evaluate the impact of competition and competitiveness of the bank and its influence in gaining

competitive advantage, examine the effects of adopting innovative business processes and their influence in strategic positioning of the bank, and review significance of competitive marketing, branding, and Unique Selling propositioning strategies adopted. It will also assess its impact on increasing market share and examine the impact of quality and reliability of services, and value for money (QRSV) and their influence on growth and profitability.

The research will examine the effects of globalization and diversification of banking products and their influence on growth and profitability, analyze the impact of Unique Selling Proposition (USP) and product differentiation and their influence on the bank's overall performance. The results will be used for benchmarking to enhance process improvement and process innovation in transforming cooperative savings and credit societies to realize growth and improved efficiency.

The study will help to establish how the Cooperative Bank of Kenya has successfully designed its strategic intent and actions while leveraging its strategic competitive marketing strategies, technological change, internationalization, and unique differentiation of its leading financial brands to increase and expand its market share and shareholder values in the competitive financial marketplace. This research will effectively analyze how Cooperative Bank of Kenya has consistently evaluated and progressively assessed its operating business environment (internally and externally) to gain better insights and understanding of the increasingly changing business policies, emerging business barriers, rivalry, and competition in the financial industry.

The study would offer a structured and broad-overview analysis of the underlying competitive advantages and competitive disadvantages of Cooperative Bank of Kenya with respect to competition and competitiveness, and correlating turnaround strategies required to enable the bank to realize improved efficiency and operational effectiveness and to maintain sustainable competitive advantage in the financial sector. The key findings will also be used for benchmarking and spurring reverse innovation inclusive of enhancing process improvement and setting up of a roadmap for transforming cooperative savings societies to realize improved efficiency and operational effectiveness in the financial sector.

The study would further examine the impact of existing customer care services in enhancing customer loyalty and retention as well as evaluate the impact of the type of the leadership styles adopted by the bank to provide compelling vision and focus in gaining and sustaining competitive success and profitability. The results and recommendations of this study would be beneficial to the leadership and managers of cooperative saving societies and small banks in East Africa by providing critical business processes, tools and practices required for transformation of their businesses to enhance rapid turnaround, growth, and profitability in the financial sector. The outcome of the study would offer vital information to the managers of the cooperative saving

societies and small banks to effectively enhance knowledge transfer and cross-learning to improve their competency skill sets and capabilities to achieve sustainable growth and profitability in their businesses.

Whereas cooperative savings societies' development during State-controlled and liberalized periods had been well documented, the rapid growth of Cooperative Bank of Kenya and its subsidiaries into full-fledged commercial bank together with progressive embodiment of technological change and low-cost leadership to enhance their operational effectiveness, improve their competitiveness and profitability in the liberalized banking sector has little literature in existence which inevitably justifies the urgent need for this research. Maina (2020) argued that previous researches on cooperative saving societies primarily focused on the impact of liberalization on the growth of cooperative societies and not on the competitive economic factors that spurred the rapid growth of the cooperative bank in the financial sector. As such, there is an inevitable need to undertake a study to generate new body of knowledge and evidence on the critical turnaround competitive business processes, strategies and tools adopted by the Cooperative Bank to enhance its rapid growth and profitability in the financial sector. Also, there is need to undertake this study to gain better insights of how the competitive marketing strategies and the use of technological change had over time systematically enhanced its rapid growth and expansion in the financial sector in East Africa

The outcome of this research would provide valuable business insights, perspectives and compelling guidance on key transformative business practices for generating growth and profitability, technological change and digitalization strategies for spawning new businesses, competitive marketing approaches for expanding market shares and increasing sales, critical branding and brand awareness for increasing branding meaning, leadership and management principles for achieving efficiency and operational effectiveness in the banking sector for adaptation by the cooperative saving societies and small banks.

1.8 Scope of the study

The scope of this study covers a sample size of 86 research participants out of 150 managers who are employees of the Cooperative Bank of Kenya Ltd. The research participants selected for this research have grounded knowledge and progressive working experiences in competitive marketing, branding and brand positioning, internalization and globalization of flagship brands, product differentiation and diversification, government policies and regulations on commercial banking, Unique Selling Proposition (USP) and product differentiation, customer care and customer value proposition, and technological changes and enterprise resource planning in

enhancing competition and profitability in the banking sector.

The scope of research study would focus on determining how the Cooperative Bank had successfully designed its strategic intent and actions while leveraging its competitive marketing strategies, technological change, government banking policies and internationalization of its flagship brands with a view to increase and expand its market share and shareholder values in the competitive financial marketplace. The scope would focus on examining how the adoption of various integrated marketing strategies, technological change, globalization, and diversification of its market offerings, as well as espousal of government banking policies and regulations by the Cooperative Bank had enabled the bank to achieve growth and profitability in the marketplace. The scope of the research would evaluate the impact of segmentation marketing and unique differentiation of its financial services in creating positive customer value proposition and enhancing its competitiveness in the banking sector and evaluate the impact of adaptation of business ethics in strengthening governance, improving market confidence, and improving ethical business culture in the organization. The scope of the research would review the impact of embodying cutting-edge technology, examine the role of branding and branding positioning in enhancing unique selling propositioning and increasing market share, analyze the impact of transformative and situation leadership in motivating employees to ensure optimum performance. The scope of research would examine how the bank's existing ethical business strategies and learning opportunities had increased market confidence and improved its performance in the marketplace.

Overall, the scope of the study would examine how the adoption of cutting-edge technological-change, internationalisation and globalisation of its financial services and unique differentiation of Cooperative Bank's products and services have increasingly enhanced its unique selling propositioning and expanded its market share, as well as would investigate how the bank had leveraged its intellectual capital, analysed its internal and external business environment to gain competitive success, review how the bank has leveraged its diversification and new product development focus to increase its market share and gain profitability. The scope of the study would examine how the adoption of integrated organisation learning culture and employee motivation approaches had enhanced its business effectiveness and operational efficiency, as well as would evaluate the effect of grand strategies and their impact in improving business environment, enhancing its competitiveness and competition, and spurring its competitive advantage and growth in the sector.

This research study adopted mixed research method to enhance levels of reliability, accuracy, validity, acceptability, and legitimacy of the research results.

The study examines how the adoption of cutting-edge marketing strategies and Unique Selling Proposition, technological change and Enterprise Resource Planning, low-cost leadership and focus, internationalisation and globalisation of its financial services, unique differentiation and branding positioning of its services and government banking policies have increasingly improved its business environment and enhanced its growth and profitability. Findley et al. (2021) affirmed thata research study design that meets standards for validity, and reliability, produces results that are both accurate (validity) and consistent (reliability). Overall, this research adopted the mixed research method with a view to ensure that research results and outcomes achieve elevated levels of legitimacy, consistency, validity, accuracy, reliability, authenticity, and acceptability to inform and guide future research on competition and competitiveness within the banking industry.
Overall, the research was carried out for the period between September to December of 2020 covering 80 out of the 193 bank branches in 47 counties in Kenya.

1.9 Dissertation Structure

The main components of this research will include introduction which provides a broad overview of the conceptualization of the study with focus on reform, and growth in the financial sector in Kenya. This is followed by Literature Review of the most recently published and credible literature on competitive marketing strategies adopted, role of technological change in transforming and positioning the bank, the impact of internalization and globalization of the banking products and services and the role of the government banking regulations and policies and their influence in enhancing the growth and profitability of Cooperative Bank of Kenya Ltd. Followed by Methodology which clearly reflects the adoption of mixed research methodology to enhance reliability and credibility of research results to inform policy changes in the industry, followed by presentation of research results and evaluation of the findings in sync with research objectives, hypotheses and literature review and crowned by implications, recommendations and conclusions, and references.

CHAPTER 2: THE LITERATURE-REVIEW

2.1 The Literature Review

The following Chapter presents a theoretical framework by analyzing key theories of competition and competitive advantage and their net effect and impact on profitability growth in the banking sector. Systematic reviews and appraisals of multiple evidence-based literature whilst applying the principles of Randomized Controlled Trail (RCT) approach with focus on systematic methods to literature searching and robust interpretation and analysis of recently published literature on the impact of competition in achieving competitive advantage and profitability growth in the banking sector were analyzed in this review to ensure and guarantee quality, validity, authenticity and, reliability of the literature.

A comprehensive literature review of recently published articles, books, and journals on the impact of competition, diversification and brand positioning, cost-leadership, and unique differentiation of products, technological change and Enterprise Resource Management, leadership styles and ethical business practices and banking regulations and policies on profitability growth and overall performance, were analyzed, reviewed, and categorized. Critical appraisal and assessment of multiple sources of literature were ensured, content of summary evidence was analyzed, and conclusions were drawn.

The purpose of this literature review is to analyze and evaluate appropriate and relevant information on the enabling factors and competitive theories, which have underpinned and spurred exponential growth as well as enhanced sustainable competitive advantage of commercial banks, particularly the Cooperative Bank over the years. This section reviews and examines the competitive theories with focus on determining and ascertaining the effects of competition and their impact on strategic positioning, industry attractiveness, product differentiation and unique selling propositioning, competitive market penetration and brand positioning, reverse innovations, and new product development, globalization and internalization of product offerings, competitive scope and market share, customer care services and adopted leadership styles, and their overall impact on growth, and profitability. Scholar Google engine was used to identify credible literature on competitive advantage for this study.

The literature review is broken into; section 2.1, which reviews theories of competition and competitive advantage and their net effects in achieving a competitive advantage. Section 2.2 reviews the impact of diversification and brand positioning, inclusive of internationalization of leading brands in achieving competitive advantage. Section 2.3 analyses cost advantage and unique differentiation. Section 2.4 reviews the impact of technological change and Enterprise

Resource Management in achieving competitive advantage. Section 2.5 reviews theories of leadership, ethical business practices, customer care services and continuous learning as drivers of competition in the sector. Section 2.6 reviews government banking policies and regulatory framework in enhancing competition and significantly improving sustainable competitive advantage in the sector.

2.2 Theoretical Framework:

Several competitive and competition theories have been advanced to explain why companies have adopted sustainable competitive advantage and five forces of competition, National Demand Advantage theory, economies of scale and first mover advantage and transformative and situational leadership theories to enhance their competitive positioning to enable firms to gain superior profitability and growth in the banking industry. Considerably, the literature review aims at addressing critical research questions and validating research hypotheses.

Theoretical concepts on sustainable competitive advantage and five forces of competitiveness and competition, National Demand Advantage theory, economies of scale and first mover advantage and transformative and situational leadership theories have been embodied in this research study with a view to determine and examine how the underlying principles of the adopted theoretical concepts have helped the Cooperative Bank of Kenya Limited to achieve sustainable success in the competitive financial sector in East and Central Africa.

Noticeably there are many business factors globally which contribute to competitive rivalry in the international market including supply and demand, business diversity, exit obstacles, low switching costs, lack of distinction, high overhead expenses, and market saturation. Porter's five forces of competition include competitive rivalry, which is essential for attaining growth and profitability in international markets. Undoubtedly, it has long been known that a company seeking to acquire a competitive edge must carefully examine the five forces model, which includes rivalry among competitors, the purchasing power of suppliers and customers, the growing threat of new competitors entering the market, and the possibility of substitutes (Porter, 2008).

Significantly technological change drives competition and competitiveness, enhances innovation and creativity, promotes process improvement and accuracy, fosters reverse innovation, spurs re-engineering, and promotes benchmarking of products and services to enable products to attain product differentiation and unique selling propositioning (USPs). Most companies in Africa have

embodied digital technology and enterprise resource planning to improve efficiency and enhance operational effectiveness to gain competitive success in the market. Increasingly companies in Kenya are facing competitive rivalry and competition from both external and internal competitive forces which significantly has compelled most banks to embody technological change and integrated supply chain management approaches to enhance their effectiveness and operational efficiency to enable them achieve growth and profitability in the marketplace.

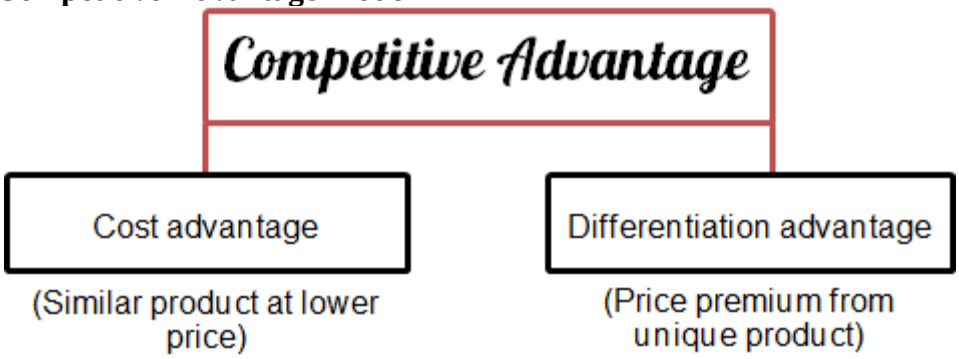
Hilver (2019) underlined the idea that elevated level of competitiveness and never-ending competition in the banking sector, together with adoption of cutting-edge technological change and integrated supply chain management by embracing unrivalled techno-savvy mobile and internet banking services by commercial banks have largely enabled the banks to achieve competitive success in the banking sector. Adoption of the principles of competitive advantage, five forces of competition, National Diamond Advantage and transformative leadership skills have enabled the bank to gain and sustain competitive advantage and achieve superior profitability in the competitive financial marketplace.

2.2.1 Competitive Advantage theory

Porter (2008) argued that competitive advantage is what makes a company's products or services more attractive and appealing than its competitors. It may be based on differentiation, costs, and or focus. A competitive strategy is a long-term roadmap for creating and sustaining a competitive edge. A unique value chain and Return on Invested Capital (ROIC) are two ways to measure and sustainably maintain a competitive advantage. Companies can employ cost leadership, differentiation, and focus to gain and sustain a competitive advantage when delivering their products or services. Porter further argued that if you have a true competitive advantage over your competitors, you either operate at a lower cost, charge a higher price, or both. Specifically, Porter's theory of competitive advantage is a framework that carefully recognizes and analyzes five competitive forces that shape and determine every business. It is used to analyze an industry's competitive strengths and weaknesses and it involves a value chain analysis, by clearly breaking down the value creation processes into distinct operations with a view to identify the sources of competitive advantage. As a result, Porter suggests that the ideal indicator is Return on Invested Capital (ROIC). ROIC measures how effectively a company uses all its resources. If you have a genuine competitive advantage, your ROIC will be consistently greater than the industry average.

Parklean (2022) reaffirmed that competitive advantage has clearly established two aspects that influence the choice of competitive strategy: 1) industry attractiveness and the factors that determine it, and 2) the drivers of relative competitive position within an industry, which are mutually influenced by five forces of competition. Strategic positioning allows firms to gain two forms of competitive advantage: low cost and differentiation. These forms of competitive advantages stem from the ability to cope with industrial factors more effectively than competitors. Cost leadership occurs when a business strives to become the industry's lowest-cost producer or operator by carefully managing the risks involved with cost leadership and continually adopting technological progress. Differentiation occurs when a company strives to be unique within the industry in some dimensions that customers value by offering uniquely higher quality items that result in a price premium that exceeds the cost of differentiating. In cost focus, a firm looks for a cost advantage in the target segment (Porter, 2008).

Figure 1: Competitive Advantage Model



Adopted from Competitive Advantage Model, Porter, 1990, p. 50.

Porter's model asserts that cost leadership and differential advantage are two critical factors, which drive the competitive advantage in companies alongside focus strategy to enable enterprises to achieve strategic significance and superior profitability growth.

Other scholars such as Collis and Anand (2019) within the theoretical framework of competitiveness and competition have nonetheless argued that the embodiment of competitive parity and advantage does not necessarily signify a better service or product, but rather, it only shows that a company may offer uniquely differentiated service or a product of similar value at a lower price.

Collis and Anand (2019) further argue that within the competitive strategy, competitive positioning of a firm will determine its profitability and growth in any given industry structure, and to achieve sustainable and enviable competitive advantage, an enterprise must pursue unique differentiation of its products and cost advantages in the production, branding and branding

positioning, and distribution and marketing. In its pursuit to achieve competitive parity and to realize comparative and differential advantage, as well as to achieve growth and gain superior profitability, a firm must embody competitive advantage through pursuit of low-cost advantages, unique differentiation and diversification, and strategic focus in the design of its product offerings whilst fostering reverse innovation and breakaway positioning, strategic positioning and benchmarking, and mass promotion and segmentation marketing of its products. The theory presumes that pursuit of cost advantages, strategic focus and unique differentiation of the leading brands have the potential to generate competitive advantage critical for achieving growth and gaining superior profitability in the competitive market. The theory is pertinent to this study, as it presents the effect and/or impact of competitive advantage and competition on a firm's competitive positioning, attractiveness, and profitability. Competitive advantage is a critical success factor for the banks to realize their internal and external growth as well as to achieve profitability growth.

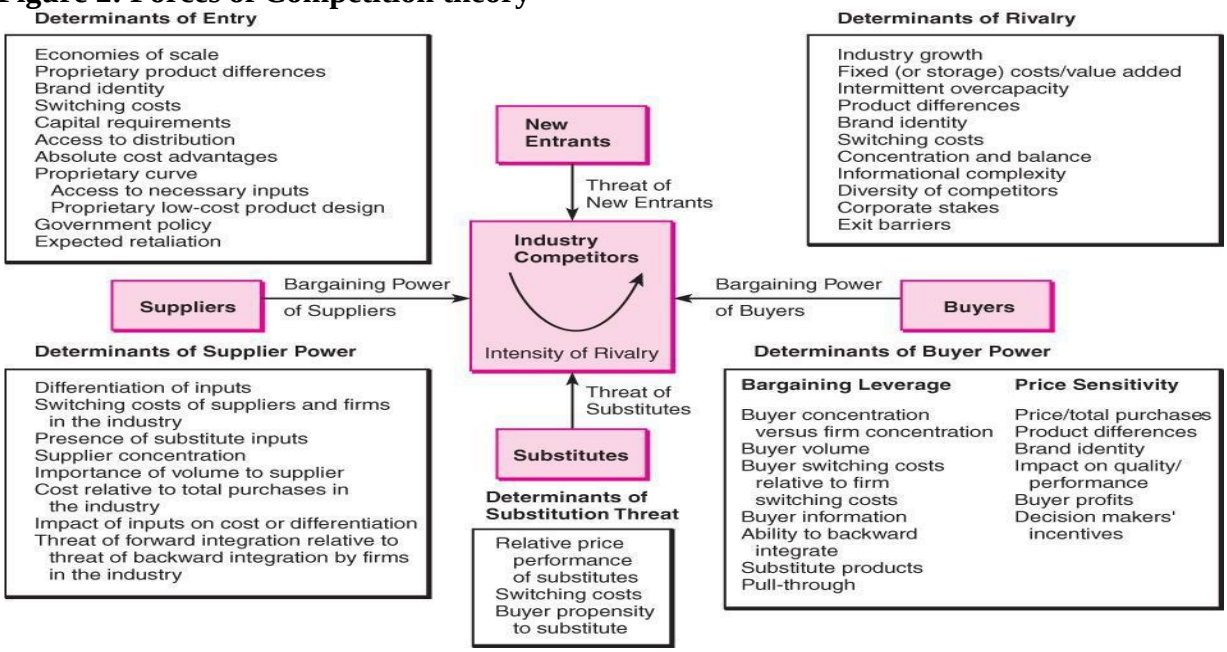
Porter (2008) underscored that for a firm to achieve competitive advantage then it needs to be sensitive to customers' needs and choices with focus on quality, reliability, convenience, and adaptability to technology related services and corresponding cost efficiencies which are critical measures for gaining sustainable competitive advantage in any enterprise. Competitive advantage in the banking sector is determined by several economic factors such as technology and convenience banking, digital marketing and brand positioning, safety and security of customers' funds, globalization and internalization of the banking products and services, risk hedging and strengthening market confidence, quality and reliability of services, unique selling propositioning of banking products, ease of access to credit facilities, and customer care services.

2.2.2 Five Forces of Competition theory

Porter (2008) arguably reiterated that in any sector, a company must aggressively pursue cost advantage, strategic focus, and unique product differentiation; it must also embody transformational leadership attributes and integrate business ethics culture into every aspect of its business model in order to gain and sustain competitive parity and competitive advantage, survive intense competition, and grow its market share. The five competitive forces that have a major impact on an industry's profitability and growth are essentially where the laws of competition and competitive advantage are found, as follows: 1) Growing risk of near substitutes, 2) Growing alertness of emerging rivals 3) buyers' and customers' influence, 4) suppliers' influence, and 5) the level of industrial competition (Hilver, 2019). In overall, the five forces of competition

together with competitive positioning and the sector's attractiveness determine a firm's profitability. Collis and Anand (2019) further argued that for a firm to achieve sustainable growth and realize superior profitability, it must carefully manage the five forces of competitiveness to achieve superior unique selling propositions, economies of scale and absolute advantage, cost advantage, and realize improved customer-focused value propositioning. Also, for a company to achieve sustainable competitive advantage, the company must continuously pursue reverse positioning and breakaway positioning of its leading brands and market offerings, embody reverse innovation and process improvement, support re-engineering and benchmarking of its leading products, and ensure that its market offerings are diversified. Overall, the theory is critical for this study, as it holds the view that the five forces of competition considerably determine a firm's growth and profitability in any industry's structure, which is critical for determining what factors precisely determine growth and profitability of the Cooperative Bank of Kenya Limited as outlined in **Figure 2** below.

Figure 2: Forces of Competition theory



Adopted from Harvard Business Review, Determinants of growth and profitability, p. 50.

2.2.3 National Diamond Advantage theory

Conceivably it has been underscored that the four determinants of the National Diamond Competitive-Advantage theory—factor-endowment, increasing demanding conditions, relating and supportive industries, and firm-strategy—which enviably shape and influence the environment in which local firms can compete and outmaneuver each other to achieve exponential

growth, and these attributes can promote or impede the creation of a competitive advantage to enable firms to grow and realize superior profitability Collis and Anand (2019). Hill (2019) arguably outlined the four attributes of National Diamond Advantage theory as: Factor-Endowments - a country's strategic positioning in terms of progressive inputs needed to create goods and services such as skilled labour and/or critical infrastructure needed to productively keep up with the increasing challenges and competition in each sector. To increase significant productivity and growth, factor inputs must improve in efficiency, quality and ultimately specialization to a cluster area. Demand-Conditions clearly reflect increased local demand for the industry's products or services. Relating and supportive firms—reflect increasing existence or non-existence of various companies providing supply chain services which are globally and externally competitive. Evolving firm strategy inclusive of structure and increased rivalry in the sector, which significantly controls how companies are established, structured, and effectively managed inclusive of never-ending dynamics of local rivalry. Overall, firms are likely to succeed in industries or industry segments where diamond is most favorable, and this contributes to competitive advantage. He further asserts that the diamond is a mutually reinforcing system, and the effect of one attribute is contingent on the state of others. (pp. 111-112).

Figure 3: Determinants of the National Advantage

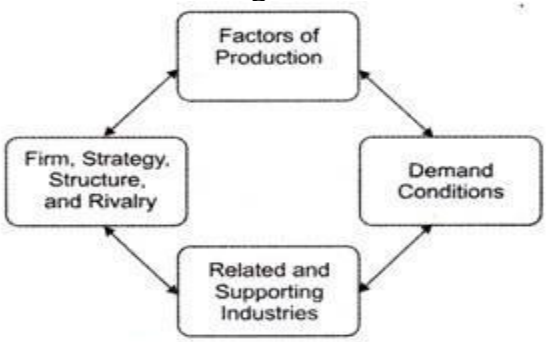


Figure-4: Determinants of the National Advantage

Adopted from National Diamond Advantage, Porter, 1990. P.200.

Overall, the National Competitive Advantage theory is essential for this study as it presupposes that competitiveness of locations have positive knock-on effect on clusters and the competitive advantage of any given firm in any industry, which strategically underlines the fact that the rapid growth and profitability of any firm can be attributed to the four determinants of the National Diamond Advantage.

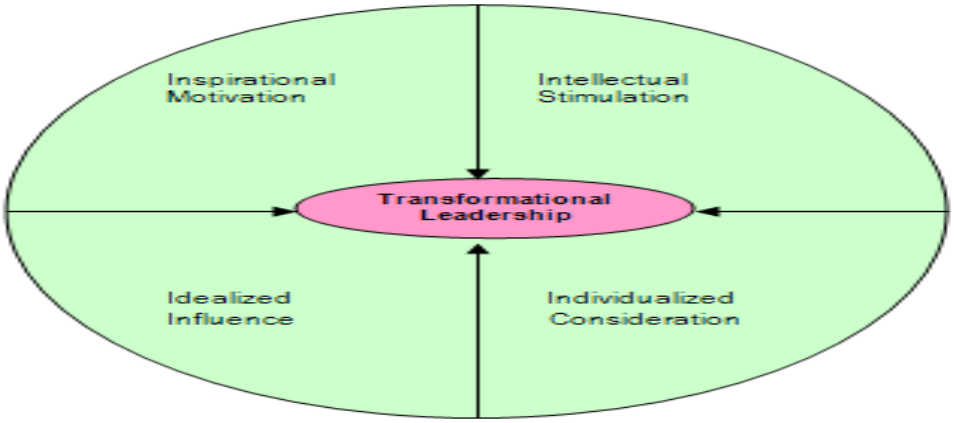
2.2.4 First Mover Advantage theory

The economic and strategic benefits that early entrants into an industry receive are referred to as first mover advantage. An essential first mover advantage is the capacity to capture economies of scale ahead of later entrants, resulting in a lower-cost structure which makes it difficult for rivals to outmaneuver their early entrant competitors, and thus empowers an enterprise to benefit from economies of scale, inclusive of achieving sustainable profitability growth (Taylor, 2022). This has been evidently seen with the Cooperative Bank of Kenya increasingly gaining sustainable profitability growth due to her first mover advantage into the full-fledged commercial banking services when most cooperative savings and credit societies could dare not to do so. Parklean (2022) further asserts that economies of scales are the unit cost reduction associated with a large-scale output, and whose sources include the tenacity and ability to spread fixed costs over large volume, as well as the capability of large volume manufacturers to effectively and efficiently utilize employees and their tools that are more productive and helpful than less specialized workers and equipment. Economies of scales and integrated value chain processes are the major sources of cost reduction in the banking sector. The theory is critical for this study as it presupposes that first mover advantage enables early entrant-firms to capture economies of scale critical for achieving competitive parity, growth, and profitability.

2.2.5 Transformative Leadership theory

Damian (2020) highlights that for a firm to develop compelling vision, mission statement and corporate strategies, which can enable it to successfully achieve competitive parity particularly comparative and differential advantages in the marketplace, then a firm, must embrace transformative leadership skills sets. It has been emphasized that transformative leadership embodies unique characteristics such as; inspirational motivation, individualized consideration, intellectual stimulation and benchmarking, and idealized influence unique attributes, which are impactful on productivity and diversification of leading brands, enhance creativity and reverse innovation, foster re-engineering and benchmarking, improve strategic management and branding positioning, foster breakaway and reverse positioning, and enhance growth, and profitability. The theory is pertinent to this study as it strategically underlies the fact that transformative leadership and its underlying principles progressively enable firms to gain a competitive advantage critical for achieving rapid growth and profitability as reflected in the Model of Transformative Leadership adopted from Behavioral Theory in figure 4.

Figure 4: Transformative Leadership theory



Adopted from Model of Transformative Leadership adopted from Behavioral Theory, Kotler & Keller, 2006, p.80.

Transformative leaders have unparalleled transformative leadership attributes such as intellectual stimulation and inspiration motivation as reflected in figure 4 critical for empowering and inspiring employees with a view to surpass their own self-interest and re-focus their energies towards the attainment of the firm's strategic roadmap in accord with fundamental principles of McGregor-Theory-Y, which underscore the premise that followers appreciate work, crave responsibility, are creative, and can exercise self-control, which is also in accord with the features of path-goal, behavioral theories, and skills approach leadership theories (Wagner & Hollenbeck, 2020).

Within the pursuit of theories of sustainable competitive advantage and five forces of competitiveness and competition, National Diamond Advantage, absolute advantage and first mover advantage, and economies of scale, transformational leadership theories, the Cooperative Bank of Kenya has over the years strengthened its sustainable competitive advantage and improved its comparative and differential advantages by relentlessly pursuing economies of scale and internationalization and globalization of its products in to the international market place. Goddard and Wilson (2019) analyzed factors in the banking sector, which underpin continued growth and profitability in 65 countries, and hence, they concluded that competition in developed countries immensely contributed to their growth patterns unlike in developing countries.

Damian (2023) analyzed the key factors driving and enabling competition in the financial sectors in four East African countries, Tanzania, Rwanda, Kenya, and Uganda, and concluded that there

was low competition due to socio-economic and structural factors, and that Kenya was the most competitive country in the region. The current study embodies some of their principles but it goes beyond to determine how competition has progressively enhanced globalization and internalization of Kenyan banks, and increasingly how competition has enabled the banks to espouse technological change to improve their operational effectiveness and convenience, and how competition has enabled the banks to embody ethical business practices and promote continuous learning and knowledge management to improve their bottom lines and profitability growth.

Muchai et al. (2019) reviewed the impact of mergers, acquisitions, and consolidation of banks in Kenya whilst using DEA to estimate efficiency gains by the stakeholders during the 1989 to 2010 period. The findings showed that improved profitability growth was due to mergers and acquisitions but failed to clearly indicate any strategic linkage on how mergers have enhanced their competitive and differential advantages. One limitation of this study clearly establishes that the scope of this research study will not determine the impact of mergers on promoting competition and enhancing strategic positioning of the banks, and how increased capitalization and liquidity of the merged banks impact their external growth and profitability.

Damian (2023) examined the impact of increased capital requirements and their knock-on effects on competition, whilst using non-dynamic strategies. However, the study by Damian (2023) failed to explicitly show the strategic linkage between increased capital requirements and profitability in the sector, which this study will comprehensively explore to determine how increased capital requirements can impact on competition and largely enhance profitability growth within the sector.

Parklean (2022) analyzed and evaluated the increasing impact of banking regulations on profitability and rapidly expanding growth in America during the period 1984 to 2010 with a view to determining how banking regulations impact competitive advantage in the sector. The current study goes beyond Parklean's research focus to determine how government banking regulations and policies impact growth, internalization, and globalization of banks' leading brands, enhance their competitive scope and market penetration, improve their new product development and differentiation.

Desai and Lappi (2020) analyzed the consequences of entrance laws on competition and how they dramatically impacted the elimination of hyper-growth and profitability in 59 nations between 998 and 2011.The research study invariably used a performance-dynamics strategy to determine and critically examine elements contributing to enhanced profitability in each country. The

current study goes beyond not only to critically analyze and examine the impact of government regulations on ever-increasing profitability in the banking sector, but rather, it makes a comprehensive and robust analysis of how banking regulations impact strategic positioning and significance of the sector, how regulations improve efficiency, transparency and espousal of ethical business practices in sync with global financial standards, and how regulations can meaningfully enhance risks control and management, and how regulations can significantly enhance product differentiation, improve unique selling propositioning, and promote pursuit of high quality and reliability of services, and corresponding value for money (QRSV) in the sector.

Hilver (2019) analyzed the growing trend of profitability growth within the financial sector in the US during the period 1950-1999 whilst using performance dynamics approaches, and which was attributed to competition and intense rivalry among other factors. This study embodies some of Hilver's principles, but it goes beyond to determine key driving factors beyond competition, which have increasingly enhanced the banking sector's competitive advantage, improved their brand positioning and market share, strengthened their competitive positioning and market penetration, and what have helped them to sustain their differential advantages and cost leadership in the marketplace.

Parklean (2022) emphasized that the selection of a competitive strategy is determined by determinants of relative competitive positioning within an industry, and the attractiveness for long-term growth and profitability. He further argued that the competitive forces that greatly and progressively affect and decide the sector's growth and profitability are fundamentally where the rules of competition and competitive advantage are embodied such as: 1) escalating risks from new competitors or entrants; 2) intensifying risks from new substitutes and/or alternative competing marketing offerings; 3) the impact of businesses offering services related to supply chain management; 4) the impact of businesses and/or institutions purchasing goods and services in large quantities; and 5) the level of competition and rivalry within the sector. Overall, the five forces of competitiveness and competitive positioning explicitly determine any firm's profitability growth, as evident in the case of the Cooperative Bank of Kenya Limited.

Maina (2020) asserts that many cooperative societies have survived competition and competitiveness from the mainstream financial banks by adopting the fundamental principles of competitive advantage, comparative and differential advantages, national diamond advantage and five forces of competitiveness with focus on low-cost-advantages, transformational and situational leadership, and unique differentiation of their products.

Cooperative Bank (2018) underscored the fact that its impressive 2018 year-end exponential growth and profitability "profit before tax of Kshs18.2 billion for the full-year 2018 compared to Kshs.16.4 billion recorded in 2017, an impressive growth of 11% against the backdrop of a challenging operating environment in the period. Profit after tax was Kshs12.7 billion compared to Kshs11.4 billion in the previous year" was attributed to their competitive advantage and competitive position, their comparative and differential advantages in leveraging and expanding financial inclusion of 15 million members of Savings cooperatives in Kenya and their relentless pursuit of transformative agenda and/or transformative leadership, and internationalization of its products through regional expansion into South Sudan.

Central Bank of Kenya-CBK (2019) assertively argued that to license and regulate all financial banks in sync with the Banking Act and to ensure that they all remain competitive and enjoy the benefits of comparative and differential advantages, the Central Bank has adopted Risk-Based Supervisory Framework. The CBK implemented Risk-Based Supervision (RBS) to oversee financial firms that hold licenses in Kenya. Using this method, the CBK evaluates each institution's risk profile and determines how well the processes and systems are identifying, measuring, monitoring, and controlling risks. Considering the risk profile and risk management systems of each institution, a supervision plan is created that specifies key turn around actions, the number of staffing and time required to effectively identify, monitor, and control risks. Jackson (2020), within the conceptual framework of competitiveness, exponential growth, and profitability, argued that the current competitive financial industry in East, Central and Southern Africa is distinguished and set apart by intermediation ineptitude and inefficiencies in terms of interest-driven inclusive of high interest rates on credit facilities with focus on growth and hyper profitability. Increased competition and elevated competitiveness amongst the financial institutions is critical in strengthening and reinforcing banking regulations and enhancing compliance with the principles of financial intermediation approaches to attain efficiency in the financial sector. Sustainably, consistent, and increased competition can significantly enhance the amendment of the adverse characteristics of intermediation inefficiency, to ensure elevated achievement of hyper-profitability driven by economic factors other than high interest rates.

Within the conceptual framework of competitiveness in the financial sector, Hilver (2019) has clearly underlined that pursuit of integrated marketing strategies by mix and match together with focus on niche and segmentation marketing, differential marketing, and grassroots marketing, as well as

pursuit of intensive marketing and promotions through TV ads, inclusive of virtual marketing, are key drivers for attaining sustainable competitive advantage in any industry's structure. Overall, for an enterprise to gain sustainable and maintainable competitive parity and advantage, it must embody comparative and differential advantages with a focus on cost advantage, strategic focus, and unique differentiation of its products and/or services. It must also pursue fundamental principles of the five forces of competitiveness, embody National Diamond Advantage, First Mover Advantage and transformational leadership theories and attributes to enable the firm to outmaneuver its competitors, pursue economies of scale and cost reduction, embody value chain and internationalization of market offerings to achieve exponential growth and gain profitability. The current study embodies some of their principles highlighted by previous authors, but the study goes further to determine how competition has progressively enhanced globalization and internalization of Kenyan banks, and how competition has enabled the banks to espouse technological change to improve their operational effectiveness and convenience, and how competition has enabled the banks to embody ethical business practices and promote continuous learning and knowledge management to improve their bottom-lines and profitability growth. Also, the current study embodies some of the above researchers' principles. However, it goes further to determine factors besides competition, which have increasingly enhanced the banking sector's competitive advantage, improved their brand positioning and market share, strengthened their competitive positioning and market penetration, and what have helped them to sustain their differential advantages and cost leadership in the market.

2.3 Industry Description: Competition in the banking sector.

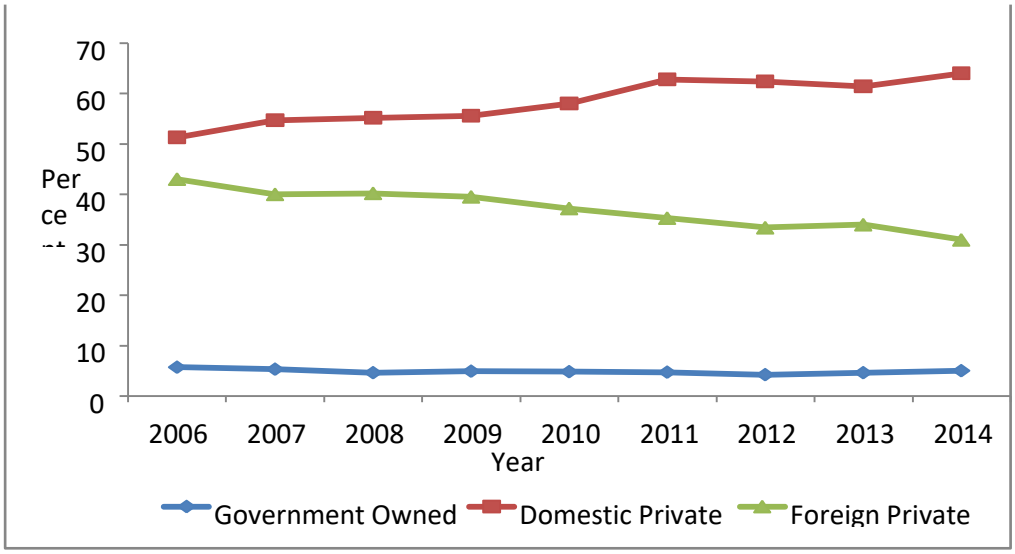
This chapter analyses competition and competitiveness as a measurement of profitability-growth in the financial sector in Kenya. Overarchingly, the sub-theme of literature review aims at addressing the critical research question; how does increased competition affect the sector's competitive advantages and profitability growth?

2.3.1 Analysis of the competitiveness of the banking institutions in Kenya

Within the theoretical frameworks of competition, competitiveness and differential advantages, economies of scales and pioneer advantages, National Diamond Advantage, and forces of competition in the financial sector in Sub-Saharan Africa (SSA), the Central Bank of Kenya (2014) stated that Kenya's financial sector is the second most significant one in Africa while South Africa's financial sector is the most progressive one. Clearly, Kenya's market share of banks and other financial institutions has been steadily surpassing that of Sub-Saharan Africa,

especially in the years between 2011 and 2014, while that of East African countries has been steadily expanding. Perceived risk barriers to entry and high levels of rivalry and competitiveness in the banking sector may account for Africa's exponential development and high profitability, declining levels of financial intermediation, and sluggish access to credit facilities and financing. CBK (2016) enviably affirmed that the Banking Act's provisions, as well as the CBK Regulations and Prudential Guidelines, govern the licensing and regulation of commercial banks and mortgage finance companies. To protect the overall stability and soundness of the nation's financial system, commercial banks and other financial institutions, including mortgage finance companies, are subject to stringent regulatory requirements and policies governing their Prudential Financial positioning and market conduct. Kenya had three state-backed and jointly owned banks in the past, especially between 2000 and 2014, when it came to rivalry, growth, and exponential acceleration of the banking and financial industry. There were 38 privately owned domestic banks in 2005, and between 2010 and 2014, there were 27. Privately domestic- owned banks were 38 in 2005 and 27 between 2010 and 2014. Privately foreign-owned banks were 11 in 2005 and 13 between 2010 and 2014. This clearly underlies that the financial sector in Kenya is hugely dominated by domestic privately-owned commercial banks inclusive of cooperative savings and credit societies in terms of numbers and net-asset base.

Figure 5**: Competitiveness of the Banking Institutions in Kenya**



Adopted from Trends of improvement in macroeconomic conditions, Central Bank, 2022, p.150.

Figure-5 above shows that due to improvement and stability in macroeconomic conditions, tight competition and competitiveness, reduced interests on lending rates, increased intermediation

efficiency and low profitability, expansion of the scope of market-share by local privately-owned commercial banks inclusive of cooperative savings and credit societies in the banking sector, resulted in contraction of market shared by government-owned banks during the period between 2006-2014. Overall, domestic privately owned financial institutions took the largest market-share over the same period.

Kimani (2015) asserted that financial institutions in Kenya and the East African region remain competitive in every aspect, and they have immensely contributed to the sustainable economic development inclusive of the Gross-Domestic-Product (GDP), and rapidly expanding economic growth through financial intermediation roles such as offering security, access to and management of assets, and liquidity, and creation of stable employment opportunities. Central Bank of Kenya (2016) underlines that competition and competitiveness of the financial sector is critical for its growth and resilience amid ever-evolving forces of competition, inclusive of competitiveness in the financial sector, and as such, arguably affirmed that three segments of the financial industry are becoming increasingly prevalent: large commercial banks, medium-sized commercial banks, and small commercial banks. With a market share index of more than 5%, large commercial and financial institutions primarily control and dominate the financial market, accounting for most of the deposit accounts, assets, loans, and shareholders' cash. Central Bank of Kenya (2019) affirmed that in the early 1990s fiscal crisis, Kenya's banking sector was already facing turbulence due to imprudent lending practices, which led to the closure of many indigenous banks. To instill discipline in the banking sector, Kenyan laws and regulatory policies comprise of the Banking Act, which provide constant reminder on dos and don'ts by commercial banks, as well as provides clear regulatory policy guidelines to ensure financial sector stability in order to fully maximize and optimize financial systems and regulations to enhance exponential impact on economic growth. The trend changed in 2000s in order to keep pace with increasing globalization of banking services, and rapid global financial sector developments, a number of commercial banks and financial institutions aggressively pursued modernization programmes by adopting digitalization and e-banking services, embodied new and expanded financial products and strong brands designed to significantly improve the efficiency and operational effectiveness of the financial sector through observing bank efficiency.

Mghoi (2015) reiterates that due to tight fiscal policies, regulatory frameworks and competitiveness as well as pursuit of competitiveness in the financial sector in Kenya in 2000s, inclusive of the Cooperative Bank, had embraced technological change overarchingly to improve

their operational efficiency, and reduce operational costs, whilst Kimani (2015) complementarily argued that during the same period, most commercial banks had adopted advanced information and communication technologies in their pursuit to improve on their operational and cost efficiencies in the competitive financial sector, which enabled them to gain competitive parity and intelligence in the industry.

The Central Bank of Kenya (2019) further argues that in accordance with the theoretical framework of competition and technological change in the banking sector, most financial institutions and commercial banks have increasingly pursued and adopted digitalization of the banking services through automation and establishment of Automated Teller Machines (ATMs) to enhance convenience and ease of access to banking services, as well as to deepen financial inclusion and improved access to credit facilities by reaching out to the population in rural areas. Growingly acceleration and scale-up of the ATMs in various parts of the country and in towns has significantly fostered convenience banking, enhanced efficiency, and operational effectiveness, which largely has resulted into exponential growth and super profitability in the sector. The Central Bank has correspondingly established statutory regulations on ATMs with a view to ensure safety and security of depositors' funds in ATMs inclusive of statutory measures for their prudent management and risk compliance with 1968 banking Act. The presumption that technological change drives competition in the sector was underpinned by Porter (2008), when he argued that technological change has a powerful knock-on effect on creating competitive advantage, competitive convergence, and fostering competitive edge by lowering costs, improving differentiation, altering the competitive scope, and spanning new businesses in any industry.

Within the conceptual framework of Innovation Theory of Profits for the banking sector Vaz-Curado and Mueller (2019) underscored that the primary responsibility of an entrepreneur in the banking industry is to seek process innovations and improvements that lead to profitability as a reward for effectively completing duties and achieving objectives. The term considerably processes innovations refers specifically to the strategic methods that an industrialist uses to either dramatically lower production costs or dramatically raise consumer choice, preference, and demand for goods and services. Through increased demand for the market offers and/or considerable reductions in operating costs, well-defined process innovations and improvements can quickly lead to a large increase and rise in growth and profitability. The theory assumes that technological change directly contributes to profitability, which is further eroded by competition,

inclusive of competitiveness within the banking sector. However, innovation theory fails to clearly define key determinants and measurements of profitability, and how competition, inclusive of competitiveness, directly erodes profitability in the financial sector, particularly in Kenya and the larger East Africa.

Bekmuradova (2016) argues that the banking sector remains very competitive and dominant in many economies within the globe accompanied with tough Central Bank's fiscal policies and regulations to ensure fair competition in every aspect in the industry. Financial sector in Kenya has witnessed tremendous transformation and reforms due to adaptation of innovative technology and techno-savvy financial services, pursuit of globalization and internationalization of financial products, espousal of reverse and breakaway positioning and embodiment of benchmarking and unique selling propositions (USPs). Ombongi and Wei (2018) largely stressed that pursuit of technological changes, globalization, and value chain systems together with growth in science and research have inevitably enhanced transformations and operational efficiency in the banking sector in Kenya and East Africa. They further argued that the ever-evolving competition and pursuit of competitive and differential advantages in the banking sector have essentially triggered reverse innovation and breakaway positioning of the leading flag-ship financial products globally. However, they have failed to explicitly show how measurements of reverse innovations and reverse positions adopted have significantly created competition within the banking industry, over the period.

Contrasting to the underlying supposition that technological change is the main driver of competitiveness in the financial sector, Mulyaningsih et al. (2015) argued that critical factors that drive competitiveness in the banking sector were majorly, market concentration, geographical locations and fiscal policies, regulations and rules dictating entries and exits across countries. Ajayi et al. (2017) further supported the argument by underscoring that competitiveness in the banking sector are invariably likely to rise when financial and banking markets are highly concentrated in designated zones such as industrial processing zones, central business districts (CBDs), and densely populated towns. Wolfe (2019), however, argued that increased competition in the banking industry also has an adverse effect on the quick development and acceptance of techno-savvy services in the banking sector, resulting in continual review and implementation of additional financial policies and regulations aimed at eliminating unhealthy competition.

In sync with the underlying principles of theoretical framework on competitiveness and innovation theory and their net effect on growth and profits inclusive of profitability in the

financial sector, particularly Kenya, Chronopoulos et al. (2015) asserted that financial institutions constantly want to protect, strengthen, and/or increase their profitability by shifting the competitive environment in their favor. According to the concepts of innovation theory, which is anchored on performance-dynamics perspective, aggressive and brutal competitive environment is always supported by company concentration, new financial policies, regulations and process innovations and improvements. which are critical factors for the firm to achieve competitive success. Financial firms often modify and change their competitiveness by simultaneously seeking process innovation, consolidation, and strategic regulations. Structured control regulations may hamper or accelerate competition through patents, which can inhibit and stop re-production of products, as well as encourage dominance by ensuring strict compliance to new policy regulations and business processes, which can certainly deter new entrants. Presumption here is that the banks' profits are not-only a function of innovation and technological change, but rather, are also, a viable function of changing competitive landscape, consolidation, and fiscal regulations.

Collis and Anand (2019) explicitly declared that a firm's competitive positioning and strategic significance will determine its profitability and growth in any given industry structure, as evidenced by the Cooperative Bank of Kenya Limited's exponential growth. To achieve long-term competitive advantage, a firm must pursue unique product differentiation and cost advantages in production, branding and branding positioning, distribution, and marketing. In its pursuit to achieve competitive parity and to realize comparative and differential advantages, as well as to achieve growth and gain superior profitability, a firm must embody competitive advantage by pursuing low-cost advantages, unique differentiation, and strategic focus in the design of its products while pursuing reverse innovation and breakaway positioning, reverse positioning and benchmarking, and mass promotion and segmentation marketing of its product. Jackson (2019) underlined that in the post-independence era in Kenya, the financial sector has experienced exponential transformations and reforms, particularly in mergers and conversion of non-financial institutions into financial institutions, restructuring the banking sector and increasing core capital requirement for each bank to Ksh5 billion in sync with the Central Bank of Kenya fiscal policy requirement and improvement in the fiscal regulatory framework to enhance growth and profitability in the financial sector.

Parklean (2022) analyzed the key factors driving and enabling competition in the banking sector in four East African countries, Tanzania, Rwanda, Kenya, and Uganda, which concluded that

there was low competition due to socio-economic and structural factors, and that Kenya was the most competitive country in the region. The current study embodies some of their principles but goes beyond to determine how competition has progressively enhanced globalization and internalization of Kenyan banks, and how competition has enabled them to embrace technological change and integrated supply chain management strategies to enhance their operational effectiveness and convenience, and how the bank has increasingly embodied ethical business practices and offered continuous learning and knowledge management to improve the comparative advantages of their employees to sustainably improve their bottom-lines and profitability growth.

Muchai et al. (2015) reviewed the impact of mergers, acquisitions, and consolidation of banks in Kenya whilst using DEA to estimate efficiency gains by the stakeholders during the period 1989 to 2010, which seemingly showed that improved profitability growth was due to mergers and acquisitions but failed to show any strategic linkage on how mergers have enhanced their competitive and differential advantages in the industry. This current study will determine the influence of mergers on increasing competition and enhancing strategic positioning of the banks, and how increased capitalization and liquidity impact on external growth and profitability.

Hilver (2019) affirmed that the financial institutions' competitiveness is essential to raising the efficiency of intermediation. The industry's competitiveness and rivalry have the power to gradually modify and rectify the negative consequences of intermediation inefficiency, which are mostly manifested via achieving super profitability brought about by high interest rates. Contrastingly, Maina (2019) argued that the depth of competition, inclusive of competitiveness among banks in any economy, invariably determines the level of entrepreneurial actions, allocations of capital, improved financial inclusion and enhanced access to finances by the un-banked population as underlined by the success of Cooperative Bank of Kenya in deepening financial inclusion, improving its competitive parity and intelligence and achieving sustainable growth and high performance within the competitive micro-economic environment.

Whilst using both Panzar-Rosse (PR) and regression models in examining the level and nature of competitiveness in the financial and banking sector, Oji-Okoro (2014) reiterated that financial institutions and banks often aggressively and innovatively focus on expanding their competitive marketing scope, and strengthening their branding resonance and brand positioning of their flagship brands through internalization and globalization of their market offerings with a view to significantly increase their market-share, and shareholders' value, expand their growing net-asset

base, and outmaneuver their competitors to achieve competitive advantage and increase their profitability.

Wonglimpiyarat (2014) argued that critical factors driving competition, enhancing growth and superior profitability in the financial and banking industry in Kenya were mainly mobile banking technology resulting into the introduction of mobile banking services such as M-Pesa, M-Coop-Cash, etc, which have largely improved customer care, satisfaction, and interactions with the banks. Other techno-savvy technologies embodied are internet, electronic and agency banking, which significantly have improved convenience banking services. These have been embraced by many banks, including Cooperative Bank, in their pursuit to enhance unique differentiation and reduce costs advantage, deepen financial inclusion, and enhance convenience banking services, and bring financial services closer to unbanked people and increase the customer base.

Hilver (2019) underlined that digitalization of banking services has increasingly enhanced efficiency and improved service delivery, and as such firmly reiterated that technology has improved the efficiency and speed of financial transactions. Customers may examine their account details at any time via online banking. It also supports automated deposits, bill payments, and online electronic transfers of monies between separate accounts. The financial industry must fully embrace digitization. Banks may improve customer service by using digital technologies. This is convenient for consumers and saves them time. The growth of digital banking has eliminated intermediary procedures, increased data openness, and provided other means of accessing intellectual data. Digitalization lowers operational expenses and facilitates and speeds up transactions. Smart analytics enables financial services organizations to better understand and serve their clients by mining a plethora of consumer data. Technology has also assisted financial institutions and commercial banks in developing novel financial services. Banks have significant challenges in developing improved payment systems. Overall, the positives of digital banking include convenience, timesaving, rapid, safe, and cost-effective financial transactions, and enhanced client services, while the downsides include security issues, potential fraud, and a possible reduction in the number of bank workers.

The IMF (2020) underlined the increasing need for creating a more inclusive financial system to spur equitable and inclusive economic growth by asserting that financial inclusion may help to eliminate poverty, and it is seen as a critical facilitator in the fight against severe poverty and the promotion of shared prosperity. Financial inclusion gives low-income people access to financial tools and services that help them manage risks, save money, and develop wealth. It offers

prospects for economic empowerment, revenue production, and better livelihoods. Financial inclusion may boost economic development. Increased access to finance encourages entrepreneurship, investment, and productivity, resulting in total economic development, and digital financial inclusion is linked to economic growth. Financial inclusion may assist to alleviate income inequality. Financial inclusion ensures that excluded people, such as women, rural areas, and disadvantaged groups, have equitable access to financial services. This encourages a fairer allocation of resources and opportunities, allowing the underserved to better their economic status. A more inclusive financial system may improve financial stability and monetary policy transmission. Financial inclusion might result in a larger deposit base, which promotes stronger financial stability and liquidity. When a higher proportion of the population has access to interest-bearing formal financial services, this can trigger changes in policy rates and other monetary measures which have the potential to influence and impact borrowing costs, lending activities, and the economic growth. Overall, the aggregate effect of financial inclusion will differ among nations and is restricted by the proportionate involvement of the financially excluded people in total borrowing and saving.

Other scholars view factors driving competition and differential advantages in the financial sector from the lens of effective leadership and management, proper management of loans and assets, as critical in spurring competition and competitiveness in the sector. Maudos (2017) argues that progressive and effective management capability, as well as prudent financial practices aimed at significantly increasing revenues through diversification of commercial banks' market offerings and expanding their net-asset base, are some of the strategic business processes espoused to ensure sustainable growth and profitability. Increasing equitable access to credit and lending facilities by most banks is a significant step towards expanding their asset base, thus providing them with new business options for maximizing financial-intermediation efficiency. Overall, the diversity and scale-up of ease of access to loan and credit products considerably aid financial institutions and banks to grow and improve their net-asset-base, thereby improving their competitiveness. Tahir (2016) further argues that effective and prudent management of loans, and credit facilities demands that commercial banks and financial institutions to strategically concentrate on how to properly manage non-performing credit facilities, and loans to enhance their competitiveness, which tends to diminish the total revenues and incomes for the banks. Wolfe (2019) asserts that increased competitiveness and competition has the potential to render prevailing lending policies ineffective, thus negatively impacting overall performance, growth, and profitability in the sector.

Overall, most of the above researchers have applied Panzar-Rosse (PR) and regression models, which are not conclusive and/or have limitations in assessing and evaluating the trend and nature of competition within the banking sector. Notably, the methodical approach to bank effectiveness and innovation conversely did not clearly and properly specify metrics and accompanying models for successfully measuring the amount of competition in the banking industry (Bekmuradova, 2016). Wonglimpiyarat (2018) and Kimani (2015) studies on large commercial banks in Kenya and Thailand were somewhat limited to only competitive conditions amongst major financial institutions and banks, strategic-positioning, and alliances in the sector devoid of factors that drive and enhance competitiveness in the sector. Oji-Okoro (2014) and Tahir (2016) studies had limitations on omission of crucial data. Limitations outlined inevitably necessitated the need for further exploration by this study of significant insights and deeper understanding of the prevailing trends and status of competition, inclusive of existing competitiveness, in the financial and banking sector in Kenya.

Cooperative Bank (2019) argues that its strategic positioning in the market leadership and espousal of technological change and prudent fiscal management practices, particularly, strategic planning and priority setting, adoption of ethical business practices, increase in market share and expansion in market penetration, pursuit of high impact learning and strategic capabilities, strategic partnership through supply chain financing, embracing dynamic customer care strategies and adoption of technology and unique differentiation of their leading products, have enhanced their competitive and differential advantages, improved their overall performance, and ensured sustained growth and profitability in the financial sector. This assumption is supported by Wonglimpiyarat (2014) who argues that critical factors driving competition, enhancing growth and superior profitability in the sector is by adoption of technological change through mobile banking technology resulting in the introduction of mobile banking services such as M-Pesa, M-Coop-Cash, etc.

Cooperative Bank (2019) further underscores that its exponential growth and achievement of superior profitability and overall sustainable growth in the financial sector has been attributed to the consistent pursuit of both internal growth (i.e. expansion of Co-operative Bank, Coop Consultancy & Insurance-Agency-Ltd, CIC Insurance Company Ltd, Co-op-Trust & Investment Services Ltd and Kingdom Securities Ltd) and external growth (internationalization and globalization of their leading brands such as Co-operative Bank of South Sudan Ltd) pursuit of joint venture operation strategies, mergers and acquisitions of related firms inclusive of value

creation, adaptation of technological change strategies, product diversification and unique selling propositioning. Other factors are market development and brand positioning of leading brands, benchmarking of their services to international standards and protocols, consistent pursuit of customer satisfaction and customer value propositioning inclusive ensuring continuous human resources development as well as pursuit of effective corporate governance strategies to enhance their competitive parity, intelligence, and success in the financial and banking market. Kimani (2015) argues that Cooperative Bank has gained and accelerated its competitive and differential advantages by effectively leveraging on its strong brand positioning and brand awareness, consistently pursuing internal and external growth, embodying globalization and internalization of its leading brands and products to South Sudan to enable it to expand and elevate its market share, and has invariably espoused structured corporate governance system which prides greater sense of accountability, transparency and ethical business practices. Kimani (2015) further argues that the bank has uniquely deepened financial access and inclusion by consistently supporting cooperative savings and credit societies and farmers unions across the country, who, in turn, have become affiliates of the bank thus increasing its ledger accounts in terms of deposits, loans and shareholding. Its low-cost pricing, focused comparative, and differential advantages and unique differentiation of its products are some of the key enablers of its competitive and differential advantages in the financial sector. However, the two scholars have failed to clearly outline the number of deposits and loans taken by cooperative societies and farmers' unions across the country to give the bank its competitive advantage over others.

CBK (2019) arguably underscored that the competitiveness of the Cooperative Bank has been hinged on its management ability to seamlessly pursue; transformative agenda and process innovation of its financial services, pursuit of value creation by employing capital stocks into value-addition of its financial activities, pursuit of risk management and risk mitigation by employing Internal Capital Adequacy Assessment processes to reduce risks, significantly improving its overall performance by attracting more customers' deposits and increasing loans, and consistently ensuring sustainability of its operations by pursuing sustained financial performance, engaging in Corporate Social Responsibility Activities and contributing to economic growth by offering employment opportunities.

Wandiba (2018), as cited in Apex Africa Capital Limited, 2018) affirmed that the increasing competitiveness of the Cooperative Bank has been attributed to its competitive interests rates on the loans and deposits, competitive exchange rates to support exports, substantial regulatory

changes, and intense competition to support the company's continuous pursuit of innovation and process improvement in its financial services, internalization and diversification of those services, pursuit of operational excellence and efficiency in shared services with subsidiary companies, thereby lowering overall operational costs, and ongoing employee engagement on matters affecting the company. The presumption here is that the competitiveness of a bank is a function of several factors, which create and sustain its competitive and differential advantages in the competitive financial market.

Within the conceptual theory of Competitive Strategy and National Demand Advantage and their impact on profitability and operational efficiency, particularly in the financial and banking sector, Dess and Nystrom (2018) affirm that for firms such as the Cooperative Bank to achieve competitive and differential advantages in the global market, they must embody cost reduction and unique differentiation of their leading products, seamlessly pursue unique selling propositions, espouse reverse and breakaway positioning and adapt to local market needs to enable them to outperform their competitors and sustain competitive success. To remain competitive in the banking sector in Africa, and particularly in Kenya, most financial institutions such as Cooperative Bank of Kenya have embodied certain competitive principles such as pursuit of cost-benefit analysis, risk assessment, analyzing both external and internal environments to create competitive and differential advantages, pursuit of breakaway and reverse positioning of their leading brands and products, engaged in price competition, cost reduction and Unique Selling Propositioning and adopted quality improvement in operational efficiency and seamlessly have redefined their market segments. Within the framework of sustaining competitiveness, some commercial banks have adopted technological change by creating value through product diversification and new product development, integrating low-cost leadership and product differentiation, embracing vertical integration and focus and seamlessly pursuing globalization and internationalization of their leading brands and products, pursuing arbitrage opportunities as well as optimizing the location of value creation and value -chain activities, and consistently embracing first mover advantage and economies of scales to sustain and accelerate their competitive advantage. Other commercial banks have embodied high ethical business standards, adopted performance enhancement, and cost reduction as well as have espoused underlying business principles on international, global, multi-domestic and transitional approaches in a bid to enhance their competitiveness, outperform their competitors and rivals in the sector as well as to accelerate their competitive parity, intelligence, and success in the financial and banking sector (Dess & Nystrom, 2018, p. 120).

It has been affirmed that to achieve above-average performance, every organization must continue to implement low-cost leadership and management concepts in order to sustainably attain competitive parity, which is strategically directed by differentiation compared to rivals. Competitive parity based on distinct goods enables cost leaders to effectively translate cost advantages into extraordinary profits as compared to their rivals. Thus, low-cost leaders and managers increasingly earn above-average salaries and returns, as proven by Cooperative Bank of Kenya's exponential expansion, which effortlessly reflected the low-cost advantage and distinctive distinction of their flagship brands in contrast to their rivals (Dess & Nystrom, 2018, p. 230). In summary, it is explicitly evident that the adoption of technological change and enterprise resource planning by commercial banks is not only the determining factor driving competition in the banking industry, but rather, there are other critical factors such as market concentration, geographical locations and fiscal policies, regulations and rules dictating entries and exits, strategic positioning in the market leadership, which mostly influence competition in the sector. Other contributing factors to competition as well as competitiveness in the financial industry, include strategic planning and priority setting, increase in market share and expansion in market penetration, pursuit of high impact learning and strategic capabilities, strategic partnership through supply chain financing, embracing dynamic customer care strategies and adoption of innovation, pursuit of low cost advantage and pricing, and product diversification inclusive of unique differentiation of leading brands and products, adaptation of effective and transformative leadership practices, embodiment of marketing strategies and brand positioning approaches, espousal of benchmarking and unique selling propositions (USPs), pursuit of breakaway and reverse positioning of financial services, proper management of loans and banking assets have the potential to enable any banking institution to attain competitive advantage and realize high performance, inclusive of achieving sustainable growth and gaining superior profitability in the industry.

2.4. Review of diversification and brand positioning

This section analyses underpinning and cutting-edge factors, which have increasingly enhanced diversification and strengthened brand positioning by the Cooperative Bank to enable it sustain competitiveness in the banking domain, over the years. Overarchingly, the sub-theme of literature review aims at addressing critical research question; to what extent has diversification and brand positioning impacted the sector’s competitive and differential advantages? Ansoff et al. (2019) argues that diversification is a corporate strategy that a firm uses to improve its market share and sales volume by offering new items in new markets or industries that are not part of its main

business. Simply diversification refers to the growth of business by entering a totally new sector or investing in a business that is beyond the boundaries of the company's current product line. Diversification is invariably used by firms to manage risks and potential threats in a competitive marketplace as reflected in Ansoff's Product/Market grid in Figure 6 below.

Figure 6**: Ansoff's Product/Market grid**

Adopted from Ansoff's Product/Market grid, 2019, p.200.

Ansoff et al. (2019) argues that as seen in the exhibit above, diversification is exemplified by aggressive market development to boost market share, product development to improve distinctive differentiation and diversification of goods and services, and enhanced market penetration through the use of integrated and competitive marketing and branding strategies to boost sales. Mutiso (2013) argues that diversification strategy has been adopted by many firms with a view to sustainably improve their attractiveness, cost advantages, differential advantage, and overall performance in any given industry.

Corporate Finance Institute (2024) clearly underlined that diversification is the process of distributing portfolio resources or cash to a variety of assets. Diversification seeks to minimize portfolio volatility by balancing losses in one asset class with gains in another. Diversification essentially means allocating your investment dollars among different assets and asset categories to manage risk, or it is simply the process by which a firm accelerates or scales up its range of products purposefully to gain a competitive advantage in the market. Diversification is a growth strategy in which your company enters a new market or industry that it does not presently operate in while simultaneously developing a new product for that market. Diversification may be classified into three types: concentric, horizontal, and conglomerate (or lateral). Diversification may help an organization boost revenue, minimize reliance on a single source of income, and gain a competitive edge. Overall, diversification helps commercial banks to gain competitive by

lowering volatility and economic risks, increasing the possibility for higher returns, generating more income, and providing structured chances for mergers and synergies. Diversification, however, comes with inherent concerns, such as increased costs, complexity, and unpredictability.

Collis and Anand (2019) argue that to create and seamlessly sustain superior performance and realize economies of scales, achieve sustainable competitive intelligence and differential advantage, firms in any industry need to embody horizontal strategies by moving from growth to superior performance, pursue technological-change and process innovation, and increasingly adopt tangible, intangible and competitive inter-relationships of business processes to enable them gain operational efficiency and attain sustainable diversification. Collis and Anand (2019) further argue that when many significant value-adding activities can be shared, diversification will have the most impact on improving the overall strategic posture of the company. The most successful diversifiers look for methods to integrate market, production, and technology-oriented diversification rather than seeing them as mutually incompatible.

Within the framework of diversification, achieving interrelations; tangible or intangible interrelationships have proven difficult in practice due to costs of sharing, and as such not every interrelationship of business processes and diversification strategies pursued can generate and enhance competitive advantage. Arguably, it had been underscored that to realize sustainable competitive parity and differentiable advantage, then competitive firms should pursue diversification initiatives aimed at achieving synergistic benefits through market power and economies of scope, which enviably are achievable through portfolio analysis, parenting and corporate restructuring. Dess and Nystrom (2018) further argue that diversification is the process by which firms expand their operations by entering new businesses whilst pursuing diversification and expansion of the scope of their initiatives—strategic alliances, mergers and acquisitions, and joint ventures, and/or internal development—which clearly underpin and justify value creation for shareholders. Contrastingly, not every acquisition and mergers erode performance and/or can enhance share value for shareholders. Overall, diversification has the potential to enhance market power and bargaining positioning of a firm relative to customers and suppliers, can enhance synergies by ensuring sharing of common manufacturing facilities, can spur marketing and promotional channels which have the latent to achieve economies of scope and/or save costs and could improve revenue collection, as well as enhance

differentiation and unique selling propositioning of the products. Diversification also enhances vertical integration when the company itself turns out to be its own distributor inclusive of being its own supplier as well as promotes corporate parenting advantage and restructuring to enable it to achieve competitive and differential advantages.

Undoubtedly, diversification turnaround approaches embodied by banking institutions in Kenya and East Africa in order to gain and endure their competitive parity and success, include the use of mobile banking, agent banking, ATMs, SMS banking, retail banking for Small and Medium Enterprise (SMEs), mobile Apps, diaspora banking, diversification of credit portfolios and establishing sound credit checking references inclusive of offering housing mortgages and venturing into strategic real estate businesses and insurance market. Hilver (2019) arguably reiterates that diversification has both advantages and disadvantages in fostering efficiency in the banking sector and as such is a critical determining factor which is increasingly providing commercial banks with elevated levels of stability and resilience to better react to shocks. Banks distribute their assets across a diverse group of borrowers. It allows commercial banks to retain or enhance their profits without changing their degree of risk. Investment firms invariably enter new markets or sectors that are different or distinct from their primary activities. Because lending is inherently dangerous and banks have a limited capacity for risk, diversification enables commercial banks to lend more while without increasing total risk. Diversification has been motivated by three primary objectives: increased growth, reduced risk, and increased profitability. Diversification increasingly improves risk management, guarantees strategic goal alignment, and promotes development and profitability. On the other side, diversification has drawbacks; it raises the risks of errors and has an influence on taxes and the cost of investment, which may have a significant impact on the overall performance of the company.

Overall, diversification enables firms to maximize their market offerings by sharing their businesses processes and value creation activities, leveraging their core competencies and building market power as evidently underpinned by Cooperative bank's rapid diversification of its leading brands, pursuit of enhanced market penetration and internationalization of its market offerings into South Sudan and espousal of horizontal integration by venturing into new business portfolios in the travel industry. Cooperative Bank (2019) expressly underscored that their superior performance and increased profitability in the banking industry is attributed to diversification and differentiation of their market offerings, underpinned by their consistent pursuit of both internal growth (i.e. expansion of Co-operative Bank, Coop Consultancy &

Insurance-Agency-Ltd, CIC Insurance Company Ltd, Co-op-Trust & Investment Services Ltd and Kingdom Securities Ltd) and external growth (internationalization and globalization of their leading brands such as Co-operative Bank of South Sudan Ltd) pursuit of joint venture operation strategies, mergers and acquisitions of related firms inclusive of value creation and adaptation of technological change strategies. Cooperative bank's steady growth is also attributed to their relentless pursuit of product diversification and unique selling propositioning, market development and brand positioning of leading brands, benchmarking of their services to international standards and protocols, consistent pursuit of customer satisfaction and customer value propositioning inclusive ensuring continuous human resources development as well as pursuit of effective corporate governance strategies to enhance their competitive parity, intelligence and success in the financial and banking market.

In its attempt to gain sustainable competitive, leverageable and differential advantages and to seamlessly diversify its market offerings and accelerate its positive-customer-value-propositioning, the Cooperative Bank has progressively embodied low-cost advantage and unique selling propositioning by offering net-banking services; corporate and personal internet banking services and M-Coop Cash banking, consistently provided variety of money market and equity products; Treasury bills and bonds, Call deposit accounts, fixed deposit accounts, offered financial services through Co-op Consultancy and Insurance Agency, and Kingdom-Securities (Cooperative Bank, 2019, p. 27). As part of its differentiation strategy to strengthen its unique selling propositioning and diversify its banking services in order to enhance successful market penetration and broaden its market share, the bank has been providing a variety of banking services; personal banking, business banking, corporate banking, retail banking, agency banking (Co-op Kwa Jirani) Coop-Cash-in transit services, money transfers, custodial services, diaspora banking, as well as it has made available various types of accounts; young children's accounts (Jumbo-Junior), youths' accounts (YEA- Access Account), Salary, current, CHAMA and Club accounts, Hekima Savings account. Increasingly, the banking has been providing numerous forms of insurance services and covers; medical, life cover, motor, agriculture, general, micro-business and MSME insurances (CBK, 2019, pp. 10-13).

To uniquely expand and deepen its credit access and financial inclusion, the bank has been offering following borrowing services; Flexi-cash salary advance, good home mortgage, Asset finance, Mkopo wa Kujengana loan, Co-op personal loan. In pursuit to reaffirm its strategic positioning as quintessential banking firm that prides enhanced levels of Quality-Reliability-

inclusive of Service and Value for Money (QRSV) for its high-end-customers, the bank has been offering uniquely differentiated executive-banking services; Co-op Bank Captain club and Executive and high net worth banking services, along-side variety of cards; credit and debit cards, HELB Smart cards, and pre-paid cards, etc. Overall, the bank has progressively and incrementally established numerous ATMs in various towns to systematically expand its increasing market share, grow, sustain, and elevate superior performance and profitability. The bank has also embodied holistic, segmentation, integrated, and niche promotional and marketing approaches to underpin and elevate its brand positioning and value as well as to grow its increasing market-share in a bid to gain sustainable competitive and differential advantages in the industry-structure (Cooperative Bank, 2019, p. 70). However, the expansion of market share may not necessarily ensure growth and profitability, unless following competitive factors driving competition are considered.

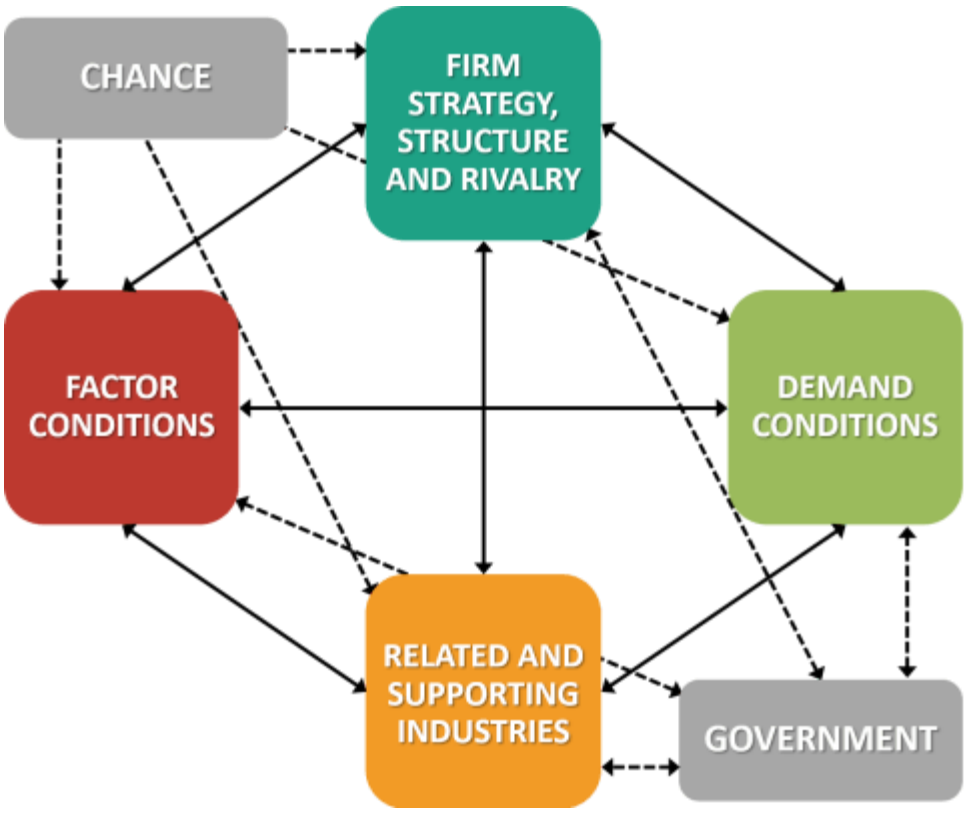
Globalization of banking services: IMF (2021) clearly underlined that globalization of the banking industry is critical because it introduces new technology and digitalization processes which significantly improve banking services and infrastructure and, as a result, lowers fraudulent activity. It also enforces new risk management techniques that increase operational cost reduction, foster the development of new products, and shorten lead times for customer service delivery with quality and intensity. Global financial networks make it easier for money to move across countries, allowing for the financing of profitable ventures as well as the development of new markets, employment opportunities, and portfolio diversification. Internalization of financial services and goods, however, has the potential to severely reduce local banks' efficiency. Notably high-net-worth clients with little default risk may be singled out by foreign banks, leaving high-risk clients for local banks.

It has been highlighted that internalization and globalization business processes as viable diversification strategies enable firms to gain considerable benefits from low-cost advantages and adaptation to local markets, which in turn, enviably enhance their sustainable competitive and differential advantages in the global economies. Internationalization also helps firms to enjoy arbitrage opportunities by buying products where they are cheap and reselling them into international market where they fetch higher prices, as well as it helps firms to enhance their products' growth potential by selling locally produced products into the international markets where they command huge demand. Pursuit of internationalization of a firm's products in sync with underlying principles of diversification by adopting transnational, global, international, and multi-domestic strategies have both benefits and risks of equal measures (Macmillan & Tampoe,

2020, pp. 25-26).

The rapid growth-of-globalization and internationalization of leading brands—referring to increasing elevation of market-capitalism in the global economy—undoubtedly has spawned new business opportunities for the corporates in sync with diversification principles. Hilver (2019) argues that within the framework of competitiveness of locations and diversification; the competitive capacity of a business in the global market is primarily determined by a complex network of geographical advantages that are inherent to certain sectors in various countries. These advantages include firm strategy, structure and rivalry, factor conditions, demand conditions, and connected and supporting industries. If the prevailing circumstances are advantageous, it compels domestic enterprises to consistently engage in innovation and enhancement. The resulting competitiveness is advantageous and essential for expanding abroad and competing against the world's greatest rivals.

Figure 7: Porter's Diamond Model



Adopted from Porter's Diamond Model, Porter, 2006, p.30.

These four factors of national advantage above together with five forces of competition (Threats of substitutes, and new entrants and also bargaining and pressure-power-of-buyers inclusive of intensity-of-rivalry, and pressure-power-of-suppliers) impact internalization, globalization and

diversification processes and customer value propositioning, which largely enable firms to pursue breakaway and reverse positioning inclusive of reverse innovations and re-engineering in both product development and market penetration with a view to develop new products and adopt marketing strategies, which perfectly resonate with the needs of the local markets. Even though internationalization and globalization offer varied opportunities for diversification, off-shoring and outsourcing of value chain processes, which largely enable multinational firms to benefit from economies of scales, arbitrage opportunities, spreading of fixed costs for production purposes, pioneer advantages and sharing of the value creation activities within various business portfolios, on the other hand, both diversification and globalization also expose multinational firms to differing market demands, business regulation and policies inclusive of new taxation regimes which can inversely impact their competitive and differential advantages in the global market (Macmillan & Tampoe, 2020, p. 130).

To benefit from globalization and diversification of their leading brands and services in the region, the Cooperative Bank of Kenya has relentlessly pursued various internationalization strategies, particularly joint ventures with the Government of South Sudan, licensing, and direct investment, and they are expected to continue their regional expansion to Ethiopia, Rwanda, Tanzania, and Uganda in the years to come. These strategies have largely enhanced its strategic positioning, differential advantage, and competitive intelligence in the region. However, its regional expansion to South Sudan since September 2013 has been fraught with risks and losses associated with cross-border operations owing to political and economic turbulence in the regional-market (CBK, 2019, p. 40).

Kotler and Keller (2016) clearly underpinned that pursuit of holistic, integrated, relationships and segmentation marketing strategies together with strengthening branding positioning of banking products and services such as loans, deposits, insurances, mortgages through co-branding and ingredient-branding strategies remain critical in reinforcing unique differentiation and diversification of firms' market offerings, improving positive-customer-value-propositioning, and spurring brand resonance in the industry. They further argued that for firms to achieve integrative and diversification growth, they must pursue diversification by producing new products and embodying technological change to ensure production of high quality market offerings which resonant and perfectly meet customers' needs, entering new markets which are highly attractive, acquiring new wholesalers/retailers for distribution and marketing of products, pursuing both down and up-market stretches of their product lines and pursuing divestiture of old businesses to free-up resources for reverse innovation and benchmarking purposes. Kotler and Keller (2016) and Parklean (2022) further argued that to achieve competitive and leverageable

advantages in the banking sector in sync with diversification principles, then banking institutions must consistently strengthen and reinforce their customer advantage, value equity[1], brand equity[2], relationship equity[3] and customer relationship management (CRM).

To progressively overcome price sensitivity and exponentially expand their market share, within the sector, most commercial banks, the Cooperative Bank of Kenya inclusive had espoused market-penetration pricing and market-skimming pricing strategies, which in turn had significantly enabled them to achieve competitive and differential advantages internally and externally.

To successfully achieve market penetration of banking products and services both internally and externally in the globally economy, banking institutions have considerably embodied integration of varied communication channels and positive marketing and promotional appeals with focus on informational and transformational appeals to enable them to strengthen and spur their brand-resonance, awareness and brand-equity in the thoughts of customers in an effort to gain competitive and differential advantages and success in sync with diversification principles. To further spur diversification and over-come competition, most banking institutions have undeniably engaged in telemarketing, direct-response TV-advertising, direct marketing through sales representatives, real-time personalized marketing, point-of purchase (P-O-P) advertisements at banking halls and ATMs (Kotler & Keller, 2006, pp. 50-70). Significantly, these marketing strategies help banking institutions to strengthen their brand loyalty and brand awareness, create successful long-term growth, achieve superior performance, and enhance their long-term competitive advantage in the sector.

For the sustainable diversification to succeed within the framework of building strong brands and enhancing branding positioning of leading products, then banking institutions must clearly define their Competitive-frames-of-references for Points-Of-Parity and Points-Of Difference by redefining their customer target and nature of competition in the sector. In its pursuit to strengthen its branding positioning, enhance its positive-customers' value-propositioning and brand loyalty, the Cooperative Bank of Kenya has consistently embodied strong competitive Points-of-Difference with focus on low-cost advantage and product differentiation whilst targeting farmers' associations and Cooperative movements in the country, which, have enhanced its competitive and differential advantages (CBK, 2019, p. 45).

In conclusion, diversification enables firms to maximize their offerings by sharing their businesses processes and value creation activities, leveraging their core competencies and building market power and benefiting from economies of scope as evidently underpinned by the Cooperative Bank's rapid diversification of its leading brands, pursuit of enhanced market penetration and internationalization of its market offerings into East and Central Africa and espousal of horizontal integration by venturing into new business portfolio in the travel industry. Consistent pursuit of market-penetration pricing, market-skimming pricing, and espousal of competitive frame of Points-of-Parity are critical marketing strategies for strengthening brand positioning and brand loyalty in the sector. However, not every diversification and globalization ventures can yield superior performance and gain competitive success.

2.5 Cost leadership and differentiation

This section reviews differentiation, low-cost leadership, and focus as critical generic competitive strategies for achieving competitive advantage and market positioning as well as for strategic positioning and market penetration. Overarchingly, the sub-theme of literature review aims at addressing critical research question: To what extent do low-cost leadership, focus and differentiation impact the sector's competitive and differential advantages?

It has been increasingly affirmed that competitive advantage is grounded on three-generic tightly integrated stratagems —**low-cost leadership, focus, and differentiation**— that seamlessly enable firms to outperform their competitors, strengthen market penetration and strategic positioning, overcome five-forces-of-competitiveness and competition in a bid to gain competitive parity and differential advantage. Considerably, it has been asserted that the scope of target marketing and the nature of competitive advantage (low-cost vs uniqueness) are critical competitive factors determining cost leadership and differentiation of any firm (Dess & Nystrom, 2018, p. 300).

It has been emphasized by Maina (2019) that to outperform competitors and to sustain competitive advantage in every business venture, every firm must first pursue inclusive cost-leadership, which is framed on generating low-cost positioning by consistently embodying market skimming and market penetration pricing strategies with a view to analyze value-chain-system and lower and/or lessen the costs in the chain. Secondly pursuing unique differentiations by producing products and/or services, which are uniquely differentiated, high-end and valued. Thirdly, espousal of focus strategy by pursuing narrow product lines and narrow competitive scope in the sector, focusing on niche and narrow target markets, and embodying segmentation and /or targeted

geographical markets together with either embracing low-cost leadership or differentiation to attain competitive advantage (Macmillan & Tampoe, 2020, p. 240).

To achieve overall cost leadership positioning, realize superior performance and attain high profitability, it has been highlighted that a firm must seamlessly attain competitive parity based on differentiation relative to competitors by aggressively constructing efficient-scale facilities and vigorously pursuing cost reductions and cost advantages (Dess & Nystrom, 2018, pp. 10-12).

Most firms achieve unique differentiation advantages by creating various products which are uniquely differentiated, valued and esteemed by customers whilst pursuing varied forms of differentiation; reverse innovation and breakaway positioning of products, enhancing high-end customer care and satisfaction services, strengthening brand positioning and brand identification, producing only high quality and premium products with cutting-edge technology, focusing on tightly integrated and unparalleled dealer network and niche marketing to enable the firm achieve above average performance and gain competitive parity (Hilver 2019, pp. 120-121). Presumably, integrating unrivalled differentiation and low-cost leadership in business processes makes it hard for competitors to penetrate a new market or duplicate the products, thus spurring most firms to achieve competitive positioning and differential advantage.

Collis and Anand (2019) within a framework of low-cost-leadership and differentiation argued that the cost position of a corporation is determined by the cost behavior of its value operations, also known as cost drivers. Cost drivers refer to the underlying factors that contribute to the expenses associated with a certain activity and may be influenced by a company. This study identifies ten primary aspects that contribute to costs: economies of scale, learning, capacity usage patterns, connections, interrelationships, integration, timing, discretionary policies, location, and institutional considerations. In general, the expenses associated with a value-added activity are consistently influenced by the policy decisions made by a company, regardless of other factors that contribute to costs. Moreover, differentiation is predicated upon strategic decisions that establish a firm's distinctiveness in executing one or more value-adding activities, intentionally resulting in increased costs.

A firm has a cost advantage if its cumulative cost of performing all value activities is lower than competitors' costs. As such, the strategic value of cost advantages hinges on its sustainability. Overall, a firm's relative cost position is a function of; a) the composition of its value chain versus competitions, and b) its relative position vis-à-vis the cost drivers of each activity" Collis and Anand (2019). Considerably, costs dynamics particularly; market-adjustments, differential-

technological change, industry-real-growth, differential-learning-rates, government policies, procurement and cost advantage, relative-inflation of costs and differential-scale-sensitivity can have immense impact on a company's overall performance, profitability and relative cost position as evident with Cooperative Bank's above-average performance due to consistent pursuit of cost reduction on its banking services relative to other commercial banks.

Differentiation happens when a firm distinguishes itself from its competitors by offering products and services which are uniquely differentiated inclusive of providing low prices. Differentiation allows a firm to increasingly sell more of its services and products at a given price with a view to sustainably gain competitive advantage and to significantly enhance customer retention and loyalty. Differentiation may lead to superior performance and significant growth when prices charged exceedingly go beyond any added costs of being unique. Key cost divers for differentiation of any product include economies of scale, interrelationships, timing, the pattern of capacity utilization, linkages (suppliers, channel, and buyers' linkages), learning and spillovers, , integration, discretionary policies, and institutional factors and location (Collis & Anand, 2019).

Differentiation can significantly result into a firm's overall superior performance, profitability, and growth. On the other hand, differentiation is costly, as it requires producing uniquely differentiated products and services with high quality, which are unique and valuable to customers, and this can impact the cost drivers, which may eventually affect the overall cost advantage, thus resulting into a firm experiencing competitive disadvantages and losses in the market.

Figure 8: Porter's Generic Strategies on Sources of Competitive Advantage

Adopted from Porter's Generic Strategies on Sources of Competitive Advantage, Porter, 2006. P.150.

Figure 8 underlines that to achieve competitive and differential advantages, cost leadership, focus and differentiation are critical competitive and strategic positioning factors. As such, outperforming competitions requires producing high quality and valuable products at low cost to

achieve cost leadership. Pursuit of high-end-product innovation through breakaway positioning and reverse innovation to make the products unique and valuable to customers is a precursor to achieving differentiation. Focus on narrow product lines and narrow competitive scope in the sector together with pursuit of niche and narrow target markets are essential ingredients for achieving competitive advantage. CBK (2019) argues that for the Cooperative Bank to achieve competitive parity and differential advantages over the years, it has always embodied low cost-strategy, differentiation and focus by offering various banking services, bank assurance, stock broking, equities, mortgages, etc.

Increasingly the bank had widely espoused internal growth and globalization of its products in the region, had consistently ensured low-cost pricing of services by espousing market skimming and market penetration pricing strategies, and had increasingly embodied unique selling proposition and strengthened its competitive Points-of-Difference by offering premium and customized customer care and satisfaction services across its branches in the country (Cooperative Bank, 2019, pp. 70-72). Presumably, the bank has attributed its exponential growth and superior performance to low cost-advantage, differentiation and focus on narrow-target-marketing and segmentation marketing strategies over the years. Kerzner (2022) posits that the market share refers to the proportion of sales that a company can generate within a certain market within a specified timeframe. Presumably, the larger the market share a firm has in a competitive market, the higher the profits and growth. Competitive positioning, product differentiation, market positioning, market orientation, cost leadership and focus strategies are underlying factors, which contribute significantly to a firm's expansion of market share and attainment of growth and superior profitability. It is argued further that successful differentiation of products and services of a banking firm has a knock-on-effect on its brand positioning which has the potential to enable the bank to reap benefits from customer value propositioning and customer satisfaction (Ansoff et al., 2019).

Hilver (2019) reiterates that the primary aim of the generic differentiation approach is to get a competitive edge via the development of market products that are recognized as having distinctive qualities in a significant manner. The capacity to meet a demand in a manner that the competition cannot implies that the differentiator may charge a premium price, and this helps the differentiator to beat its competitors and achieve above average profits. Considerably, the differentiation principle has been used by larger banks to charge premium prices for their unique products and services thus reaping superior profits. This practice, however, has now been put under checks and balances, wherein any extra charges on banking products must receive approval from Central

Bank (Mbugua & Kinyua, 2020). Competitively, most banks in Kenya have adopted differentiation, low-cost leadership, and focus to improve their relative competitive positioning and intelligence, expand their market positioning and scope in the sector to help them increase their market-share, strengthen their market penetration, improve their competitive and differential and gain superior performance and profitability (Mbugua & Kinyua, 2020). Overall low-cost-leadership, differentiation, and focus approaches are enabling determinants critical for achieving internal growth and globalization of leading products, gaining competitive and differential advantages, realizing superior performance, and attaining high profitability in any sector. Increasingly integrating unrivalled differentiation and low-cost leadership in business processes makes it hard for competitors to successfully enter a new market or duplicate the products, thus spurring most firms to achieve competitive positioning and differential advantage. Product differentiations focus and low-cost leadership together with competitive positioning, market positioning, market orientation and strategic positioning are underlying competitive factors, which contribute significantly to a firm's expansion of market share and attainment of growth and superior profitability.

It has been argued that priding quality, accountability, superior efficiency, creativity, and innovation are the key determinants for establishing and retaining competitive advantage of the banks in the banking sector. To ensure sustainable competitive advantage, commercial banks invariably need to compare their strategic financial priorities, existing digital technology systems and product offerings inclusive of product roadmaps with their peers with a view to strengthen their strategic positioning and maintain their comparative advantages in the sector. Increasingly efficiency gains are achieved by commercial banks like the Cooperative Bank when they reduce marginal costs, improve access to digital technology and strengthen their Unique Selling Propositioning (USP) with a view to gain higher market-share and attract more customers. As such, adopting a digital marketing strategy by commercial banks, is critical for attracting new customers and/or retaining existing customers. Commercial banks continuously engage in various marketing strategies purposefully to attract and acquire new customers with a view to improve their competitive marketing scope and expand their market share.

To drive up sales in the banking industry, commercial banks like the Cooperative Bank have adopted multiple competitive marketing strategies such as digital and segmentation marketing, cross-selling of the market offerings, setting targets and rewards for excellent performance, and adopting training and development programmes to improve the comparative advantages of the employees to deliver quality banking services. To achieve competitive advantage, the commercial

banks have also focused on building relationships and enhancing collaboration with customers, embracing digital transformation and benchmarking, espouse the use of multiple distribution channels and promotion strategies, promoting new product development and diversification of market offerings and fostering trust and improving customer care services to enhance retention and loyalty. Bank marketing goes beyond advertisement of their product offerings to include unparalleled focus on marketing and managerial strategies such as people, product, packaging, pricing, place, processes, promotion, positioning, and performance to drive up sales, enhance liquidity, solvency and ensures exponential growth and profitability to achieve maximum results. Porter (2008) underscored that the principal four determinants of competitive advantage were differentiation, cost leadership and cost focus.

2.6 Technological change.

This section analyses the role of information, technological change, and enterprise resource management in improving competitive scope of the banks particularly Cooperative Bank through diversification, product differentiation and unique selling propositioning of their products to enable them to achieve competitive advantage and profitability**.** Systematic reviews and appraisals of multiple evidence-based literature whilst applying the principles of Randomized Controlled Trail (RCT) approach with focus on systematic methods to literature searching and robust interpretation and analysis of recently published literature on the impact of technological change and enterprise resources management in achieving competitive advantage by banks were undertaken in this review to enhance quality, validity, authenticity and reliability of the literature review. Considerably, the sub-theme of literature review aims at addressing critical research question; to what extent is the espousal of technological-change and enterprise resource management impacting competitive and differential advantages in the banking sector?

Digital technology in the banking sector enables the banks to integrate their services, improve real time and convenience banking and ensures improved safety and security of the customers' data through establishment of tightly integrated customer verification services. As such, digitalization of financial services has seamlessly made banking services to be faster, more reliable, and accurate in their attempt to generate revenue streams.

Considerably IMF (2021) affirms that digital technology has allowed commercial banks to utilize the power of data analytics and artificial intelligence (AI) to make better business choices and deliver tailored services to consumers. By gathering and analyzing client data, banks may adjust their services to satisfy changing and competing individual wants and demands of each customer. Digital transformation helps financial organizations to eliminate manual procedures, paper-based

transactions, and physical infrastructure expenses. It leads to cost savings that may be passed on to consumers. Artificial intelligence is at the core of the digital banking which significantly result into increased client demand for digital banking services.

Dess and Nystrom (2018) assert that adaptation of technology requires the application of enterprise resource management (ERM), which is a modular software system meant to combine the core functional areas of an organization's business operations into a single system. An ERP system contains key software components, typically termed modules, which strategically integrate and synchronize critical business functions such as finance and accounting, production, HR, customer relationship management (CRM), and Supply Chain Management. ERM also refers to a program that integrates all assets and resources, including critical applications such as general ledger, accounts payable, and receivables, as well as manufacturing, inventory, and human resources (pp. 55-56). This has been evidently seen in the synchronization of functions, business processes and systems in the commercial banks. ERM provides the required platform for application and adaptation of new technology to enhance efficiency and operational effectiveness, improve business processes and reduce risks in financial transactions, and enhance strategic positioning and competitive advantage of the banks.

Saldanha (2019) underscores that technological change has created the fourth industrial revolution by changing and integrating together the physical, biological, chemical and information worlds. It is a force for creating tremendous new opportunities in every area valued by society ranging from convenience (online shopping and banking) and enhanced health (for example biotech) to personal security (digital houses). As such, organizations must reform via digitalization and information technology or perish in the fourth industrial revolution etc (p. 200).

Parklean (2022) accentuates that information revolution is much more than computer applications and use of internet and may be thought of broadly to embrace the information that organizations generate and utilize as well as a wide range of increasingly convergent and integrated technology that process the information. Data analytics and recognition equipment, communication technologies, industrial automation, and other hardware services are vital for boosting competitiveness in the business market. Technological change and information revolution is increasingly affecting competition in three vital ways; a) it changes industry structure and, in doing so, alters the rules of competition, b) it creates competitive advantage by giving companies new ways to outperform their rivals, c) it spawns whole new businesses, often from within a firm's existing operations (p. 120).

Hilver (2019) reaffirms that technological change and enterprise resource management drive innovation, creativity, process improvement and accuracy, foster reverse innovation, spur re-engineering inclusive of benchmarking of products and services to enable products to attain differentiation and unique selling propositioning (USPs). It also ensures that a company's products and services fully espouse quality, reliability inclusive of service and value-for-money (QRSV) in a bid to ensure their effective market penetration and distinctive strategic positioning, and to improve their unique value propositioning and foster their customer value satisfaction, retention, and loyalty to enable the firms to realize competitive and differential advantages.

Saldanha (2019) argues that digital technology has three critical capabilities; exponential technologies, exponential ecosystems, and exponential processes, which have potential to deliver massive transformations and spinning digital leverage points into actionable ideas is critical for improving efficiency and business processes, designing new products, and enhancing product differentiation, which in turn help organizations to improve their competitive advantage. Hilver (2019) affirms that information technology can impact market share through segmentation and virtual marketing, can enhance virtual learning, can alter industry attractiveness and structure by increasing barriers into entry into an industry and can influence competition by impacting the five fundamental elements of competition; the degree of rivalry in the sector, the barrier to entrance to new rivals, the danger of new alternative market offers, the rising influence and negotiating capabilities of providing businesses, and the impact of consumers. He also noted that information technology positively influences operational performance and strategic significance of companies in numerous ways. It makes it difficult for enterprises to preserve operational advantages, but it can also present new options for attaining or reinforcing a unique strategic positioning.

Progressively, technological change impacts firms' competitive edge, scope and advantages and strategic positioning of their products and services differently, and as such, firms are advised to carefully analyze the role of technology in fostering their competitive advantages and competitive disadvantages with equally measures (Saldanha, 2019, p. 12). Saldanha (2019) argues that the relationship between competitive scope and competitive advantage can be changed by information technology and enterprise resource planning. They can also lead to the emergence of new companies, change the cost drivers in a way that can strengthen or weaken a firm's relative cost position, change the structure of an industry, create a competitive advantage, and assist in the implementation of strategies and the reporting needed for decision-making. Considerably,

information technology positively impacts industry attractiveness, structure and unique value propositioning and enhances competitive advantage, operational effectiveness, and profitability. However, on the other hand, it can also erode industry attractiveness as well as undermines the competitive advantage of a firm by embodying technological differentiation, which may raise the cost of production thus increasing the cost advantages, making the products non-competitive and dampening overall profitability and growth.

Olimat and Shbiei (2016) argue that even though technological change can inversely impacts operational advantages of any firm, it can also positively enable firms to foster strategic positioning by pursuing process and reverse innovations in the roll -out of corporate strategy and goals, which mostly supports a firm to deliver value propositioning of uniquely differentiated products and lower cost of production to outperform competitors, enables the firm to have a distinctive value chain system which uniquely espouses process improvement and process innovation to enhance its market competitiveness, spurs trade-offs by focusing on its leading brands to enhance their strategic positioning in the market, and it reinforces interdependence and interrelationships within the value chain system to enable a company to strengthen its competitive scope and distinctive competitive advantage to enable it to achieve superior profitability growth (p. 30).

Contrastingly, Maina (2019) also concedes that technological change has various limitations, which conversely can impact the competitive edge, and differential advantage of firms, such as the use of e-commerce and virtual transactions invariably results in absence of human touch which conversely removes a valuable weapon for increasing purchases, trading off terms and conditions, offering tailored counsel and comfort, and concluding sales. Also, the opportunity to learn about suppliers and consumers (beyond their plain purchase patterns) is hampered by lack of face-to-face communication. Attracting new clients is tough given the sheer amount of accessible information and purchase possibilities. Financial institutions are known to be information intensive and were somehow the first firms to embody new technology and high information content with focus on data processing systems to ensure safety and confidentiality of customers' data, as well as to enhance their operational efficiency and turn around in processing financial transactions in real time. As such, information technology is altering the landscape of competitiveness of firms in any given industry, is slow changing industry attractiveness and structure, considerably increases entry-barriers into an industry and significantly increases the bargaining power of potential buyers as well as has intensified industry rivalry among competitors. It has impacted marketing and branding of products, has enhanced differentiation of

products and lowered cost of production, and created competitive edge (Olimat & Shbiei, 2016, pp. 60-61).

Maina (2019) underscores that in the rapidly changing banking landscape, harnessing the power of information technology in data processing is critical for developing new products, maintaining relationships with customers, improving customer care services through artificial intelligence, and reinforcing positive customer value propositioning which inevitably requires adaptation of new technologies to enable banks to achieve competitive edge and differential advantages. Olimat and Shbiei (2016) argue that for banks to realize competitive advantage, achieve strategic positioning and make informed decisions based on valid processed data, they must embody new technology in their accounting information system.

Kimani (2019) argues that commercial banks have adopted new technologies to wade off competition by leveraging on technology to enhance product differentiation and unique selling propositions of their nearly identical products and services in the competitive market. This is evidenced by the elevated levels by which the Cooperative Bank has increasingly diversified and uniquely differentiated its products, pursued vertical integration, internal and external growth through globalization and internationalization of its leading brands in Africa. With increased technological changes and elevated competitiveness in the banking domain, commercial banks, including the Cooperative Bank, are increasingly facing numerous challenges varying from; risk management, need for product differentiation and leveraging competitive edge, need for improving operational efficiency and enhancing market penetration, and the need for strengthening strategic positioning and market competitiveness, which in essence, requires adoption of new technology to enhance their strategic significance and distinctive strategic positioning in the market.

The Cooperative Bank had evidently adapted information technology, which seemingly had transformed its business processes, enhanced convenience and reduced its costs of financial transactions, created new opportunities through its MCO-Op Cash mobile banking services, expanded its competitive scope through globalization and internalization of its leading brands, enhanced its product differentiation and diversification, which have spurred its competitive edge and differential advantage in the banking domain (Cooperative Bank, 2019, p. 24).

Parklean (2022) fittingly emphasized that for a firm to enviably gain sustainable competitive edge and differential advantage, it is essential to produce its market offerings at a lower cost or ensure unique differentiation of its products with high value creation to attract customers, enhance

strategic positioning and operational effectiveness, and ensure trade-offs to gain market competitiveness and achieve profitability and competitive advantage. Adoption of information technology in manufacturing and processing, inclusive of factory automation and computer-controlled machines, is rapidly expanding whilst the cost of information transmission and storage is rapidly falling thus fostering competition and competitiveness many industries, as competitors try to outperform rivals. Information technology influences how activities are performed, it impacts linkages and interrelationships of value chains both internally and externally, enhances efficiency, accuracy, flexibility and creates competitive advantage and strategic positioning of a firm's products.

Hilver (2019) underscored that in the technological change theory of acceptance and innovation-diffusion theory that technological change improves convenience for customers, enhances operational efficiency and relative advantages, and reduces overhead costs, which directly impact the competitive advantage, overall financial performance, and profitability of the banks. Information technology had gained strategic significance in altering the scope of competitiveness inclusive of competition, spurring value chain processes, and lowering cost of production, enhancing differentiation and diversification, and defining investments priorities to make an industry attractive, profitable, and competitive. Increasingly, technological change and enterprise resource management within the purview of an organization's value chain system have the potential to change the competitive scope—breadth of a firm's activities, which enviably is underpinned by four dimensions -- vertical, industry, segment and geographical scopes—that invariably impact cost advantage, focus and product differentiation in the banking domain (Saldanha, 2019, pp. 58-60).

Parklean (2022) further asserts that investments in new technology in the banking sector enhance efficiency and operational effectiveness, improves innovation and business processes, expands competitive scope and boost product differentiation. Assertively Hilver (2019) affirmed that within the framework of creating competitive scope and advantage in the banking sector, each corporation is now aware of the affects, benefits and impacts of technology on business operations and its capabilities in building durable and sustainable competitive advantages. Increasingly information technology is employed across the value chains of activities, which in turn help the enterprises to optimize and control function of operations for simple decision-making. Strategic relevance of Information Technology comes in its potential to generate value chain in a company by developing interconnected generic value activities encompassing aspects such as suppliers, consumers, manufacturing, finance etc. Conceivably, technological change in the banking sector

transforms value chain systems and value creation activities of any firm by enhancing product differentiation and focus, lowering the cost of production, improving efficiency for achieving bottom line and increasingly fostering competitiveness and competition which impact revenue streams and profitability in the banking domain.

Kariuki (2017) argues that information inclusive of communication and technology have increasingly spurred improved financial performance, operational efficiency, liquidity, returns and earnings, which positively impact growth and profitability of the banks in Kenya. He further underscored that with increased penetration of information technology and improved financial inclusion through the rapid uptake of mobile banking services across the country, then mobile banking has the potential to ensure positive financial performance and high returns, which every bank should embody to improve their overall liquidity and profitability. Technological change impacts both competitive positioning and industry structure through a stream of technological innovations and processes, which considerably reduce the cost of production, improve diversification and unique differentiation of products, ensure quality improvement of standards and production of high-end products, reinforce market penetration and market positioning of products, strengthen brand positioning of products through e-commerce, improve competitiveness of locations and products and also enable firms to benefit from economies of scale by leveraging its value chain system. They also reinforce innovation and value creation, spur globalization and internationalization of leading brands, create competitive and locational advantages, which impact growth and profitability of the banks (Maina, 2020).

Technological change and enterprise resource management impact competitive advantage and industry structure, which Hilver (2019) reiterated that in contrast, diamond theory suggests that improved technological change, combined with local rivalry, demanding customers, and sophisticated suppliers, foster competitiveness by stimulating and supporting high productivity and rapid innovation. Considerably, enhanced industry structure and product differentiation, improved operational effectiveness and strategic positioning, enhanced market penetration, improved market competitiveness and strategic significance together with technological change and enterprise resource management can determine a firm's profitability and growth. Kimani (2019) argued that ICT enables firms to operationalize their corporate and competitive strategies by pursuing new product development and product differentiation as well as by focusing on strengthening branding and unique selling propositioning to enable enterprises to expand their competitive scope, diversify their products and improve value chain processes with a view to outperforming their competitors to achieve superior profitability growth.

Increasingly, technological change has the potential to generate positive customer value propositioning by enhancing unique differentiation of products with value and quality, can enable firms to strengthen their competitive positioning by performing their functions differently and efficiently within the purview of value chain. Technological change can spur diversification and lower cost of production, which make the industry attractive for new investments, can enhance market penetration and brand awareness by enabling firms to pursue virtual and niche marketing strategies, which have great impact on a company's competitive scope, and market positioning (Kimani, 2019)

Asisi and Egessa, (2023) have underlined that technological change is an enviable source of competitive advantage, which drives innovation, automation, and differentiation in the banking sector through embodying Straight-Thru Processing (STP). This is new technology that depends on a few fundamental technologies aimed at minimizing and managing risks. The STP automates the evaluation of risk for low to medium participation products, ranging from credit card applications, personal loans, to refinancing of mortgages and lines of credit, and the formation of overdraft facilities. It helps a bank to deliver immediate clearance, expedite the fulfillment process and decrease paper handling to an absolute minimum and improve pursuit of electronic and online banking services to assure client happiness and loyalty. Nganga (2019) argued that adaptation of new technologies and enterprise resource planning in the financial sector, rapid globalization and internalization of leading brands and products, changing consumer preferences and needs in Kenya have increasingly forced firms to embody ICT integration into their business processes and systems, which have enhanced competitiveness and competition in the banking domain.

Odhimabo et al. (2016) argued that technological change plays an essential and central role in improving business processes and strengthening efficiency and operational effectiveness in the banks, which positively impacts their overall performance and profitability growth. Kimani (2019) asserted that information technology effects business operations and value chain system and "increasingly has becoming a powerful tool driving development and supporting profitability growth, promoting innovation and creativity, and enhancing competitiveness and competition among commercial banks. Raju (2023) asserts that technological change has significantly increased efficiency in banking business processes, reinforced internal control measures, reduced cost of transaction, enhanced accuracy in clearing of cheques, promoted customer service and customer value proposition, and ensured real time communication. Increasingly technology

change provides complete security of transactions and safety of customers' data, ensures convenience and real time banking, and offers business intelligence and data to make accurate decisions to drive growth and profitability in the banking sector.

Odhiambo et al. (2016) further underscored the fact that information and technological change in business processes and organizational management have fundamentally created tactical and powerful turnaround techno-savvy tools that have directly impacted the competitive scope, strategic significance, market competitiveness, brand positioning and competitive advantages of most banks in Kenya, and thus have enabled them to achieve superior profitability and growth. Mbogo (2017) argues that the adaptation of technological change in business processes and value chain system of the banks has the potential to foster product and market innovations, improve operational performance and service delivery, enhance reverse innovations and product differentiation, strengthen efficiency and strategic positioning, expand market share and accelerate rate of returns on investments, which positively impact competitive advantage and profitability growth in the banking domain. Innovations and technological adaptations are critical techno-savvy components for enhancing efficiency, improving customer convenience, and gaining competitive edge and differential advantages in the banking domain.

Wambugu (2019) affirms that most banks in Kenya have embraced information technology by adopting automated teller machines, inter-phasing mobile and online banking services, installing enhanced ICT-security and data management systems, which have improved service delivery, enhanced convenience to customers through e-commerce and virtual transactions, improved operational efficiency and strategic positioning through branch networking, which, in turn, have enhanced their competitive advantage, improved their overall financial performance and profitability growth. This is evidently underpinned by the Cooperative Bank's aggressive adaptation of information technology, which has impacted its competitive scope, enhanced its product differentiation and diversification, strengthened its distinctive strategic positioning and market penetration and which have empowered the bank to achieve competitive edge over its competitors (pp. 15-16).

CBK (2019) argues that within the framework of technological innovation and revolution, every financial institution must consistently pursue technological modernization to improve its operational efficiency and productivity, enhance product differentiation and lower cost advantages, reduce wastage and enhance competitive scope, and accelerate financial performances, which positively impact their rate of returns on investments, reduce bank transactional charges, enhance convenience and customer satisfaction, strengthen brand

positioning and market penetration, and ensure enhanced competitive advantage and attainment of superior profitability growth. Evidently the Cooperative Bank (2019) had seamlessly embodied information technology purposefully to increase its agent and online banking services with a view to enhancing convenience-banking by installing automated teller machines, improving financial inclusion by increasing mobile-banking services in remote areas, differentiating its market offerings by providing executive, diaspora and child friendly banking services, re-organizing its integrated banking services for clients, pursuing globalization and internalization of its leadings and products, enhancing financial inclusion by pursuing narrow target marketing with focus on cooperative savings societies and farmers' unions. Adoption of technological change has enviably enhanced Cooperative Bank's strategic positioning and significance in the market, improved its competitive and differential advantages and ensured sustainable market penetration, inclusive of improved profitability growth (pp. 35-36).

My perspective is that technological change has the potential to reduce transactions costs by using available technology to optimize location of value chain processes, offers virtual learning opportunities for research and reverse innovation critical for new product development and product differentiation, offers opportunities for virtual marketing critical for promoting globalization and internalization of leading brands, promotes arbitrage opportunities to enhance global dispersal of value chain activities and selling of commodities bought from different markets, enhances product's growth potential by expanding marketing share and improving its brand awareness through e-commerce. This significantly helps to improve the competitive positioning and differential advantage of any firm. Technological change is critical for expanding competitive scope and growing market share of any company in the global market by pursuing four strategies: International, transnational, inclusive of multi-domestic and global strategies, which explicitly require high-end technology, and communication flow to improve their competitive advantage.

Technology enhances real-time feedback and improves convenience, promotes pursuit of break-away innovation for new product development, spurs competition and unique selling propositioning of products, improves brand value and strategic positioning of any enterprise, and enhances efficiency and operational effectiveness of value chain processes. Contrastingly, technology can also increase rivalry and competition in certain sectors, which may force competitors to spend more in technology in order to outperform rivals, thus increasing the cost of production, and which has the potential to impact the bottom line and profitability growth. Cyber

security and safety of depositors' accounts and its impact on risk management remains challenging in the financial sector. Overall, there is paucity of literature on how espousal of ICT and enterprise resource planning impact competitive advantage in the sector, which significantly makes this research critical for further exploration.

Information technology has increasingly enhanced efficiency and operational effectiveness of businesses processes in banks, ensured product differentiation and strengthened unique selling propositions of products, improved service delivery channels and lowered transaction costs in the banking domain. This is evidenced by the elevated service delivery, lowered cost of transactions, and enhanced product differentiation by the Cooperative Bank due to its adaptation of advance technologies, and enterprise resource planning in its value chain system. Contrastingly, technological change also has various limitations, which, conversely, can impact competitive edge and differential advantages of firms, and thus can erode profitability and growth.

2.7 Leadership and ethical business practices

This section reviews theories of leadership and correlating leadership styles, ethical business practices and continuous learning as underlying drivers of competitiveness in the banking area. A comprehensive and systematic literature review with greater sense of inclusivity of recently published and high-quality content of journals, books, and articles on the impact of leadership management styles and ethical business decisions in the banking sector was undertaken, inclusion criteria as well as critical appraisal and assessment of multiple sources of literature were ensured, content of summary evidence was analyzed, and conclusions were drawn. Strategically, the sub-theme of the literature review aims at addressing critical research question; to what extent do leadership styles and ethical business practices impact the banking sector's competitive and differential advantages?

Susan (2017) asserts that leadership is the skill of motivating, inspiring, providing compelling directions and persuading followers towards attainment of a common long-term objective in order to survive rivalry and competitiveness inside a firm-structure. Northouse (2019) concurs that the leadership has the potential to influence a group of workers towards the achievement of a compelling vision. Leadership sets compelling vision, inspires commitment, and generates passion to achieve a shared vision, which mostly impact superior performance, profitability growth and attractiveness of a firm. Assertively it has been affirmed that a good leader must be able to generate a compelling and authentically inspirational vision, motivate and continually inspire others to connect with that vision, oversee delivery of the vision, and coach and grow a

team. Largely leadership has been considered as the key driver of team performance, impacting the team via four sets of processes: cognitive, motivational, emotional, and coordination (Susan, 2017, pp. 10-11). Behavioral theories of leadership argue that an effective leader prides two qualities of both initiating structures and consideration, which largely define roles and responsibilities of employees, set up systems and structures for effective people management, enforce ethical business practices, ensure shared accountability, trust and respect, which have positive knock on-effects and spur the firm towards gaining competitive edge and achieving strategic positioning, and which eventually impact a firm's brand positioning, customer value propositioning, market penetration and market share and overall market performance ((Wagner & Hollenbeck, 2020).

Many leadership theories, contingency, Great-Man, Behavioral, Trait, path-goal, situational theories, inclusive of skills-approaches, have been advanced to critically dissect and better comprehend underlying leadership attributes that spur higher employees' performances. Northouse (2019) argues within the lens of "**Great—man- theory** that leaders are born, not formed, which implies that such leaders are born with particular qualities that are distinctive and set them apart from others, and that these features are responsible for their adopting positions of power and authority, which contrasts the tenets of **Skills-Approach theory,** which believe that leadership skills and competencies are learnt over time. Arguably, it has been asserted that characteristic ideas underlying thought that specific personal attributes and characteristics separate leaders from non-leaders. It implies that leader have unique attributes which distinguish them distinct from non-leaders and/or has certain features which help them to stand out in leadership positions (Northouse, 2016, pp. 90-91).

Wagner and Hollenbeck (2020) within the underlying principles of **Behavioral theory**, argue that leaders have certain specific behaviors which differentiate them from non-leaders. Such behaviors have been categorized as; initiating structure/Task Oriented Leaders (extent to which leaders can define their roles and those of their teams), consideration/people-oriented (extent to which leaders have concerns for followers' comfort, well-being, satisfaction, and status). Wagner and Hollenbeck (2020) have affirmed within the precincts of **Contingency theory "**that effective groups depend on the resonance and fitting of between a leader's management style of relating and networking with employees, and the degree to which the relationship impact on the leader". Northouse (2019) argues that **Situational theory of leadership** underlines that it is constituted of both directive and a supporting component, and that each dimension may be employed correctly, depending on circumstances, and given context. Situational leadership demands leaders

to examine their circumstances to choose which leadership style to use, directive or supporting depending on followers' preparedness (p. 98).

Fittingly, it has been reiterated under the precincts of theory of **Path-goal** that the leader's responsibility and accountability is to support employees in achieving their compelling goals, and to seamlessly offer corresponding clear directions and/or critical support to consistently ensure that their strategic goals are aligned with the overall objectives of the organization as reflected in figure 9**.** Presumably, theory of path-goal underlines that a leader's role is to enviably inspire their followers, which strategically is aligned to supportive dimension of situational leadership attributes, which can spur employees to superior performances, and which mostly influence the overall-growth, productivity, superior-profitability, and attractiveness. This is clearly evidenced in the Cooperative Bank, where an employee-reward mechanism has been established to seamlessly motivate and retain high performing staff. The reward system has inspired and created unrivalled performance within the team, and which has enabled the bank to sustain excellent performance and attain profitability growth over the years.

Figure 9: Path-Goal Theory of Leadership

Adopted from Leadership-theory, Kotler & Keller, 2006. P.200.

Path-goal-theory underpins that leaders' behaviors; achievement orientation and participative, as well as supportive and directive-attributes enable leaders to inherently develop compelling-vision

and invariably give clear directions to employees to achieve challenging goals, which results in superior performance and overall satisfaction that is evident at Cooperative Bank, where job satisfaction remains relatively high.

Skills-Approach theory underlines that competency skills-sets, traits and behaviors are learnt over time, which contrasts Great man, behavioral and Traits' theories, which presume that people with leadership powers are innately born with certain behaviors, and traits, which uniquely give them position power to be leaders. Appropriately, it's been affirmed within the skills-approach leadership theory "that competencies and strategic capabilities can be learnt and honed by a leader through technical skills (knowledge, competencies), human skills (working with people) and conceptual (ideas/concepts) and which presupposes that leader are made through learning" (Northouse, 2016, pp. 97-98).

Arguably, there exist many leadership styles, which Northouse (2016) affirmed were critical for spurring superior performance and profitability growth of firms as follows:

1) **Situational leadership** - includes both directive behaviors and supportive behaviors. Directive behaviors help group members accomplish goals by giving directions.

2) **Participative Leadership** Participative leadership consists of inviting followers to share in the decision-making. A participative leader invariably consults with the followers, obtains their perspectives, and opinions, and integrates their ideas and suggestions into the decisions about how the group or organization will proceed.

3) **Achievement-Oriented Leadership;** Achievement-oriented leadership is characterized by a leader who challenges followers to perform work at the highest level possible. This leader establishes a high standard of excellence for followers and seeks continuous improvement.

4) **Transformational leadership** is a management philosophy that encourages and inspires employees to innovate and develop new ways to grow and improve the path to a company's future success. Transformational leaders know how to encourage, inspire, and motivate employees to perform in ways that create meaningful change. The result is an engaged workforce that's empowered to innovate and help shape an organization's future success. Transformative leaders pride great sense of self-awareness, humility, authenticity, and ability to

effectively collaborate and give interdependence. On the other hand, transactional management leadership embodies contingent-reward, Constructive-transactions, Management-leadership principles-by-exception, increasingly active and passive, and Laissez–faire.

5) **Authenticate management leadership** focuses on whether leadership is genuine and real." It is about the authenticity of leaders and their leadership. Authentic leaders understand their own values and behave toward others based on these values. They embody consistency, compassion, connectedness, passion, self-discipline, and behaviors.

6) **Servant leadership** pride, unique characteristics; empathy, listening, commitment to people's growth, healing, awareness, foresight, persuasion, stewardship, conceptualization, awareness.

7) **Adaptive leadership** is about how leaders encourage people to adapt—to face and deal with problems, challenges, and changes. Adaptive leadership focuses on the adaptations required of people in response to changing environments" (Northouse, 2016 pp. 90-93).

Northouse (2016) further argued within the framework of leadership theories and styles that effective leaders who consistently inspire and motivate employees to achieve executive performance invariably embody production-oriented attributes with focus on high-end performances and employee-oriented virtues with focus on individual employee's growth, needs and relationships. Assertively, Robins and Judge (2007) underscored the principle of leader-member relationships to reflect that "the level of confidence, reliability, trust, integrity and respect employees and followers have in their leadership and management" have a snowball effect on a company's performance, growth, and profitability.

Kimani (2019) argues that a leader values qualities such as adaptability, innovation, inspiration, boldness, and independent thinking. They also said that leadership included creating directions and vision, aligning corporate objectives, persuading, motivating, and inspiring followers, taking risks, advocating changes, and empowering followers. Arguably, it has been underscored that leadership and position power is about strategic thinking and influencing, initiating policy changes, providing compelling directions and vision, inspiring and motivating employees towards achieving corporate goals (Bush, 2020).

Gitonga et al. (2018) argue that effective leaders who spur companies in the financial sector to gain competitive and differential advantages and who promote unique differentiation and cost advantages have largely enabled their firms to achieve sustained growth and superior profitability, have certain unique attributes, which set them apart. Such leaders consistently provide compelling vision and direction, invariably stimulate, and inspire employees, strictly embody ethical business practices, increasingly reward employees for excellent performances and progressively pursue employee-development programmes to enhance their competitive advantages and creativity.

Northouse (2018) argues that leadership is about inspiring and motivating followers, aligning followers, and giving clear directives, while management is the job of planning, organizing, budgeting, and controlling to accomplish o organizational objectives. They also stated that leadership is the competence and aptitude to give compelling direction, which includes influencing a group towards the fulfillment of a strategic vision or set of objectives (p. 30).

Transformative leadership inclusive of level-5 Leadership-skills are essential enabling factors required of a company to develop corporate, business, deliberate and emergent strategies, inclusive of grand strategies, for formulating vision and mission statements as well as for providing compelling vision and strategic direction in assessing the business environment with a view to informing competitive positioning and unique selling propositioning of the products. Such leadership attributes are essential for competitive positioning of a firm to improve product differentiation through reverse innovation, enhance branding equity and unique selling propositioning through benchmarking and re-engineering of products, reinforce niche and target marketing strategies and increase market penetration, stimulate innovation and change management by espousing process improvement in value chain processes, expand internalization and globalization of leading brands, improve customer care services to enhance customer satisfaction and loyalty, which eventually impact competitive advantage, profitability growth and a firm's attractiveness (Hilver, 2019, pp. 54-55).

Considerably to outperform competitors, attain competitive edge and to achieve competitive and differential advantages in the financial sector, most banks must not only pursue transactional leadership styles, but also must embody transformational and level-5 leadership competency skills sets. Assertively, Wagner and Hollenbeck (2020) argue within the precincts of path-goal-theory that establishment of employee recognition, inclusive of reward system, invariably motivates and inspires employees to achieve superior performances, which positively affect growth, productivity, and profitability of banks. Presumably, this assumption reinforces MC

Gregory's Theory -X asserts that without incentives and recognition, workers usually despise work, are lazy, dislike responsibility, and must be compelled to perform (Northouse, 2016, pp. 48-49).

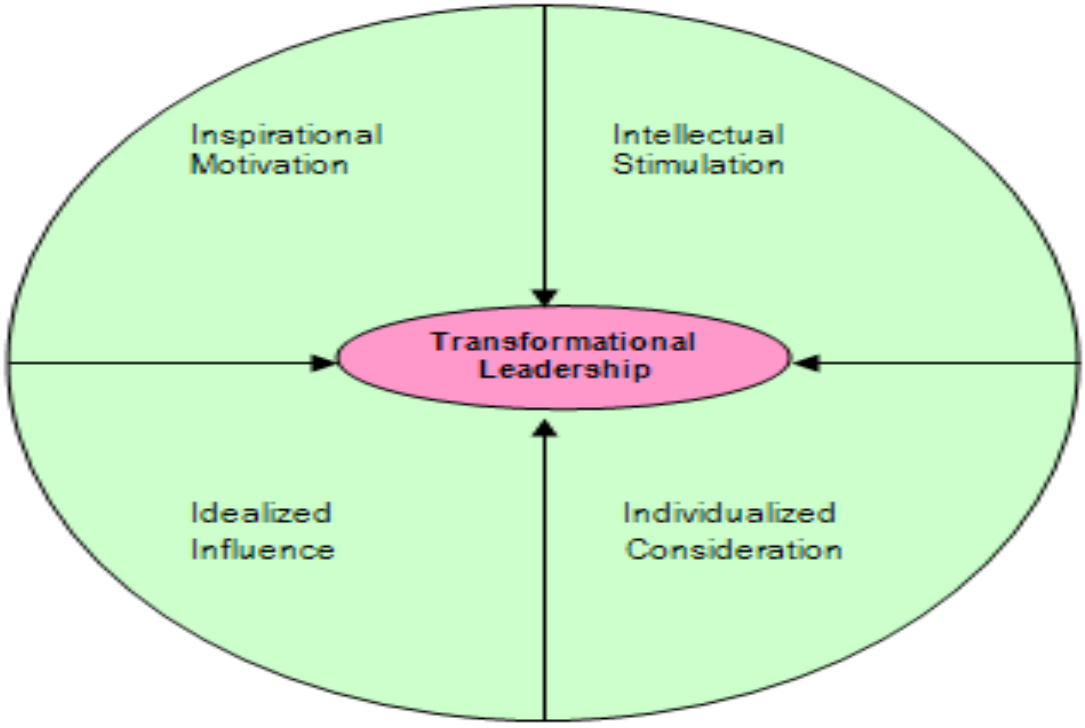
It has been underscored that the elevated and sustained competitive advantage gained by the Cooperative Bank may be attributed to transformative leadership, which has established employee-recognition and reward mechanisms. particularly their established system for rewarding employees through variable pay programmmes piece-rate pay plan, merit-based pay plan, gainsharing, provision of bonuses, employee-stock ownership (ESOP), and profit sharing particularly for the top leadership of the bank (Wagner & Hollenbeck, 2020).

It has been affirmed that insensitivity to the requirements of workers Transactional executives' insensitivity to empowering workers' strategic capacities has a direct influence on their innovation, creativity, and overall performance, undermining the organization's competitive edge and competitive intelligence. The pursuit of laissez-faire, where responsibilities and decision-making processes are abdicated, has the potential to undermine the competitiveness and strategic management principles of the organization, impairing creativity, innovation, and productivity of the firm and reducing their competitive advantage in the competitive marketplace (Gitonga et al., 2018). To advance sustained competitive edge and reinforce strategic significance in the market with a view to outperforming competitors and improving operational effectiveness, strengthen strategic positioning and expand competitive scope, improve product differentiation, and reduce cost advantages, and to achieve profitability growth, then firms require transformational leadership styles. This is clearly underlined by transformative leadership style of the Cooperative Bank, which has enabled the bank to increasingly expand its competitive scope by pursuing product differentiation, embodying internalization and globalization of its leading brands and reinforcing its strategic positioning by pursuing niche and target marketing in the banking sector.

Gitonga et al. (2018) analyzed the varying differences and attributes of transactional and transformative leadership-styles by asserting transactional leaders are leaders that consistently drive their followers by generating appealing objectives and offering explicit advice, which includes clearly clarifying team roles and duties. On the other side, transformational leaders are those who effortlessly urge their staff to transcend and overcome their own self-interests in order to dramatically expand the firm to profitability. It has relentlessly been affirmed that transformational leadership incorporates distinct features as explained in **figure 10** such as intellectual and stimulating concepts, inspiring and motivating viewpoints, individualized-

consideration principles, and aspects promoting accomplishment of idealized-influence which positively impact competitive positioning of an enterprise, branding and unique selling propositioning, needs-based positioning of customers and market penetration, product differentiation and cost advantages, and customer value propositioning, and these attributes mostly influence competitive advantage and profitability growth of a firm.

Figure 10: Transformative Leadership Model highlighting the distinctive features of a transformative leadership as explained above.



Adopted from Transformative-Leadership-Model adapted from Behavioral Theory, Kottler & Keller, 2006, p.150.

Transformative leaders invariably reward, motivate, and support their employees. They are seamlessly sensitive to the needs of employees by establishing employee recognition and reward systems, and continuously empower and train their employees to improve their competitive advantages, which impact overall performance, profitability growth and a firm's attractiveness. Presumably, these attributes of transformative leadership have been arguably affirmed by Wagner and Hollenbeck (2020) that they are strategically aligned to Mc-Gregor-Theory, which asserts the idea that, when there is reward-expectation in line with the characteristics of behavioral theories, situational leadership theory's supportive dimension, and path-goal theory of reward, followers enjoy work, seek responsibility, are creative, and can exercise self-control to accomplish corporate goals. This is explicitly exemplified in the Cooperative Bank, where significant and remarkable performance and improved customer care and satisfaction have increasingly been observed following the introduction of employee variable pay programmmes, provision of

bonuses, employee-stock ownership (ESOP), and profit sharing, particularly for the top leadership of the bank.

Noticeably it has been highlighted that transformative leadership consistently inspires and motivates employees to work harder to empower a firm to improve its strategic positioning, attain competitive edge and realize superior results by elevating followers' degree of empowerment and understanding of the major relevance of the firm's compelling objectives and grand plans, with a view to guarantee that workers continually exceed and transcend their own self-interests to allow the business to achieve competitive success (Gitonga et al., 2018).

Figure 11: Difference Between Transformative and Transactional Leadership

Adopted from Dissecting the difference between transformative and transactional leadership attributes, Porter, 2006, p. 130.

Overall, combination of both transformative and transactional leadership competency-skillsets as reflected above, can inevitably have a profound effect on the firm's overall performance, and profitability growth.

Ethics and ethical decision-making processes are central to effective leadership, transparency and accountability and risk management in any organization. Assertively, Minkes and Chatterjee (2019) redefined ethics is a Greek term ethos meaning tradition or character. It is focused with explaining and prescribing moral criteria and actions, which indirectly stress that there exist acceptable and desirable patterns of behaviors that serve as a function of philosophical concepts (p.13). Hilver (2019) concurred that ethical values are informed by ethical standards, which prescribe what should be ethically acknowledged as nice and right as opposed to terrible or wrong

in a certain scenario. Ethics is the set of values and moral principles that directs individual or collective conduct with regard to what is right or wrong (pp. 250).

Parklean (2022) argued that ethical activity is both legally and ethically acceptable to the greater society. Ethical difficulties, nevertheless, are prevalent in ambiguous circumstances, in which diverse interests, values, beliefs belonging to many stakeholders are in conflict. Narrowly, in an organizational environment, ethics may be understood as a forthright discourse about those ethical ideals, concepts, and practices most essential to stakeholders and to business.

Ciulla and Ciulla (2020) affirmed that Responsible Business Ethics (RBE) are critical success factors for gaining competitive advantage, enhancing strategic significance, reinforcing branding positioning and reinforcing market penetration. Assertively, RBE underlines that ethics is regarded to be crucial to leadership—from CEO through supervisor, since it impacts company culture, procedures and decisions—and that workers feel that with business ethics they would be treated equally.

Ethical values and principles are central pillars of effective and transformative leadership, and adoption of ethical business values, practices and ethical decision-making processes are enabling factors critical for strategic positioning of any firm to gain competitive edge in the banking industry. For leaders to inspire and motivate employees to superior performance standards in sync with ethical values, they must pride integrity, honesty, trust, reliability, trustworthiness, accountability, respect, fairness, and citizenship (Josephson Institute, 2019, pp. 20-21).

This is clearly demonstrated by Cooperative Bank's top leadership, which prides in a great sense of ethical values and consistently engages in ethical business decision-making processes. This is clearly reflected in their filling of tax returns, consistently training their staff on ethical principles, inclusive of the establishment of a whistle blowing mechanism for risk management, pursues fair competition in sync with fair competition and anti-corruption laws and engages their customers in honest and transparent conversations in incase of ethical dilemma (CBK, 2019, pp. 6-7).

To enhance ethical business values, practices, and culture in an organization, the leadership must pursue and adopt business ethics programme comprising, "**1)** Standards and procedures to guide member behavior and foster reasonable stakeholder expectations. 2) Adequate structures and systems that provide for authority, responsibility, accountability, and sustainability. **3)** Communication of standards, procedures, and expectations to the enterprise's members. **4)** Programmes that monitor and audit member conduct. **5)** Encouragement of members to seek advice and report concerns. **6)** Due diligence in hiring, especially for sensitive positions in, for example, management, finance, and contracting. **7)** Encouragement of members to follow

standards and procedures. **8)** Appropriate responses when standards and procedures are violated. **9)** Regular evaluations of program effectiveness" (Responsible Business Ethics, 2019, pp. 115-116).

Katrina (2018) argued that ethical leadership makes ethical decisions in sync with the existing ethics code of conduct and ethical values, which have long-term effects on the organization's reputation, strategic positioning, and brand positioning and which largely impact the organization's competitive advantage and profitability growth.

Katrina (2018) underscored that ethical management leadership is humble, focused on the larger good, strive for justice, accept responsibility, and show respect for everyone. Ethical leaders establish high ethical standards and behave in conformity with them. They affect ethical principles of the company by their actions. Leaders function as important influencers and/or role-models to their followers and teach them the behavioral limits established within a company. They are viewed as honest, trustworthy, brave, and exhibiting integrity. The more the leaders live the words by converting internalized principles into action, the greater degree of trust and respect he gets from followers.

The banking sector is sensitive and consistent application of ethical standards and principles have congruent and unparalleled influence on unique customer-value-propositioning and customer-satisfaction and loyalty to the corresponding bank. Northouse (2019) affirmed that every company sets ethical standards, inclusive of procedures for compliance by followers and vendors, and these are enviably communicated to all, and disciplinary measures are invariably taken in the event of any violation of the standards and procedures. To achieve elevated levels of ethical values and to maintain high ethical standards within the organization's culture, banks often pursue ethical business programmes to empower employees on the ethical principles, protocols, standards, and code of conduct.

Hilver (2019) underscored that ethical-based programmes are critical for inculcating sustained ethical values and standards in the organizations and which require that every firm embodies ethical programs, trains employees on moral principles and codes of conduct, advocates for moral policies and procedures to influence moral business decisions, reviews current policies, credos, and procedures, including reward and performance management systems, and fosters emotional intelligence and effective power use to advance justice, respect, integrity, and shared accountability Thoughtfully, it is critical to ensure that the top leadership, managers and employees of banks fully comply with organizational ethical standards and procedures to enhance

their strategic positioning and reputation in the market, inspire customer confidence, trust and loyalty with a view to enhancing their unique selling propositioning and brand resonance, spur their competitive edge and competitive parity, and to promote ethical values and principles which mostly impact confidence-building, trust and loyalty amongst customers and which mostly result into achievement of profitability growth and attractiveness of the bank.

It has been underpinned in the centrality of business ethics programme in the banking sector as a critical yardstick for enforcing ethical values and standards in the organizations to inspire sustained confidence, trust, and loyalty amongst customers. Assertively, Crane and Matten (2018) underscored that responsible management recognizes that an effective business ethics program touches every decision and activity of the enterprise. It influences patterns of thinking, decision, and behavior that gradually build the organizational culture of the firm. The corporate ethics program should be founded on the basic ideas of the organization and should represent an attitude or perspective that would connect with workers and other stakeholders.

Increasingly integrated ethical based program framed on ethics education and training have profound impact on enhancing ethical values, practices, and culture in the banking sector. Crane and Matten (2018) have asserted that a well-integrated programme is one that (a) is aligned with an organization's core beliefs; (b) fits well with organization systems, policies, and practices; (c) addresses leadership priorities as well as employee expectations for ethics; (d) is used by employees at all levels to guide decision-making and action; and (e) becomes a central part of an organization's culture over time. There are two primary areas to examine in creating corporate ethics programs objectives: (a) How owners and managers anticipate the organizational culture will be changed and (b) What objectives owners and managers seek from the programme (pp. 190-191).

It has been reiterated that to effectively establish Responsible-Business-Ethics and ethical business values in the banking sector, the enterprise must adopt Responsible Business Ethics as explained in **Figure 12** by clearly pursuing four steps: risk analysis and management, compliance, and value-addition, and reputation improvement (Crane & Matten, 2018)

Figure 12: Responsible Business Ethics

Adopting Responsible Business Ethics in the banking industry by ensuring strict compliance with risk management principles and promoting value addition in the flagship products and services with a view to elevate reputation and strengthen unique selling propositioning has the potential to increase market share of the products and reinforce the brand positioning critical for enhancing competitive advantage of the firm as reflected in figure 12.

Adopted from Responsible Business Ethics, Crane, and Matten, 2010, p.70.

In pursuit of establish Responsible Business Ethics, and to enhance ethical decision-making in the organization, the Cooperative Bank has established a code of conduct and ethical standards, which are embedded into their vision and mission statements, Business, and functional strategies inclusive of their generic and grand strategies, which have increasingly inspired sustained customer confidence, trust, and loyalty in the bank. Their ethical standards have embodied the underlying principles of Responsible Business Ethics particularly Value-addition, compliance, reputational enhancement and risk analysis, and management (Hilver, 2019). To improve corporate and public governance, and to systematically eradicate graft in Kenya, the government enviably enacted various laws aimed at enhancing responsible business ethics and inculcating ethical values and practices, and following laws were enacted (in) The Public Officer Ethics Act 2003 (POEA). (ii) The Anti-corruption and Economic Crimes Act 2003. (iii) The Public Procurement and Disposal Act 2005 among others (Ethics Commission for Cooperative Societies, 2019, pp. 68-69).

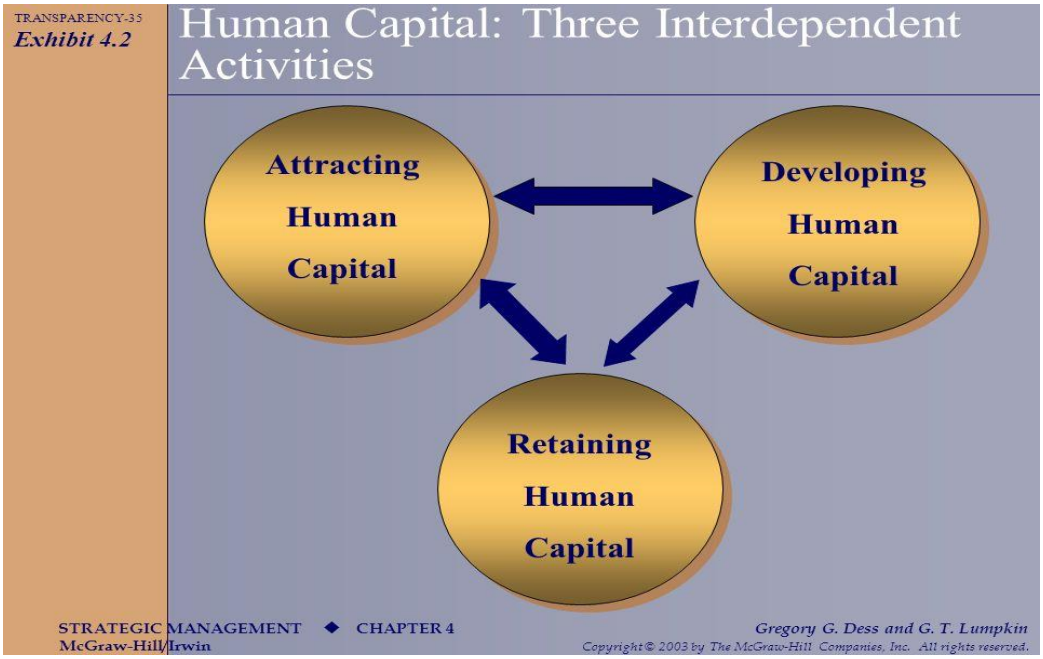
It has been reiterated that for organisations to sustain the competitive edge and maintain ethical principles, enhance their dynamic capabilities and reinforce their strategic significance in the market, they must ensure continuous learning and knowledge management, embody reverse innovation and product differentiation, pursue research and develop new products, enhance their target and niche marketing strategies, and improve their unique selling propositioning ,which mostly impacts their overall superior performances and profitable growth. To spur competitive and differential advantages of an organisation in any sector, every firm must strategically leverage on its human capital, social capital, and knowledge economy, and pursue continuous learning critical for its competitive positioning in the sector (Dess & Nystrom, 2018, pp. 70-71).

It has been deduced that continuous-learning within the framework of inter-connectedness of attracting human-capital, developing and retaining them in any enterprise is an essential ingredient for achieving the Critical Success Factors (CSFs) necessary for gaining competitive positioning and strategic significance in the market, expanding market-share and enhancing Key Performance Indicators (KPIs), improving research and product differentiation, spurring positive unique customer value propositioning and improving superior performance to realise profitability growth in the banking sector (Collis & Anand, (2019). Presumably sustained competitive edge and scope of any bank is a function of effective and ethical leadership, research and continuous learning, seamless pursuit of innovation and benchmarking, focus on internalization and globalization of leading brands, pursuit of product differentiation and reduction of cost advantage, adaptation of technological change and reinforcement of brand positioning and focus on segmentation marketing (Hiver, 2019, pp. 11-12).

Assertively, it has been reiterated that the realization of the link and interdependence of attracting, upgrading, and preserving human capital is crucial in enhancing key performance indicators of any organization. It's further argued that organizations must seek to acquire highly qualified and competent individuals, with the essential competence skill sets to efficiently accomplish their jobs and obligations. Continuous training, staff motivation and exposure of the personnel to different greatly desired skills and competences have a knock-on impact in boosting efficiency, strengthening ethical business practices, and maintaining operational effectiveness essential for developing and attaining competitive success. As such, acquiring, employing, and keeping highly skilled workers is crucial for creating intellectual capital necessary to bring the firm to competitive success (Dess & Nystrom, 2018, pp. 80-81).

Figure 13: Human Capital: Three Interdependent Activities

For banks to gain competitive advantage and expand their competitive marketing scope, they must attract human capital with appropriate competency skillsets, continuously develop them on relevant competitive and emerging financial aspects and ethical principles and make every effort to retain hired manpower, with a view to achieve excellent performance in the banking industry, as reflected in figure 13.



Adopted from Human Capital: three independent activities, Dess & Lumpkin, 2003, pp. 200.

Tsarkos (2023) reiterates the significance of intellectual capital in improving knowledge economy and spurring competitive advantage and unique selling propositioning of products, and as such, asserts that the knowledge economy is an economy in which revenue and income are generated through the adoption of effective and efficient management of highly skilled employees rather than establishing prudent internal controls, and as such, recruiting and hiring a set of talents, improving their strategic capabilities and competency skills to achieve high levels of intellectual capital and gaining profitability. These enabling factors are critical for enhancing strategic significance and improving competitive positioning of banks, promoting product differentiation and reverse innovation, expanding market penetration, and reinforcing brand positioning which directly impact overall performance and profitability growth of banks (Hilver 2019).

Considerately, attracting highly qualified and diverse pool of human capital and their continuous development on ethical principles, mentoring and evaluating them through 360-Degree feedback mechanism, motivating them through employee-recognition and reward system, strengthening social capital and social networks through community of practice, managing diversity and accelerating globalization, and enhancing continuous-learning and knowledge management, have great potential to improve their creativity and innovation, enhance their competitive advantage and productivity, improve their ethical decision making, and ensure superior performances and achieve profitability growth (Macmillan & Tampoe, 2018).

The Cooperative Bank has consistently espoused the inter-relatedness of human-capital; by attracting inclusive of developing and retaining them in their pursuit to ehnance diversity and promote ethical business practices, enhance knowledge management through research and new product development, leverage technology and value chain processes, inclusive of embodying globalization to improve effectiveness and operational efficiency in their business processes and models. Overall, highly trained human capital with ethical values, commitment, and motivation, have enabled the Cooperative Bank to expand its competitive scope and espouse globalization regionally, have helped to reinforce its strategic positioning and significance in the banking sector, improve its branding positioning and expand its marketing penetration, and reinforce its unique selling propositioning and differential advantage in the market (CBK, 2019, pp. 3-5).

Hilver (2019) asserts that continuous learning and knowledge management in any industry enable enterprises to improve their strategic significance in the industry and as such, every firm must seamlessly gain the ability to establish an implementation framework and control systems, such as Enterprise Resource Planning (EPR/ERM) and technological change structure, which can help a firm to achieve superior rate of returns on investments and gain competitive parity in the market. This requires knowledge of market trends, current determinants of competition and competitiveness, and national diamond advantage.

My view is that effective leadership, ethical business practices, trained human capital together with technological change, are essential factors critical and required of any firm to achieve sustainable competitive edge and strategic positioning in any sector. Achievement of sustained superior performance and profitability growth in any firm, is a function of ethical leadership, staff recognition and motivation, continuous training of human capital and knowledge management, and embodiment of ethical business practices. Certainly, leadership invariably provides compelling vision and grand strategies critical for the overall growth and strategic positioning of an enterprise whilst intellectual capital, pursues research and innovation with a view to develop

new products and enhance competitive scope, strengthen market penetration and improve brand positioning, reinforce product differentiation and strengthen unique selling propositioning in an effort to enhance strategic significance and competitive advantage of the enterprise. Embodiment of ethical business practices considerably ensure application of prudent financial practices and ethical business decisions to improve accountability and transparency, reduce financial risks and increasingly inspire market confidence of the firm, and uniquely enhance customer satisfaction and loyalty, which have the latent to enviably improve competitive-advantage and profitability growth of any enterprise. Strictly misuse of power and authority and engagement in unethical business practices by leadership and management should be discouraged by establishing clear governance system and code of ethics inclusive of grievance redressal and disciplinary mechanism to ensure integrity, respect, and fair treatment of all employees. Overall, there is paucity of literature on how leadership and ethical practices impact competition in the sector, which significantly makes this research critical for further studies.

Overall and to advance sustained competitive positioning and to reinforce strategic significance in order to outperform competitors and achieve efficiency, strengthen strategic positioning, and expand competitive scope, improve product differentiation, and reduce cost advantages, and to realize profitability growth, then firms require a combination of transformative and transactional competency- skill sets. Ethics is a central pillar of management and leadership, and the adoption of ethical values, practices and ethical decision-making processes are enabling factors critical for strategic positioning of any firm to gain competitive edge in the banking industry. For leaders to inspire and motivate employees to superior performance standards in sync with ethical values, they must pride integrity, honesty, trust, reliability, trustworthiness, accountability, respect, fairness, and citizenship.

It has been deduced by Collis and Anand, (2019) that continuous-learning within the framework of inter-connectedness of attracting human-capital, developing and retaining them in any enterprise is an essential ingredient for achieving Critical Success Factors (CSFs) necessary for gaining competitive positioning and strategic significance in the market, expanding market-share and enhancing Key Performance Indicators (KPIs), improving research and product differentiation, spurring positive unique customer value propositioning and improving superior performance to realize profitability growth in the banking sector. Customer relationship management in the banking sector requires strategic expansion of customer base, increasingly boosting of customer loyalty and retention, carefully understanding customer psychology,

significantly personalizing customer interactions, prioritizing customer experiences, and improving quality of after sales services, improving and managing efficient customer communications, and measuring and improving customer satisfaction and loyalty. Three types of Customer Relationship Management (CRM); analytical, operational, collaborative and/or strategic, are critical for improving customer care services to ensure customer loyalty and retention.

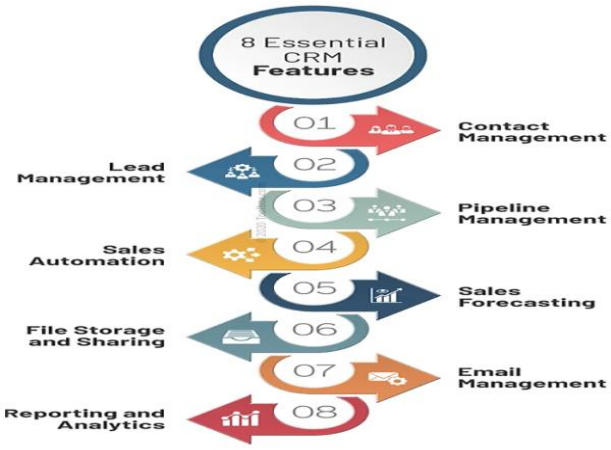
Parklean (2022) underlines the importance of customer care services by stating that organizations may manage relationships with their suppliers, vendors, and customers by using customer relationship management (CRM), which is a method, strategy, or software/technology. CRM makes it easier for company owners and salespeople to retain business contacts, enhance interdepartmental cooperation, and expedite the sales process. While making sure that the company's income keeps rising, business owners and salespeople also need to stay in contact with their customers, follow up with prospects, spot chances for upselling and cross-selling, and start customer retention programs To maintain high quality customer care services, inevitably requires creation of a CRM Strategy by first carefully knowing ones' business goals, involving employees in designing the CRM strategy, revisiting the competitive marketing strategies adopted by the enterprise with buyer's lens, choosing the right CRM tools for analysis and interpretation, consistently keep improving the CRM practices, which have the potential to fundamentally integrate customer care services to enhance efficiency, improve communication, generate high quality data for informed decision making, and significantly boosts revenues and returns on investments.

CCMM (2023) reiterates the importance of CRM by clearly asserting that Customer relationship management (CRM) is not merely the use of technology but rather a strategy to learn more about customers' wants and habits in order to establish deeper ties with them. As such it is more of a business mindset than a technological solution to aid in interacting with clients successfully and efficiently. Nevertheless, effective CRM depends on the utilization of technology. Customer relationship management (CRM) assists organizations to obtain an insight into the behavior of their consumers and adapt their company processes to guarantee that customers are treated in the best possible manner. In essence, CRM assists a firm to realize the worth of its customers and to profit on enhanced customer relations. The more you understand your consumers, the more responsive you may be to their demands.

CCMM (2023) further underlined the importance of customer care by making it clear that the main advantage may be the improvement of your relationships with current clients, which may result in: a) more sales by better timing because you'll be able to anticipate needs based on past trends; b) more effective need identification by knowing individual client requirements; c) cross-selling of other products by emphasizing and suggesting alternatives; or d) enhancements, which will allow you to determine which of your clients are profitable and which are not. By concentrating on, a) efficient target marketing communications targeted at client demands, b) a more personalized approach, and the creation of new or enhanced goods and services to attract more business in the future, this may lead to better marketing of your products or services. In the end, this might result in 1) increased customer satisfaction and retention, preserving your positive reputation in the market; 2) increased value from your current clientele and lower support and servicing costs, raising your overall productivity, and lowering your overall cost of sales; and 3) increased profitability by concentrating on your most lucrative clients and handling the less lucrative ones in more economical ways (CCMM, 2023, p.10).

Figure 14: Essential CRM features

Customer relationship management (CRM) is a critical sales tool for ensuring effective and efficient management of sales processes aimed at increasing competitive marketing scope and expanding the market share by clearly establishing contact management, preparing sales forecast and sales pipelines, analyzing lead scoring and instituting workflow automation to increase sales and profitability of any firm as explained in figure 14. Most commercial banks have developed integrated customer relationship management systems with a view to increase their customer base, retain and expand number of customers and promote customer loyalty which is critical for strategic positioning and increasing sales in the marketplace.



Adopted from Essential CRM features, CRM 2023.

2.8 Government policies regulating banking sector in Kenya.

This section analyses the impact of ever-evolving banking regulations and policies in enhancing the sector's differential and competitive advantages as well as in improving their strategic significance and strategic positioning in Kenya and the region. Systematic reviews and appraisals of multiple evidence-based literature whilst applying the principles of Randomized Controlled Trail (RCT) approach with focus on systematic methods to literature searching and robust interpretation and analysis of recently published literature drawn from banking policies and regulations, journals, studies, and research were undertaken in this review to enhance quality, validity, authenticity, and reliability of the literature review. Overarchingly, the sub-theme of literature review aims at addressing critical research question; how do government banking regulations and policies impact the sector's competitive and differential advantages?

The Central Bank of Kenya (2018) offers lawful and regulatory framework and produces prudential recommendations to oversee the activities of financial institutions within its mission. It also licenses and performs supervision of the financial institutions to guarantee compliance with the laws and regulations. Bank regulation is the process of developing and enforcing regulations for banks and other financial organizations. The basic goal of regulation is to safeguard customers, preserve the stability of the financial system, and combat financial crime. As such, financial institutions are extensively regulated by the central bank. For example, the central bank sets reserve requirements for commercial banks. The Central Bank supervises these accounts to ensure that the institutions aren't at danger of overdraft and advises the institutions on financial concerns.

Assertively Central Bank (2018) supports financial stability; promotes establishment of effective and efficient payment and settlement system; formulates and executes foreign exchange guidance and policies; keeps and manages foreign exchange reserves. (p. 100).

Central Bank (2018) arguably underscored that Kenya's financial sector comprises of commercial banks, and mortgage finance companies inclusive of microfinance banks and credit co-operatives. It also covers non-deposit taking institutions, such as insurance firms, capital markets industry, pensions, and financial markets infrastructure providers. The industry is tightly regulated and governed by the Capital-Markets-Authority (CMA); Central-Bank of Kenya (CBK); Insurance-Regulatory-Authority (IRA); Retirement-Benefits-Authority (RBA); and the Sacco-Societies Regulatory Authority (SASRA) and government ministries for DFIs. (pp. 40-41).

Affirmingly the Central Bank of Kenya (2023) asserted that Central banks invariably executes monetary policy by altering the quantity of money, generally via purchasing or selling

government securities through the stock market. Open market operations impact short-term interest rates, which in turn influence longer-term rates and economic activity. CBK also play a vital role in the transmission of monetary policy, one of the government's most significant weapons for promoting economic development without inflation. The central bank regulates and manages the money supply at the national level, whereas banks facilitate the movement of money in the marketplaces where they operate. Monetary policy in a developing nation like Kenya aids in increasing savings, their mobilization, and their investment in productive activities. Central bank utilizes monetary policy to regulate economic volatility and attain price stability, which implies that inflation is low and steady. (p. 25).

The CBK (2023) affirmed that there are two basic forms of monetary policy: contractionary and expansionary. Contractionary monetary policy: This category of policy is used to lower the quantity of money flowing throughout the economy, often by selling government bonds, hiking interest rates, and increasing the reserve requirements for banks. The CBK's monetary policy is aimed to assist the Government's goals with regards to economic growth. The CBK formulates and implements monetary policy with the purpose of maintaining total inflation within the level specified by the National Treasury at the start of the financial year. CBK arguably identifies four instruments of monetary policy to include reserve requirement, open market operations, discount rate, and interest on reserves. Monetary policy measures are used to preserve a balance of value with currency transactions, stabilize economies, and may even handle debt or unemployment difficulties. (p.10).

Central Bank (2019) states that the banking sector considerably plays a central role in overall performance, and growth of the economy, and as such, requires comprehensive and robust regulations aimed at enhancing prudent financial management overarchingly to reduce the degree of risk to which bank creditors are exposed. Systemic risk reduction—to lessen the risk of disruption coming from bad trading conditions which may lead to catastrophic bank collapses. Avoid abuse and misuse of banks—to decrease the likelihood of banks being exploited for economic crimes, for example, money laundering. To safeguard banking secrecy Credit allocation—to steer credit to preferred industries to deliver the finest customer service in this competitive era.

The financial sector in Kenya has gone through tremendous transformation and standard improvements, particularly in policy and regulatory frameworks wherein the government, in consultation with the banking sector, have formulated several regulatory legislations and policies to govern and regulate the sector, as well as to ensure prudent financial management, improve liquidity of the banks through increased consolidation, mergers and acquisitions and to reduce

risk-exposure by the banks. Progressively, banking regulations and policies inclusive of guidelines to enhance transparency, confidentiality of data, protection of depositors, control fraud and fraudulence transactions have been have adopted as follows: Central Bank of Kenya Act 2015, Banking Act 2015, Regulations and Guidelines Pursuant to the Banking Act Cap 488. The National Payment System Act 2011 and Microfinance Act 2006, and Kenya Deposit Insurance Act 2012, (Central Bank, 2018, p. 300). The financial sector is modestly developed and had contributed 7% to GDP in 2016, with 60% of total assets in the sector, being contributed by the banking sub-sector in 2017.

The State of the Banking Report (2019) asserted that the sector has positively experienced a growth trajectory due to increased capitalization and well distributed liquidity which mostly are attributed to improved financial regulatory framework and policies, increased competition and competitiveness in the sector, continuous market analysis, seamless benchmarking with global financial standards and trends, improved investments in technology and personnel, improved governance and embodiment of ethical business practices, enhanced positive customer value propositioning, and increased credit allocations to the Small and Medium Enterprises (SMEs).

The adopted banking regulations and policies over the years in the financial sector were aimed at improving competition and competitiveness of the sector, strengthening compliance with international financial standards, encouraging consolidation, mergers, and acquisitions to improve liquidity of the banks, spurring espousal of technological change and networking in the industry to ensure improved operational efficiency and reduced cost of transactions. They also aimed at improving their product differentiation and reverse innovation to reach the unbanked population, strengthening protection measures to safeguard depositors and reinforcing confidentiality of data of customers, improving their differential and competitive advantages inclusive of strategic positioning in the region, enhancing adaptation of effective governance and ethical business practices to enhance transparency in sync with international financial standards, improving customer care and satisfaction needs, and reducing potential risks by ensuring that only creditworthy clients access credit, and preventing fraud and cyber-crimes within the sector.

However, not all legislation and regulations promoted by the Central Bank and Parliament over the years were progressive in enhancing the competitiveness and strategic positioning of the sector. Particularly, the amended Banking Act of 2016, which arguably aimed at regulating interest rates on loans by capping interest rate at no more than four per cent. The Banking Act of 2016 clearly underscored the need to protect customers from excessive interest rates levied on loans by reiterating that financial institutions should, before issuing a credit facility to a borrower, disclose all the costs and conditions connected to the loan. Financial institutions should establish

their optimum interest rate payable for a loan facility in Kenya at no more than four per cent, while the minimum interest rate chargeable on a deposit kept in interest earning to at least seventy per cent. A person must not engage into an agreement to borrow or lend at an interest rate greater than that authorized by law. Commercial banks which contravene the amendments stated the Kenya Banking (Amendment) Act, 2016 commits a serious offence and will be liable to a fine of not less than one million shillings. (The Republic of Kenya, 2016, pp. 20-21). The amendments were aimed at protecting customers from excessive interest levies chargeable on loans and credit facilities, which were as a high as 24%, enhancing fair competition when pricing credit facilities by lenders, promoting transparency by revealing precise cost of credit to borrowers, improving corporate image of the banking sector and inspiring public confidence on their ingenuity, transparency, and ethical business practices.

The amended Banking Act 2016 has had inverse impact on the local economy, particularly by limiting access to unsecured loans and credits for SMEs, which resulted in a marked decline in lending by banks, reduced growth in private sector access to credit facilities, which impacted low economic growth in the country, and had negatively impacted job security, resulting in massive layoffs by the banks, following interest capping. Cytonn Investment (2017) argued that amending the Banking Act 2016 had inversely affected the financial sector which resulted into significant decline in lending by commercial banks from 15.7% to a paltry low of 7.1%, which adversely affected the productivity, slowed manufacturing, denied SMEs access to credit facilities, and led to widespread layoffs.

Muchai (2015) argues that government banking regulations and policies invariably provide an enabling framework for banks to pursue and adopt various growth strategies such as adopting internal growth strategy by pursuing product differentiation to increase market share, embodying external growth strategy by pursuing internalization and globalization of their leading brands, espousing expansion strategy by pursuing market penetration inclusive of tracking market development and researching on new product development, adopting diversification approaches by pursuing concentric diversification, horizontal and vertical diversification approaches to improve their competitiveness and strategic positioning, embracing technological change strategy to improve efficiency and reduce transaction costs, embracing consolidation, mergers and acquisition to improve their liquidity and financial stability and embodying joint venture operational strategy to expand their product differentiation and gain market leadership.

Bekmuradova (2016) asserts that the banking sector remains competitive and resilient to economic shocks due to existing banking regulations and policies, which are protective of the sector. Wonglimpiyarat (2014) underscored that the banking sector has gone through tremendous

transformations and improvements through formulation of various banking regulations and policies, which enabled banks to adopt technological change and pursue globalization and embody product differentiation and market penetration aimed at creating and sustaining competitive and differential advantages in the financial market.

Long et al. (2016) argues that banking regulations and policies provide a structured and regulated environment to enhance fair competition in the industry which in turn enable the banks to aggressively adopt competitive and market leadership strategies to enable them to grow their market shares and expand their asset-base, differentiate their products and reduce costs of transactions, and engage in fair competitions to outmaneuver their competitors which impact their differential advantages and unique selling propositioning.

Mghoi (2018) argues that various banking regulations and policies enacted in Kenya have created enhanced competition and spurred major reforms, which include reorganizing existing banks via creating strategic partnerships, pursuing mergers and consolidation of their operations to increase their capital and liquidity, and implementing digitization of the banking services to improve convenience, and promote financial inclusion.

Considerably, banking regulations and policies are aimed at creating discipline in the sector, enhancing compliance with international financial standards, ensuring fair competition in sync with banking efficiency rules, promoting structured and regulated banking development in accordance with global financial standards, protecting depositors from unethical business transactions and fraudulent transactions and encouraging competition and competitiveness in the sector.

The Cooperative Bank (2015) had embodied underlying principles of the banking regulations and policies in corporate and grand strategies by pursuing technological change and product differentiation to improve its strategic positioning and significance in the market, adopted globalization and internalization of their leading brands to enhance their market penetration and competitive advantage in the region, embodied ethical business practices to ehnance transparency in pricing charges on credit facilities in sync with the banking Act of 2016, espoused product differentiation and market development to improve market share and penetration, adopted tight technological security to protect depositors from fraudulent transactions and invariably participate in fair competition in accord with fair-competition laws and banking efficiency rules (pp. 30-31).

Wandiba (2018) affirms that the Central-Bank of Kenya, in consultation with key stakeholders in the financial sector, has enviably formulated appropriate financial policies and guidelines to improve regulation in the banking sector, which has enabled Kenyan banks to realize growth,

profitability and sustained competitive advantage in the region.

Harker and Zenios (2018) argues that banking regulations and policies are some of the critical factors which drive growth in the banking sector alongside embodying technological change, product differentiation and market penetration, recruitment of highly trained and motivated human capital and establishing effective governance system inclusive of ethical business practices, pursuit of market leadership and innovation, positive customer value propositioning, branding and branding positioning, unique selling propositioning and government support.

My overall perspective and viewpoint on the impact of government regulations and policies underpin the fact that they have enforced prudent financial practices, enhanced fair competition and competitiveness in the sector, and increasingly promoted both internal and external growth in the industry, which is evidently demonstrated by the impact of the banking Act of 2016, which triggered external growth by most locally owned banks to pursue internationalization and globalization of their leading products in the neighboring countries to enable them to maintain their bottom lines and profitability. Banking regulations have also enhanced rapid adaptation of technology by banks, which in turns have improved access and real time delivery of financial services through mobile banking in remote parts of the country. Banking policies have enviably promoted innovation and research, new product development and product differentiation, which strategically have ensured that banks consistently pursue quality, reliability, inclusive of service, and value-for-money (QRSV) in product development. Contrastingly, following the collapse of Chase Bank and Imperial Bank Ltd, together with the introduction of the Banking Act of 2016, have forced most banks to pursue consolidation, acquisition, and mergers to strengthen their financial liquidity and strategic significance in the sector. It was evidently demonstrated when Commercial Bank of Africa (CBA) in 2019 aptly issued a cash buy-out offer of KShs1.4 billion to Jamii Bora Bank, as well as NIC Group and CBA at the same time issued a merger notice to consolidate their resources with a view to strategically strengthening their financial liquidity and strategic significance in the sector. Increasingly some banking regulations and policies, particularly the banking Act 2016, inversely have led to acquisition of small banks such as Habib Bank by Diamond Trust Bank, which in principle undermine the growth of small banks and inhibit competition in the sector. Overall, there is paucity of literature on how banking regulations impact competition in the sector, which significantly makes this research critical for further studies.

Overall, banking regulations and policies are aimed at creating discipline in the sector by ensuring the adoption of prudent financial management, improving liquidity of the banks through increased consolidation, mergers, and acquisitions, and reducing risks and financial exposures in the sector.

They are also aimed at enhancing compliance with international financial standards, ensuring fair competition in sync with banking efficiency rules, promoting structured and regulated banking development in accordance with global financial standards, protecting depositors from unethical business and fraudulent transactions and encouraging competition and competitiveness in the sector.

2.9 Literature Review Gaps.

Critical gaps on the key drivers of competition in the banking sector were identified particularly marketing approaches that generate strong brand positioning and brand resonance of market offerings to generate growth and profitability remain unclear which this study had attempted to address. The role of technological change and digitalization of banking services in enhancing Unique Selling Propositioning and ensuring Quality and Reliability of Services, and value for money (QRSV) has paucity of information, which this study had attempted to address. Affirmingly the impact of internationalization and diversification in enhancing strong brand awareness, improving Quality, reliability, and value for money (QRSV), and generating growth and profitability, lack information, which this study will attempt to address. The role of government policies in enhancing fair competition in the banking sector remains unclear, as well as critical style of leadership adopted by the bank to effectively enhance ethical business practices and continuously promote globalization, has paucity of information and data, which this study had attempted to address.

Marketing approaches. Market penetration by espousing focus and differentiation strategies as well as targeting narrow market in which Hilver (2019) underscores that the introduction of new items in the market and the globalization of markets have led to the necessity for enterprises to participate in the same environment to develop a market penetration plan. Hilver (2019) further argues that the embodiment of various marketing strategies and introduction of new product-lines require unique differentiation in terms of quality and resonance with the needs and aspirations of target market. Market skimming and market penetration pricing are critical differentiation strategies firms can adopt to outmaneuver their competitors in their pursuit to gain market penetration, competitive and differential advantages inclusive of achieving competitive intelligence and market positioning.

The Cooperative Bank (2019) asserts that for them to achieve an elevated and integrated differentiation, focus and low-cost leadership, which have spurred the sector to realize competitive positioning and superior performance, the bank has seamlessly been pursuing segmentation and niche marketing strategies targeting particularly farmers' unions and

cooperative saving societies, whilst embodying seven marketing principles (7Ps), which Hilver (2019) has underlined "as product, place, price, promotion as well as physical evidence, people and processes". The bank has also embodied technological change by establishing ATMs, online banking and mobile banking services, has pursued branch networking and agent banking services, has espoused direct sales and personal banking services, has uniquely differentiated its banking products with focus on; corporate, business, executive, personal, retail and agent banking services and has progressively benefited from economies of scales, joint selling efforts of its products (loans, equities, insurance, mortgages etc) and pioneer advantages of being the first cooperative society to roll out banking services. However, the extent to which adoption of technological change particularly establishment of ATMs, online banking and mobile banking services has impacted their market penetration and market share, enhanced their brand resonance, and elevated their financial inclusion, which this study will attempt to address.

Five Forces of Competition: Parklean (2022) underpins that Five Forces of Competition, the National Diamond Advantage, and competitive advantage factors are the key determinants for growth and profitability in the banking sector. As such, commercial banks must undertake both Market Opportunity Analysis (MOA) and Strengthens, Weaknesses, Opportunities, and Threats Analysis (SWOT Analysis) overarchingly to gain better understanding of the depth and breadth of Five Forces of Competition and their impact on enhancing competitiveness in the market pace. Overall, there is paucity of clear information of how the Five Forces of Competition can impact on profitability in the banking sector, which this study had attempted to address.

National Diamond Advantage: Within the conceptual theory of Competitive Strategy and National Demand Advantage and their impact on profitability and operational efficiency, particularly in the financial and banking sector, Dess and Nystrom (2018) affirm that for firms such as Cooperative Bank to achieve competitive and differential advantages in the global market, they must embody cost reduction and unique differentiation of their leading products, seamlessly pursue unique selling proposition, espouse reverse and breakaway positioning and adapt to local market needs to enable them to outperform their competitors and sustain competitive success.

Within the pursuit of theories of National Diamond Advantage and sustainable competitive advantage, there is paucity of information of how Cooperative Bank of Kenya had leveraged its National Diamond Advantage to strengthen its sustainable competitive advantage, gain economies of scale and expand its marketing offerings by pursuing internationalization and globalization of its products in the global markets.

Quality and Reliability of Services and corresponding Value for Money (QRSV): To achieve and sustain strategic significance and operational effectiveness of cooperative savings societies and commercial banks require that every enterprise fully adopts increased Quality and , Reliability of Services and ensures Value for Money (QRSV), embody integrated value chain system which are critical determinants for enhancing product differentiation and improving brand positioning, fostering efficiency and operational effectiveness, and improving customer satisfaction, retention and loyalty in order to achieve profitability and growth. However, there is paucity of information on how QRSV could enhance Unique Selling Propositioning (USP) and improve product differentiation of the market offerings, which this study had attempted to examine.

Technological change. IMF (2021) underscores that technological change and digitalization in the banking sector have significantly improved efficiency and operational effectiveness of the banking services by strengthening security and safety of the banking services, leveraging data analytics to make informed financial decisions, providing convenience and real-time banking services, and offering personalized financial services to customers to enhance customers' satisfaction, retention and loyaltyArguably technological change within financial sector has significantly improved data and transaction security as well as enhanced automated privacy compliance. As such, technological change has the potential to improve innovation, market structure, value chain, and productivity in any enterprise which are critical factors for achieving sustainable competitive advantage.

Wambugu (2010) affirms that the rapid evolution of Information Technology in the banking industry and in particular, the Cooperative Bank, has had profound impact in the reorganization of business processes, strategies, systems, and services, which have increasingly impacted their customer value propositioning and satisfaction, enhanced their strategic positioning and market competitiveness, increased their market-penetration and share, and strengthened their competitiveness and strategic significance in the financial sector. Affirmingly the Cooperative Bank has optimized the use of information technology to expand its mobile and internet banking services to improve branch networking and agency banking services, reduce costs of financial transactions and strengthen access to e-banking services, scale up and expand its globalization and internationalization of its leading brands in Africa (p. 25).

Odhiambo et al. (2016) argue that information technology has been used for data, strategic communication and knowledge management of organizations' business and value chain processes, which have lowered production costs, improved operational efficiency and quality productivity, enhanced communication and networking within business cluster, reinforced

marketing and branding positioning through virtual and e-commerce marketing, strengthened internal security controls systems for enhanced ethical business practices, and reinforced competitive intelligence and quality control in the banking domain.

Saldanha (2019) further asserts that increasingly information technology is dramatically changing the business landscape and value chain processes which impact competitiveness and competitive intelligence, processes that foster competition and competitiveness of firms, and spur strategic positioning and unique value propositioning of banks. The role of technological change in enhancing Unique Selling Propositioning, improving financial inclusion, and ensuring Quality, reliability, and value for money (QRSV) had paucity of information, which this study had attempted to address.

Globalization and diversification. World Bank (2023) argues that globalization and internationalization of banking services have a positive knock-on effect on economic growth and stability. This can happen when they provide much required capital, technological change, and digitalization systems critical for expanding the competitive marketing scope and reinforcing branding positioning of the banking services to sustainably improve their competitive success in the market. Globalization of the banking services also ensure risk-sharing and diversification of the banking products primarily to expand their market share and shareholders' value, thus enabling the commercial banks to contain and control the effects of domestic economic shocks, purposefully to gain and achieve growth and profitability.

Arguably globalization of banking services has positive effects on micro-economic fundamentals of any country by ensuring increased capitalization, enhanced risk sharing and diversification of banking products and improved economic growth and stability in the economy. However, globalization of banking services has also negative effects such as increased volatility of capital flows and high exchange rates, elevated exposure to external shocks, and high risk of financial instability.

Banks adopt globalization to increase their market foot prints, expand their market share, and increase their growth and profitability in the marketplace. It requires adoption of a high degree of penetration, consolidation, mergers, and acquisition of existing banks which inevitably needs direct involvement in ownership, resources, and establishment of internal control risk mitigation measures.

Mutiso (2018) argues that diversification strategy has been adopted by many firms with a view to improving their attractiveness, cost advantages, differential advantage, and overall performance in any given industry. It had been underscored that to realize sustainable competitive parity and

differentiable advantage, then competitive firms should pursue diversification initiatives aimed at achieving synergistic benefits through market power and economies of scope, which enviably are achievable through portfolio analysis, parenting, and corporate restructuring.

Mergers and acquisitions as well as government banking regulations and policies considerably impact growth, internalization, and globalization of banks' leading brands, enhance their competitive scope and market penetration, improve their new product development and differentiation, which empower the banks to achieve supportable competitive advantages and superior profitability growth.

For banking institutions to gain and sustain competitiveness, diversification and unique selling propositioning of their services in sync with the underlying values of internationalization and globalization business dynamics, then they must pursue marketing strategies such as reactive and accountable marketing options inclusive of pro-active and partnership marketing approaches which largely cultivate positive customer relationships by attracting and enhancing brand loyalty, enviably retaining and growing huge customers base, and which ultimately reinforce product differentiation (Macmillan & Tampoe, 2019, pp. 30-31).

Hilver (2019) underpins that pursuit of holistic, integrated, relationships and segmentation marketing strategies together with strengthening branding positioning of banking products and services such as loans, deposits, insurances, mortgages through co-branding and ingredient-branding strategies remain critical in reinforcing diversification of firms' market offerings, improving positive-customer-value-propositioning, and spurring brand resonance in the industry. Hilver (2019) further argues that for firms to achieve integrative and diversification growth, they must pursue diversification by producing new products, which embody technological change and/or adopt progressive marketing strategies to increase sales and promote growth.

To benefit from globalization and diversification of their leading brands and services in the region, the Cooperative Bank of Kenya has relentlessly pursued various internationalization strategies, particularly joint ventures with the Government of South Sudan, licensing, and direct investment, and they are expected to continue their regional expansion to Ethiopia, Rwanda, Tanzania, and Uganda in the years to come. These strategies have largely enhanced its strategic positioning, differential advantage, and competitive intelligence in the region. However, its regional expansion to South Sudan since September 2013 had been fraught with risks and losses associated with cross-border operations owing to political and economic turbulence in the regional-market (CBK, 2019, p. 40).

This study had attempted to critically analyze the role of internalization and diversification efforts in enhancing strong brand awareness, improving Quality, reliability, and value for money (QRSV), and generating growth and profitability for Cooperative bank of Kenya.

Government policies. Presumably banking regulations and policies are aimed at improving commercial banks' competitive and differential advantages, reinforcing their strategic positioning and market penetration, expanding their competitive scope and strategic significance, reducing risks, and safeguarding depositors and ensuring transparency and prudent financial management in every transaction.

Fittingly Mulyaningsih et al. (2015) argue that critical factors that drive competitiveness in the banking sector are majorly, market concentration, geographical locations and fiscal policies, regulations and rules dictating entries and exits across countries. Contrastingly, Wolfe and Amidu (2013) argue that increased competition and competitiveness in the financial domain had largely undermined rapid growth and development, which has resulted into formulation of more banking regulations and policies in Kenya to encourage fair competition and improve growth in the sector. This study had attempted to determine how transformative and situational leadership attributes, embodiment of ethical practices and technological change, product differentiation and cost leadership in the Cooperative Bank could effectively enhance growth and profitability. Considerably to outperform competitors, attain competitive edge and to achieve competitive advantages in the financial sector, most banks have not only pursued transactional leadership styles, but also have embodied transformational and level-5 leadership competency skills sets.

However, the role of government policies in enhancing fair competition in the banking sector remains unclear, as well as critical leadership role of bankers in enhancing ethical business practices and promoting globalization, has paucity of information and data, which this study had attempted to address.

Ethical business practices: Adoption of ethical business processes, continuous provision of integrity-based ethics programs and ethical orientation trainings to employees alongside existence of leaders and managers who invariably exhibit high ethical standards in any enterprise, are critical ethical behaviors to inspire market confidence and enhance trustworthiness of the bank to achieve growth and profitability. However, there is paucity of information and data on how ethical practices can inspire market confidence and improve market share in the banking sector, which this study had attempted to address.

Style of leadership: Adoption of both transformative and situational leadership styles by any enterprise invariably ensures within the organization elevated sense of individual consideration,

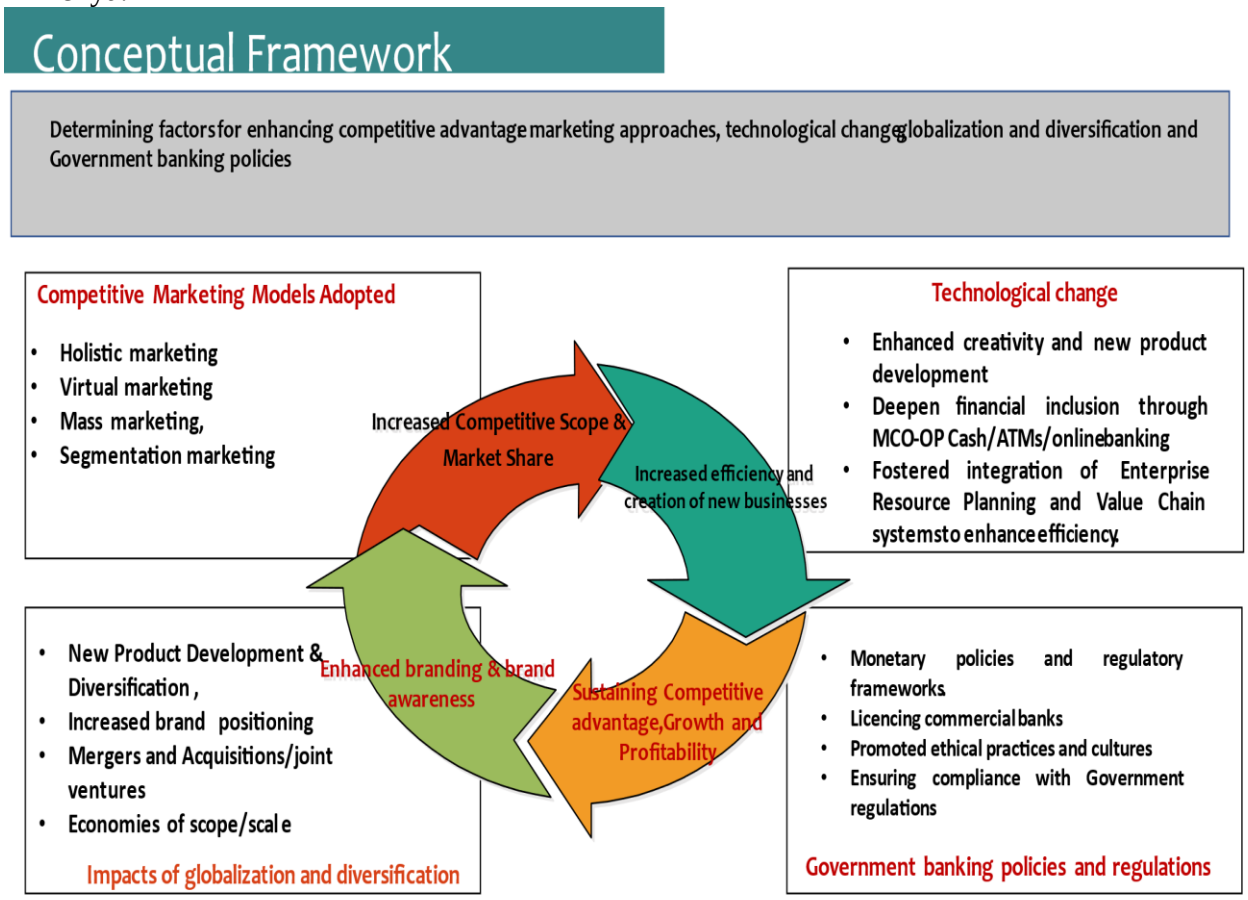
inspirational motivation, intellectual stimulation and charismatic ideals, which largely support enterprises in developing compelling vision and corporate grand strategies focused on sustainable growth, strong brand positioning, technological change and digitalization, globalization and internationalization of market offerings, and diversification and new product development, which significantly can enhance strategic positioning of any enterprise to sustainably gain competitive advantage and achieve growth in the market place. Transformative and situational leadership styles progressively inspire high sense of trust amongst customers and the employees by consistently promoting elevated sense of innovative thinking, integrity, transparency, authenticity, and reliability which are critical attributes and factors for gaining market confidence, achieving competitive advantage and profitability. However, there is paucity of information and data on the impact of transformative and situational leadership styles in enhancing the competitiveness of the bank, which this study had attempted to address.

Customer care services: Embodying high quality and professionalized customer care services are critical marketing factors for strengthening and reinforcing brand meaning and brand awareness of the flagship brands, and as such have the potential to help enterprises to enhance their strategic positioning, gain market confidence and expand their market share. High-end customer care services and customer value propositioning positively impact on customer satisfaction, retention, and loyalty. Steadily meeting customers' expectations by consistently providing timely, personalized, and emphatic customer care services have the capability to significantly expand the market share, which is critical for achieving growth and profitability. However, there is paucity of information and data on the impact of customer care services in progressively enhancing the competitiveness of the bank, which this study had attempted to address.

2.9.1 Conceptual Framework

This study adopted both taxonomy and visual representation conceptual frameworks to clearly explain the relationships of the variables which have enabled the bank to significantly achieve competitive success in the banking sector. Achieving competitive-advantage in the banking industry requires adoption of various marketing strategies, espousing technological change, embracing globalization and diversification of market offerings, as well as formulating business-friendly government banking policies and regulations to create enabling environment for growth and profitability in the banking sector as reflected in the conceptual framework.

Figure 15: Explanation of variables for achieving competitive advantage in the banking sector in Kenya.



Increasingly the competitive advantage has become a critical success factor for enabling the banks to realize their internal and external growth as well as to achieve profitability growth. Achieving competitive advantage in the banking industry requires adoption of various marketing strategies, espousing technological change, embracing globalization and diversification of market offerings, as well as formulating business-friendly government banking policies and regulations to create enabling environment for growth and profitability in the banking sector as explained in the

conceptual framework in Figure 15.

Mwangi (2018) argues that due to elevated competition in the financial sector in East Africa, most banks are embracing the use of electronic banking services with a view to reach more customers in rural areas. Hilver (2019) argues that to achieve significant market share in a competitive business environment, enterprises must embody competitive marketing strategies which ensure low-cost leadership, unique differentiation of the products and cost focus, and this can enable the enterprise to achieve large market share. Achieving large market share is dependable on the adoption of various marketing strategies in any enterprise.

Tampoe (2019) arguably underlines that pursuit of integrated marketing strategies by mix and match together with increased focus on niche and segmentation marketing, seamless promotion of differential marketing and grassroots marketing, as well as pursuit of intensive marketing and promotions through TV ads, inclusive of virtual marketing, are key drivers for attaining sustainable competitive advantage in any industry. Hilver (2019) asserts that a firm's competitive positioning determines its profitability and growth in any given industry structure, as evidenced by the Cooperative Bank of Kenya Limited's exponential growth. To achieve a sustainable competitive advantage, a firm must pursue unique differentiation of its products and cost advantages in production, strengthen branding and branding positioning, and reinforce its Unique Selling Propositioning and expand its competitive marketing scope. In its pursuit to achieve competitive parity and to realize comparative and differential advantages, as well as to achieve growth and gain superior profitability, a firm must embody competitive advantage by pursuing low-cost advantages, unique differentiation, and strategic focus in the design of its products while pursuing reverse innovation and breakaway positioning, reverse positioning and benchmarking, and mass promotion and segmentation marketing of its products. (p.72).

Parklean (2022) further argues that for a firm to achieve sustainable growth and realize superior profitability, it must carefully manage the five forces of competitiveness, overall, the five forces of competition considerably determine a firm’s growth and profitability in any industry’s structure (p. 45).

Rapid profitability growth of any firm may be underpinned by “the four determinants of National Diamond-Competitive-Advantage theory—endowments, increasing demand-conditions, relating and supportive industries, and company strategy — which enviably can shape the environment in which local firms can compete, and these attributes can promote or impede the creation of competitive advantage to enable firms to grow and realize superior profitability” (Parklean, 2022, pp. 113-114).

Kotler and Keller (2006) arguably underpin that pursuit of holistic, integrated, relationships and segmentation marketing strategies together with strengthening branding positioning of banking products and services such as loans, deposits, insurances, mortgages through co-branding and ingredient-branding strategies remain critical in reinforcing diversification of firms' market offerings, improving value propositioning and spurring brand resonance in the sector. They further argued that for firms to achieve integrative and diversification growth, they must pursue diversification by producing new products that embody technological and/or marketing synergies in sync with existing market offerings, entering new markets, which are highly attractive, acquiring new wholesalers/retailers for distribution and marketing of products, pursuing both down and upmarket stretches of their product lines and pursuing divestiture of old businesses to free-up resources for reverse innovation and benchmarking purposes.

Diversification enables firms to maximize their offerings by sharing their businesses processes and value creation activities, leveraging their core competencies and building market power and benefiting from economies of scope as evidently underpinned by the Cooperative Bank's rapid diversification of its leading brands, pursuit of enhanced market penetration and internationalization of its market offerings into South Sudan and espousal of horizontal integration by venturing into new business portfolio in the travel industry. Consistent pursuit of market-penetration pricing, market-skimming pricing, and espousal of competitive frame of Points-of-Parity are critical marketing strategies for strengthening brand positioning and brand loyalty in the sector. However, not every diversification and globalization ventures can yield superior performance and gain competitive success.

It has been reiterated that to outperform competitors and sustain competitive advantage in every business venture, every firm must first pursue inclusive cost-leadership, which is framed on generating low-cost positioning by consistently embodying market skimming and market penetration pricing strategies with a view to analyze value-chain-system and lower and/or lessen the costs in the chain. Secondly pursuing unique differentiations by producing products and/or services, which are uniquely differentiated, high-end and valued. Thirdly, espousal of focus strategy by pursuing narrow product lines and narrow competitive scope in the sector, focusing on niche and narrow target markets, and embodying segmentation and /or targeted geographical markets together with either embracing low-cost leadership or differentiation to attain competitive advantage (Macmillan & Tampoe, 2019, pp. 146-147).

Most firms achieve unique differentiation advantages by creating various products that are uniquely differentiated, valued and esteemed by customers whilst pursuing varied forms of

differentiation; reverse innovation and break-away positioning of products, enhancing high-end customer care and satisfaction services, strengthening brand positioning and brand identification, producing only high quality and premium products with cutting-edge technology, focusing on tightly integrated and unparalleled dealer network and niche marketing to enable the firm achieve above average performance and gain competitive parity (Hilver, 2019, p. 140).

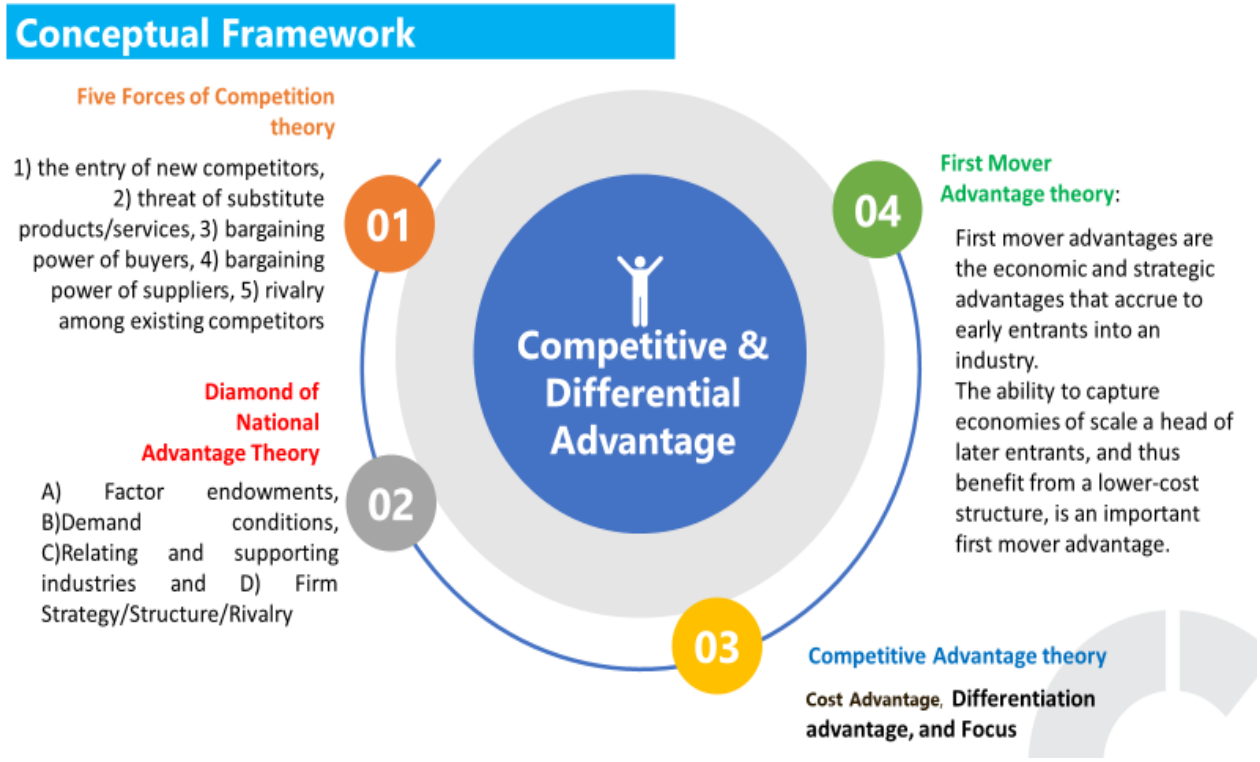
To achieve differentiation, focus and low-cost leadership, the Cooperative Bank (2019) has seamlessly pursued internal growth and globalization of its products in the region, has consistently ensured low cost pricing of services by espousing market skimming and market penetration pricing strategies, and has increasingly embodied unique selling proposition and strengthened its competitive Points-of-Difference by offering premium and customized customer care and satisfaction services across its branches in the country (pp. 20-21).

To remain competitive in the banking sector in Africa, and, particularly, in Kenya, most financial institutions such as Cooperative Bank of Kenya have embraced certain competitive principles such as pursuit of cost-benefit analysis, risk assessment, analyzing both external and internal environments to create competitive and differential advantages, pursuit of breakaway and reverse positioning of their leading brands and products, engaged in price competition, cost reduction and Unique Selling Propositioning and adopted quality improvement in operational efficiency and seamlessly have redefined their market segments.

Macmillan and Tampoe (2019) affirm that growth and profitability in the banking sector is not only determined by the Five Forces of Competition, but also, by pursuit of other factors such as reinforcing branding and brand revitalization of the flagship brands to enhance brand resonance and brand equity, espousal of new product development and differentiation of existing products through reverse positioning and break-away innovation strategies, adaptation of technological change to enhance process innovation and process improvements for delivery of high end market offerings, embracing intensive and holistic marketing strategies by adopting segmentation and niche marketing approaches, promoting customer value propositioning by ensuring effective customer care services, strengthening the competitive point of differences and expanding the marketing scope to improve market share, adapting Enterprise Resource Management and integrated value chain processes to achieve operational effectiveness and draw benefits of economies of scales, seamlessly adoption of Unique Selling Proposition (USP) and pursuit of Quality, Reliability, Services and Value for money (QRSV), as well as consistent improvement of the competitive and differential advantages, by pursuing; low cost leadership advantages, unique differentiation and focus, have been identified as critical determining factors, for

sustaining competitive advantage and achieving growth and profitability in the market place.

Figure 16: Key determinants of profitability in the banking sector



Arguably Dess and Nystrom (2018) affirm as explained in the conceptual Framework in Figure 16 that the Five Forces of Competition, the National Diamond Advantage, First Mover Advantages and competitive advantage factors were the key determinants for growth inclusive of enhancing supper profitability in the financial sector, and as such, for cooperative savings and credit societies and commercial banks to improve their strategic positioning and strategic significance, as well as to enhance their competitive scope and sustain their comparative and differential advantages in the market place, they must undertake both Market Opportunity Analysis (MOA) and Strengthens, Weaknesses, Opportunities, and Threats Analysis (SWOT Analysis) overarchingly to gain better knowledge of the depth and breadth of the macroenvironment forces (demographic-economic, Five Forces of Competition, technological) and microenvironment factors (competitors, customers, suppliers) to enable them gather adequate marketing intelligence information, critical for gaining and sustaining their competitive advantage in the market place.

Hilver (2019) and many other scholars assert that exponential achievement of intensive growth, integrative and diversification growths inclusive of divestures, is not only a function of the impact of the Five Forces of Competition, but rather, was attributed to a combination of multiple business factors, inclusive of Five Forces of Competition. Other determining factors besides Five Forces of Competition include; effective understanding of the marketing environment and competitive

market place by conducting market research, assessing potential growth opportunities and optimizing them to achieve growth, pursuing brand revitalization to enhance brand relevance and brand promise, cultivating customer relations and building customer value propositioning to enhance customer satisfaction, retention and loyalty, analyzing consumer and business markets to understand factors critical for influencing consumer behaviors to improve sales, identifying market segments and targets to improve and expand the scope of integrated and intensive marketing approaches to drive up sales, and strengthening of the competitive point of difference and unique differentiation of the market offerings to enhance brand positioning and strategic significance of the flagship brands in the market place.

Wonglimpiyarat (2014) argues that among the critical factors driving competition, enhancing growth and superior profitability in the financial and banking industry in Kenya is mobile banking technology resulting in the introduction of mobile banking services such as M-Pesa, M-Coop-Cash, etc, which have largely improved customer care, satisfaction, and interactions with the banks. Other techno-savvy technologies embodied are the internet, electronic and agency banking, which have been embodied by many banks, Cooperative Bank inclusive, in their pursuit to enhance unique differentiation and reduce costs advantage, deepen financial-inclusion, and bring financial services closer to unbanked people and to increase customer base.

IMF (2021) accentuates that the digital transformation of the banking business may be essentially described in two dimensions: technology deployed, and services affected. It further asserts that technologies that have been deployed in the banking business include the cloud, artificial intelligence (AI), big data analytics, blockchain, mobile technology, and robo advisers. The adoption of technological change and digitalization have significantly enhanced efficiency gains by improving the turn-around time for processing payments, loans, and feedback loop and communication to customers. For example, a growing number of institutions are switching to cloud technology to eliminate onsite infrastructure administration. Argues that on-going efforts towards technological change and digitalization might lead to a more consolidated and efficient banking system aimed at achieving sustainable growth and profitability. Reliable data has revealed that commercial banks in developed economies seemed to have fully embodied digitalization and established digitalized infrastructure enabling them to achieve competitive advantage. (p. 6).

As such, most of the international banks had carefully adopted digitalization of banking services as one of their business priorities critical for improving their competitive edge in the banking sector. Conceivably banking digitalization supports consolidation and integration of banking services, enhances convenience and real time transactions, promotes financial inclusion and

boosts profitability and growth. Improved access to digital banking services such as the use of mobile payments like Mpesa which are offered by non-financial institutions have created stiff competition to the conventional banks and have largely impacted on their profitability.

Overall, the growth of the digital banking services and system is accompanied by elevated levels of bank digitalization, which is manifested through increased use of internet and mobile phone to pay utility bills as well as adoption of the use of credit cards or debit cards in the marketplace. The digital transformation in the banking sector is critical for the banks' long-term competitiveness, its strategic positioning, and strategic significance in the competitive marketplace.

Damian (2023) argues that technological change globally makes banking more convenient, efficient, and enviably secure by inherently enabling mobile banking apps, enhancing online banking platforms and improve access to contactless payments. It also enables the banking sector to reach geographically distant and diversified markets through online banking, debit and credit cards, ATMs, telebanking, and rural banking.

Damian (2023) posits that banking and technology have always been intimately intertwined, both aiding and promoting improvements in the other, but in recent years, the banking and technology sectors have grown inseparable. Through the advent of new digital solutions such as e-banking and mobile banking services, banks today have more data accessible to them now than in the whole history of banking. (p. 40).

Fittingly adoption of technological change is and will remain vital to the future of the banking sector. It provides banks with various channels to connect with customers and examine their behaviors with a view to develop corresponding marketing offerings which resonate with their needs, tastes, and preferences. Globally technological change has accelerated the rate of change and enhanced the emergence of internet banking services which have intensified competition in the industry. Karlan (2016) argues that the social benefit of the advancement of financial technology is to enhance digital financial transformation, increase financial inclusion, improve convenience banking, and elevate real time transactions. The adoption of technology has not only increased growth and profitability, but also enhanced convenience, efficiency, reliability, and data security in African markets. In Kenya, commercial banks have adopted technological change to remain competitive in the digital age, and increasingly embraced e-banking, ATMs, telebanking, debit, and credit cards to improve efficiency, convenience, and data security. As such, mobile banking has increasingly improved the operations of the commercial banks, enhanced their efficiency and operational effectiveness, and strengthened their competitiveness.

Technological change impacts firms' competitive edge, scope and advantages and strategic positioning of their products and services differently, and as such, firms are advised to carefully analyze the role of technology in fostering their competitive advantages and competitive disadvantages with equally measures (Saldanha, 2019, p. 30). Hilver (2019) affirms that information technology can impact market share through segmentation and virtual marketing, can enhance virtual learning, can alter industry attractiveness and structure by increasing barriers into entry into an industry and can influence competition by impacting the forces of competition.

The Cooperative Bank has adapted information technology, which has transformed its business processes, enhanced convenience and reduced its costs of financial transactions, created new opportunities through its MCO-Op Cash mobile banking services, expanded its competitive scope through globalization and internalization of its leading brands, enhanced its product differentiation and diversification which have impacted its competitive edge and differential advantage in the banking domain (Cooperative Bank, 2019, p. 21).

Information technology has gained strategic significance in altering the scope of competitiveness inclusive of competition, spurring value chain processes, and lowering cost of production, enhancing differentiation and diversification, and defining investments priorities to make an industry attractive, profitable, and competitive. Increasingly, technological change and enterprise resource management within the purview of an organization's value chain system have the potential to change the competitive scope—breadth of a firm's activities, which enviably is underpinned by four dimensions: Vertical, industry, segment, and geographical scopes— that invariably impact cost advantage, focus and product differentiation in the banking domain (Saldanha, 2019, p. 125).

Technological change impacts both competitive positioning and industry structure through a stream of technological innovations and processes, which considerably reduce the cost of production, improve diversification and unique differentiation of products, ensure quality improvement of standards and production of high-end products, reinforce market penetration and market positioning of products, strengthen brand positioning of products through e-commerce, improve competitiveness of locations and products and also enable firms to benefit from economies of scale by leveraging its value chain system.

Technological change enhances real time feedback and improves convenience, promotes pursuit of breakaway innovation for new product development, spurs competition and unique selling propositioning of products, improves brand value and strategic positioning of any enterprise, and enhances efficiency and operational effectiveness of value chain processes. Contrastingly,

technology can also increase rivalry and competition in certain sectors which may force competitors to spend more in technology in order to outperform rivals, thus increasing the cost of production, and which has the potential to impact the bottom line and profitability growth. Cyber security and safety of depositors' accounts and its impact on risk management remains challenging in the financial sector.

It is explicitly clear that the adoption of technological change by commercial banks is not only the determining factor driving competition in the banking industry, but rather, there are other critical factors such as market concentration, geographical locations and fiscal policies, regulations and rules dictating entries and exits, strategic positioning in the market leadership, which mostly influence competition in the sector. Other contributing factors to competitiveness in the financial area, include strategic planning and priority setting, increase in market share and expansion in market penetration, pursuit of high impact learning and strategic capabilities, strategic partnership through supply chain financing, embracing dynamic customer care strategies and adoption of innovation, pursuit of low-cost advantage and pricing, and product diversification inclusive of unique differentiation of leading brands and products, adaptation of effective and transformative leadership practices, embodiment of marketing strategies and brand positioning approaches, espousal of benchmarking and unique selling propositions (USPs), pursuit of breakaway and reverse positioning of financial services, proper management of loans and banking assets have the potential to enable any banking institution to attain competitive advantage and realize high performance inclusive of achieving sustainable growth and gaining superior profitability in the industry.

Globalization and diversification initiatives are driving factors which enable enterprises to achieve harmonious and synergistic value through corresponding economies of scope, and market power. Over the years, Cooperative bank has rigorously pursued diversification through joint ventures and establishing strategic alliances, mergers and acquisitions and internalization of its presence in the region. Internalization and diversification of its market offerings have largely increased its strategic brand positioning and brand awareness in the region, as well as have enhanced its economies of scope by leveraging its core competencies to successfully support its regional expansion. However, pursuit of diversification and globalization has not resulted into growth, profitability, and differentiation. Also, globalization has created tremendous business opportunities for establishing strategic alliances, with limited profitability and revenues.

Within the framework of sustaining competitiveness, some commercial banks have adopted

technological change by creating value through product diversification, integrating low cost leadership and product differentiation, embracing vertical integration and focus and seamlessly pursuing globalization and internationalization of their leading brands and products, pursuing arbitrage opportunities as well as optimizing the location of value creation and value -chain activities, and consistently embracing first mover advantage and economies of scales to sustain and accelerate their competitive advantage. Other commercial banks have embodied high ethical business standards, adopted performance enhancement, and cost reduction as well as have espoused underlying business principles on international, global, multi-domestic and transitional approaches in a bid to enhance their competitiveness, outperform their competitors and rivals in the sector as well as to accelerate their competitive parity, intelligence, and success in the financial and banking sector (Dess & Nystrom, 2018, pp. 120-121).

Overall, diversification enables firms to maximize their market offerings by sharing their businesses processes and value creation activities, leveraging on their core competencies and building market power, as evidently underpinned by the Cooperative Bank's rapid diversification of its leading brands, pursuit of enhanced market penetration and internationalization of its market offerings into South Sudan and espousal of horizontal integration by venturing into new business portfolios in the travel industry.

The adopted banking regulations and policies over the years in the financial sector were aimed at improving competition and competitiveness of the sector, strengthening compliance with international financial standards, encouraging consolidation, mergers, and acquisitions. This will improve the liquidity of the banks, spurring espousal of technological change and networking in the industry to ensure improved operational efficiency and reduced cost of transactions.

The Cooperative Bank had embodied underlying principles of the banking regulations and policies in their corporate and grand strategies by pursuing technological change and product differentiation to improve its strategic positioning and significance in the market, adopted globalization and internalization of their leading brands to enhance their market penetration and competitive advantage in the region, embodied ethical business practices to ehnance transparency in pricing charges on credit facilities in sync with the banking Act of 2016, espoused product differentiation and market development to improve market share and penetration, adopted tight technological security to protect depositors from fraudulent transactions and invariably participate in fair-competition in accord with fair competition laws and banking efficiency rules (Cooperative Bank, 2015, pp. 12-14).

The Central Bank of Kenya formulates monetary policies which control the operations of commercial banks and cooperative saving societies to ensure compliance with ethical business practices and fair competition in the industry. The strategic objective of monetary policies is to maintain price stability and low inflation in the economy. Arguably to achieve fair competition in the banking sector remains a challenge for the government to make any meaningful progress. A brief conceptual framework had been developed to clearly delineating the relationships of the variables; marketing initiatives, technological change, globalization and diversification and government banking policies, and their contribution towards achieving sustainable competitive advantage and growth of the Cooperative bank of Kenya.

Overall, there is paucity of resourceful literature on how marketing approaches, evolving technological change initiatives, internationalization and diversification of market offerings, and government policies and regulations impact the banking sector's competitive advantages, which significantly make this research critical for further exploration.

The next chapter will focus on research methods and data collection.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

Increasingly, the entry of mobile firms such as Airtel, Telkom, and Safaricom in the provision of mobile and internet financial services in Kenya and the larger East African market has significantly enhanced the ease of access to financial services and improved financial inclusion in Kenya. Increased level of competitiveness and never-ending competition in the banking sector together with adoption of cutting-edge technological change and digitalization by embracing unrivaled and techno-savvy mobile and internet banking services by commercial banks, inclusive of Cooperative Bank of Kenya, have largely stimulated and underpinned unique differentiation of financial services and enhanced their cost advantages. The adoption of cutting-edge technological change, embracing integrated marketing strategies, espousing globalization, and diversification of market offerings, as well as adopting business-friendly government banking policies and regulations, are critical factors for sustainably achieving competitive advantage in the banking sector.

The strategic and overall purpose of this mixed method research was to establish how the Cooperative Bank of Kenya has successfully designed its strategic intent and actions while leveraging on its strategic competitive advantage, low-cost-leadership, intellectual capital, unique differentiation of its leading financial brands and corporate advantage to increase and expand its market and shareholder values, gain superior profitability and enhance sustainable competitive success in the competitive financial market place.

Dess and Nystrom (2018) arguably reinforced that unmatched competition in the financial sector has had a positive impact on the banking industry, leading to the development of several banking and fiscal policies, enhancing the pursuit of new technology and improving the unique differentiation of banking services, promoting the adoption of improved customer satisfaction, loyalty, and retention strategies, and promoting the pursuit of brand positioning for banking products. However, neither academics nor the Cooperative Bank of Kenya itself have ever conducted any research to better understand the key factors driving competition within the financial sector, both internally and externally, to determine its competitiveness, strategic positioning, and brand positioning in the competitive banking sector.

As such, this study is pertinent in generating a valuable body of evidence-based knowledge critical for determining the underlying competitive factors enhancing competition and competitiveness of the Cooperative Bank of Kenya within the banking industry, including analyzing the role and impact of its mobile banking services in expanding its market share and generating superior revenues and profits, its strategic brand positioning and the impact of its

promotion of segmentation and niche marketing strategies, and also the influence of its pursuit to expand its market share by pursuing globalization and internationalization of its financial services to other African regional markets.

This chapter outlines the research methodology adopted in conducting this study, and broadly covers research approach and design, data collection tools, sampling, research tools, variables, ethical assurances, data collection and analysis. The study adopted mixed research method, combining qualitative and quantitative research approaches, which systematically can enhance the validity, credibility, reliability, and accuracy of the results (FoodRisC, 2017, p. 2).

3.1.1 Research Approach and Design

A research design is a plan that guides the investigator in the process of collecting, analyzing and interpreting observations (Bhattacherjee, 2019). In view of this, the current study adopted a type of mixed method called a convergent parallel mixed research design. This study adopted mixed research methods research which largely has been viewed as fundamentally inclusive, pluralistic, expansive, complementary, and creative form of research method which systematically legitimizes use of multiple research approaches in an attempt to increase validity, accuracy, credibility, authenticity, congruence, complementarity and reliability of the research findings in sync with the principles of the theory of validation of results (Campbell et al., 2020).

The mixed research methodology adopted in this study, espoused both qualitative and quantitative approaches to the process of sampling, data collection and analysis. The Convergent parallel design was adopted for this research study by collecting quantitative and qualitative data separately, which was later analyzed, compared, and interpreted to purposefully establish key areas of convergence or critical areas of divergence to inform strategic recommendations for policy shifts in the banking industry. The mixed research method approach is suitable when diverse information is required from many stakeholders (Maina, 2020)). The mixed research methodology applied in this research study, had sought information from bank employees from varied sections of the bank particularly, human resource, information technology, accounts and quality assurance and standards officers. The approach was appropriate for this study because it was found necessary to complement data from the survey questionnaires, which was purely quantitative, with data from the interview schedules, which were mainly qualitative. By applying triangulation, it was possible to crosscheck the results from the various data collection instruments, thus the study results attained high levels of reliability, acceptability, validity, and legitimacy.

For quantitative data collection, 86 participants (43 Male and 43 Female) filled the Quantitative

questionnaire via virtual and/or online system. The survey questionnaire embodied statistical techniques which were used to produce numerical, and/or statistical data for generating trend analysis. The quantitative data was analyzed and compared to the Likert- scale for data interpretations. Relevant secondary data and literature were also used to support and validate the quantitative data.

Qualitative data, which is exploratory in nature, was collected using unstructured or semi-structured techniques, particularly virtual in-depth interviews, and focus-group discussions. Forty respondents (20 male and 20 female) were interviewed (20 participants for telephonic interviews and 20 for on-line focus group discussions). Convergent parallel research design using interviews was adopted to collect qualitative data. Overall, the credibility and reliability of collected data entirely depended on research design and quality of data management practices adopted during research (Creswell, 2018, p. 20).

3.1.2 Target Population

The Cooperative Bank of Kenya was selected as a suitable case for the study because it is one of the largest financial institutions that has enjoyed rapid growth and profitability over the last ten years. It is also one of the largest banks by market capitalization and expansive network of branches in Kenya and the larger East Africa. The study targeted a total of 80 bank branches out of the 193 branches of the bank spread all over the country in 47 counties.

The study targeted 86 out of 150 managers from the different sections of the bank whom the researcher believed had progressive experiences and technical expertise in the general operations of the bank and specialization in the different areas of the bank's operations. Out of the 193 branches, 80 were targeted for the purposes of the study.

3.1.3 Sample size and Sampling Techniques

A sample refers to a small proportion of a population which is selected for observation and analysis (Best, 2019). By clearly observing the characteristics of a sample, a researcher may deduce certain inferences about the characteristics of the select population provided the sample is representative of the entire population. Lee (2017) reiterates that sampling refers to taking a proportion of the population and/or the universe as a representative of that population for research purposes. The study was conducted with a sample of 80 out of 193 Cooperative Bank branches spread throughout all the 47 counties of Kenya. 86 research participants (43 Male and 43 Female) out of 150 senior managers filled the Quantitative questionnaire via virtual and/or online system. Qualitative data, which is exploratory in nature, was collected using unstructured or semi-

structured techniques, particularly virtual in-depth interviews, and focus-group discussions. Forty respondents (20 male and 20 female) were interviewed (20 participants for telephonic interviews and 20 for on-line focus group discussions). The mixed research methodology adopted in this study, had espoused both the probability sampling technique with focus on Stratified Random Sampling in quantitative research methodology, and non-probability sampling technique with focus on purposive sampling following the qualitative research methodology.

3.1.4 The mixed method research approach

Temple (2018) underscores that mixed research method prides high levels of reliability, integrity, acceptability, and legitimacy in the academic field of research, given that it uses many research tools, processes and methods. Johnson and Onwuegbuzie (2019) have argued that mixed research method promotes diversity of views and analysis whilst using multiple tools, as well as comprehensively generating strong evidences through convergence, whilst Creswell (2018) underscores that mixed research method generates various evidences to test a grounded theory, reduces personal biasness and enhances credibility, acceptability, accuracy, reliability, validity, and authenticity of results. It has been affirmed that mixed research method applies multi-disciplinary research methodologies, tools, analysis, and interpretations yielding into credible and reliable results. As such, mixed research method is pluralistic, creative, multi-disciplinary which makes the study findings convergent, comprehensive, and credible. Mixed research method significantly supports creativity, and promotes usage of numerous research methodologies, which in the end, yields comprehensive, methodical, corroborative, and reliable results.

Mixed research method promotes effective convergence and re-confirmation of research outcomes, as well as consistently triangulates research results to ensure a high degree of convergence, validity, legitimacy, and reliability. Campbell et al. (2020) accentuated that mixed research method enviably fosters greater complementarity and congruence of results. They further affirmed that use of mixed method ensures high levels of convergence of descriptive results with the corresponding conclusions being accurate specific, and deductive thus making the results credible and acceptable.

Creswell (2018) postulates that mixed research method invariably seeks complementarity and clarity of research findings by using various data sources and data gathering techniques, which primarily offers a structured platform for obtaining clarification of facts and outcomes. Dawadi et al. (2021) posit that mixed research method enhances credibility and integrity of results, devoid of personal bias. Creswell (2018) further argues that use of mixed technique considerably lowers exclusion mistakes, personal bias and boosts correctness and validity of the findings which largely

promotes credibility and integrity of the results. According to Noble and Heale (2019) mixed research method, fosters development, and widens enquiry to promote legitimacy, credibility, validity, and dependability of outcomes.

Creswell (2018) observes that mixed research method enhances validity and credibility of results. He further affirms that by using multiple data-collection tools and varying analysis triangulation fundamentally underpins the principle of pluralism, multidisciplinary and broadening the scope of enquiry, which has the net effect of generating research findings with high levels of validity, reliability, credibility, acceptability, and predictability. Creswell (2018) argues that mixed research method supports a variety of viewpoints and analysis when employing numerous techniques, which generally causes crucial conclusions to be congruent, inclusive, diversified, holistic, and representative in every aspect. He further underlined that triangulation incorporates both qualitative and quantitative research methodologies inclusive of integrating diverse viewpoints of participants when examining a single occurrence, with a view to fully broaden the range and breadth of the investigation. This technique fosters identification of underlying problems via recording multiple opinions of participants on the topic under research, which inherently enhance the discourse and analysis to guarantee that outcomes are congruent, inclusive, varied, holistic, and representative in every aspect.

The mixed-research method was principally adopted in this study because; it enhances in-depth study both in depth and breadth, fosters innovation of conceptual frameworks and promotes multi-disciplinary research, fosters development, and widens enquiry, promotes use of multiple research tools, methods, techniques, and data sources to enhance validity and reliability of results. It promotes greater complementarity and congruence of results, enhances effective convergence and corroboration of research results, seeks seamless consistency and convergence of results, and ensures high levels of credibility, legitimacy, acceptability, accuracy, reliability, validity, and authenticity of results. Significantly, the mixed-research method offers the researcher multiple tools, data sources, methods, and techniques to collect high quality data, validate or corroborate the results, inclusive of seeking clarification of the key findings. Pertinently, it generates various evidence to test a grounded theory, which reduces personal biasness and significantly ensures high levels of credibility, acceptability, accuracy, reliability, validity, and authenticity of results.

Overall, mixed research method was principally adopted in this research because it is an inclusive, pluralistic, expanding, complementary, and creative sort of research technique, which employs multiple research methodologies and data sources to achieve trustworthy, accurate, and genuine research results. Creswell (2018) underpins that mixed research methodology invariably reduces personal biasness and seamlessly enhances validity of research results. Affirmatively Creswell

(2018) argues that by mixing diverse data sources, methodologies, theories, and empirical materials, researchers increasingly aid in overcoming the weakness or innate biases typically encountered with the employment of single research method. Creswell (2018) further asserts that mixed-research method is critically essential for testing new research instruments as well as for cross-checking data from numerous sources with a view to boost inclusiveness and lessen exclusion error which mostly assures regularities in the study data.

The convergent Parallel Mixed Method Design adopted in this research requires analysis of both quantitative, and qualitative databases concurrently as well as comparing quantitative results and then the qualitative results, which is time consuming, and at times, can result into misinterpretation of the results. Systematic data-collection processes, scientific analysis and interpretation of data and their corresponding validation within the framework of mixed research method, has been found to be very complex, rigorous and time consuming, which has the potential to delay results.

Creswell (2018) argues that the methods for doing systematic mixed-research technique data-collection, and matching data-analysis need to be undertaken thoroughly and carefully. Hence, integration of different datasets through convergent merging of the various data sets, may be challenging, and can be complex, which has the potential to impact the results. This needs careful and coherent review and management of the data to ensure quality data analysis to inform better results of the study.

Noticeably the mixed research method adopted in this study clearly addressed the study objectives, answered correlating research questions, and validated research hypothesis along with secondary data sources. Mixed research approach generated new body of evidence and knowledge to determine and establish the critical underlying competition and competitiveness strategies and unrivalled business models, which have propelled the Cooperative Bank of Kenya to rise from a mere cooperative savings and credit society to a full-fledged commercial bank, yet many other societies have tried and failed to achieve this feat.

3.2 Determination of sample size

A sample size of 86 (43 male and 43 female) participants out of 150 senior employees of the Cooperative Bank of Kenya Ltd were selected as research participants particularly senior bank managers, middle-level cross-functional managers and low-cadre bank managers. This sample size was informed by the number of existing senior managers who had progressive work experiences and grounded banking expertise in the banking sector for over 10 years for them to provide valuable inputs for the research. 86 out of 150 senior managers of the bank were targeted

for this research which represented 57% of the target population. This was considered satisfactory as suggested by Mugenda and Mugenda (2019) who argue that a sample of at least 10% or 30 units is deemed appropriate for research in social sciences.

Demographically, research participants were drawn from across all genders, rural and urban settings, particularly from 80 out of 193 branches of the bank in 47 counties in Kenya. Segmentation targeting of high-level professionals with vast and progressive expertise in banking and cooperative movement, competitive theory, branding and branding positioning, marketing and product differentiation, banking policies and regulatory frameworks, ethics, and Corporate Social Responsibility, was adopted in the selection of research respondents.

A design effect (DEFF) was adopted in this study to calculate effective sample sizes, which was arrived at 86 bank employees out of the 150 staff. Statistics (2020) affirms that a design effect (DEFF) is an alteration made to find a survey sample size, due to a sampling method (that is, cluster sampling, stratified sampling etc) resulting in larger sample sizes with greater confidence intervals than you would expect with simple random sampling (SRS). The design impact is the ratio of the actual variation to the variance predicted with SRS. It may simply be described as the actual sample size divided by the effective sample size. For example, let us imagine you were employing cluster sampling. A DEFF of 2 suggests the volatility is twice as great as you would anticipate with SRS. It also indicates that if you employed cluster sampling, you would need to use double the sample size.

Overall, ensuing formula for DEFF has been adopted in this study:

"DEFF = 1 + δ (n – 1).
Where:

- **δ = <u>interclass correlation</u> for the statistic.**
- **n = average size of the cluster.**
-
- Overall, design effect (DEFF) was used to calculate the sample size of 86 out of 150 senior managers of the bank as research participants who were drawn from 80 out of 193 bank branches. This represented 57% of the target population for the research study.

A Chi Square Test, particularly a chi-square-goodness of fit-test was adopted in this study to determine, if a sample data matches a population" (Statistics, 2020, p. 50). Statistics (2020) further affirmed that, A chi-square-test for independence evaluates two variables in a contingency table to discover whether they are connected. In a broader sense, it checks to examine if

distributions of categorical variables vary from each another. A very tiny chi square test score suggests that your observed data matches your predicted data exceedingly well.
(Analytics Vidhya, 2020). The formula of chi-square statistic adopted and used in this study is:

$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

The survey questionnaire embodied statistical techniques which were used to produce numerical, and/or statistical data for generating trend analysis. The quantitative data was analyzed and compared to the Likert- scale for data interpretations.

The collected quantitative data has been processed by computing weighted mean of each survey item. The computed values were then compared to the Likert- scale for data interpretation. Likert-Scale which ranges from one to five with one being strongly disagree and five being strongly-agree and categorical scales (for example, yes/no), had been used to measure all the independent, dependent and control variables. Statistical techniques particularly statistical package of social sciences (SPSS) had been adopted to generate numerical and statistical data with a view to examine trend analysis and correlations in quantitative research (Andale, 2015). Relevant secondary data and literature were also used to support and validate the quantitative data.

3.3 Sampling Procedures

Stock et al. (2019) underscores the fact that sampling is influenced by sampling theory that precisely describes basic procedures required for performing effective sampling. Sampling theory thoroughly explains sampling methods by seeking to redefine technique of sample selection and of estimate to ensure accuracy and precision at the lowest feasible costs.

This study adopted probability sampling techniques with a focus on Stratified Random Sampling in quantitative research methodology, and non-probability sampling technique with a focus on purposive sampling in qualitative research methodology. Convergent parallel mixed method research designs whilst using both in-depth interviews and questionnaire surveys have been used for data collection.

Stratified Random Sampling adopted ensured that certain important categories of respondents particularly senior bank managers, cross-sectional managers, and lower cadre managers were not excluded from the sample through chance. Stratified Random Sampling, significantly increase the legitimacy, reliability, accuracy, authenticity, acceptability, and validity of research findings. According to Tansey (2019) purposive sampling is a strategy in which the person doing the research depends on their judgment to determine the people who will be part of the study. It is a

form of non-probability sample, and it's sometimes referred to as a judging or expert sample. It requires cross-examining a pre-defined list of respondents of interests in mind, and purposely sample those thought suitable. Purposive sampling technique was adopted to select pre-defined respondents, particularly senior bank managers with a view to determine and evaluating how the Cooperative Bank of Kenya Ltd has optimized critical competitive and competition factors such as ethical business strategies, government regulations, learning opportunities, transformative leadership and management styles and customer care services to enable the bank to gain and sustain elevated growth and superior-profitability in the financial market.

3.4. Data Collection Instruments

The study used three instruments for collection of quantitative and qualitative data in complying with the objectives earlier established of the study. A quantitative survey questionnaire (Appendix A) a qualitative In-depth interview schedule (Appendix B) and a desk review of secondary data were the key instruments adopted in this study. Due to COVID-19, virtual focused group discussions and telephonic interviews were also used to gather essential information for this study. Creswell (2018) observes that, rigorous data collection is necessary in order for the researcher to provide comprehensive and holistic information about the type of authentic investigation instruments to be used in the study, while noting their names, efficacy, relevancy, and appropriateness in carrying out this research. In this research study, the instruments used were primarily created for this study, and appropriate authorization for their use was obtained from the relevant authorities.

The researcher ensured that convergent parallel mixed research designs were applied in the study whilst using both in-depth interviews and questionnaire surveys for data collection to ensure that there was increased level of legitimacy, acceptability, reliability, accuracy, authenticity, acceptability, and validity of the research results. Overall, the adopted research instruments in this research, correctly and appropriately measured the variables, tested the hypotheses, and ensured that research objectives were achieved.

3.4.1 Quantitative survey questionnaires

The questionnaire for senior bank managers, cross-functional managers, and low cadre managers (Appendix A) had eleven sections. The first section collected information about the respondents' gender, age, professional qualifications, administration experience, and academic qualifications. The second section sought background information on banking industry, that is, the role that banks play in Kenya, specifically the role of the Cooperative bank of Kenya. This

section, finally sought to find out what had significantly changed in the banking sector that positively impacted the Cooperative Bank and affected its competitiveness. The third section reflected on the impacts of product differentiation as a key factor driving competitiveness in the banking sector in terms product differentiation, technological change, branding, cost differentiation and a unique selling proposition. The next part examined what short- and long-term strategies Cooperative Bank adopted to achieve competitive advantage. Part five examined the cost advantage strategies adopted by Cooperative Bank of Kenya to enhance sustainable differentiation and competitive advantage in the banking sector by examining factors such as reduced cost of doing business, improved economies of scale, adoption of technological change, enhanced strategic interrelationships, and improved benefits resulting from location. The same section examined the impact of integrated supply chain management system and ERP system on enhancing competitiveness. The key issues such as impact of technology on competitiveness of the Cooperative Bank of Kenya, brand positioning and marketing, internationalization and globalization, customer satisfaction, loyalty and retention as key factors that determine competitiveness of the Cooperative Bank of Kenya were also examined. The role of government regulations in creating and sustaining competitive advantage were also determined.

3.4.2 In-depth Interview Schedule

The interviews were conducted with selected senior bank managers, cross-functional managers, and low cadre managers of the Cooperative Bank of Kenya. The selected respondents were approached through the Chief Manager of the Cooperative bank, who approvingly endorsed and authorized the research. The Chief Manager then circulated a notice advising all managers in all the selected 80 branches out of 193 for their participation in the research. The interviewees were then contacted in advance and their consent to grant the interview was sought. The date, and time of the interviews were also fixed in advance in order not to cause lapses and use time efficiently. The researcher assured the interviewees of anonymity and confidentiality of the information that they were sharing. The interview sessions lasted about 45 minutes to one hour. The researcher used this occasion to investigate further by receiving particular responses in order to get a deeper understanding of the issues related to the objectives. The in-depth interviews were conducted virtually with each of the ten sampled respondents. The interview questions were guided by the objectives that the study sought to respond to. The respondents wrote down their responses on a piece of paper for ease of reference by the researcher when responding or analyzing the data and in order to guard on the loss of important information that the researcher might have lost out on if simply asking oral questions.

This instrument was adopted to critically evaluate and examine customers' perceptions on the flagship brands and their strategic branding positioning of the bank in the competitive banking sector as well as customers' insights of the adopted leadership styles, and quality of customer care services provided by the bank to enhance its competitive success in the sector. The interview questions were aligned to the objectives and hypotheses of the study, which reliably tested both dependent and independent variables.

3.4.3 Document Reviews

Document analysis is a method of data collection where data was obtained from extensive reading of documents in the Cooperative Bank of Kenya that align with the objectives of the study. Document analysis entailed collecting and collating documents from the Cooperative Bank of Kenya that are relevant in responding to the objectives (Bowen, 2019). The process of collecting such documents involved a close examination of policy documents, annual financial reports, advertisements, branding documents.

According to Corbin and Strauss (2018) this method of data collection is systematic in the review or evaluation of critical documents which could be in either electronic or printed form. Document analysis in this study has been used alongside other data collection methods namely interview schedules and survey questionnaires as a way of triangulating the data (Bowen, 2019). The current study reviewed documents in the form of marketing advertisements in print form and electronic content used by the Cooperative Bank of Kenya on their information technology platforms. These data forms are usually historical in nature since they are archived forms of data recorded without the researcher's intervention. A review of these documents was significant in helping the researcher to obtain relevant historical information that was aligned with the objectives and hypotheses of this current study thus further enriching the findings.

3.4.4 Quality Assurance of Research Instruments and Research Processes.

Onwuegbuzie (2018) affirms that validity refers to the gradation to which a research study determines and establishes the extent to which a measurement tool correctly examines what it is supposed to measure. Overall, the researcher had utilized both Concurrent validity and Predictive Validity, with a view to sensitively evaluate the underlying competitiveness and competitive elements which have driven the bank to attain elevated growth and higher profitability in the financial industry over the years.

To improve the accuracy, legitimacy, reliability, and validity of the research findings, the researcher adopted mixed method by explicitly embodying both probability sampling technique

with focus on stratified random sampling in quantitative research methodology and non-probability sampling technique with focus on purposive sampling in qualitative research methodology. (Creswell, 2018, p. 120). Overall and in qualitative analysis, the researcher reported the full range of findings underpinning the diversity of perspectives about the topics, as well as reflection of any contrary themes (Creswell, 2018, p. 30).

Overall and to enhance and ensure elevated levels of **validity,** reliability, legitimacy, accuracy, authenticity, authority, and acceptability of the research findings, this study adopted multiple validity processes; construct validity, face validity, content validity, predictive, validity, and concurrent validity (Campbell et al., 2020). Campbell et al. (2020) argues that many scholars have reaffirmed the centrality of reliability and validity processes in enhancing legitimacy, consistency, and acceptability of research results, which was reaffirmed by McDonald and Holland (2024), who argues that **reliability** addresses the overall consistency of a research study's measure.

Marczyk (2019) affirms that dependability refers to the general consistency of a research study's measure. Standardizing the delivery of research equipment and participant training may help to decrease measurement error. It is also maintained that high levels of validity and reliability cannot be regarded as separate characteristics, but rather, they should have a clear sense of complementarities and synergies. A measurement cannot be valid unless it is accurate and reliable; hence a measurement must be both valid and reliable for it to be depended on as accurate representation of a concept. The instruments adopted in this research accurately meet the set standards for validity and reliability which largely produced reliable, credible, and acceptable research results.

3.5 Operational Definition of Variables

The sample size chosen for quantitative research evaluated and measured the impact of competitiveness of the bank and their influence in gaining competitive advantage, examined the effects of adopting innovative business processes and their influence in strategic positioning of the bank. It also evaluated the impact of existing penetrative marketing strategies embraced by the bank and their influence on increasing market share and improving competitive marketing scope, reviewed significance of key branding and brand positioning strategies adopted and their impact on market share and brand awareness.

3.5.1 Variables in the study.

In this research study, independent, dependent and control variables were adopted in quantitative research to address the research objectives, answer research questions, and validate research hypothesis. Quantitative research questions **(Q1-Q4)** adopted in this study have robustly tested and validated research hypotheses (**H1 to H4)** with a view to achieving the overall research objectives, inclusive of testing the independent, dependent and control variables. Overall, in this quantitative research study, various **Dependent Variables** were adopted such as competitive business models (internal and external), internationalization and diversification of its financial services, inclusive of international location of production, unique selling propositions (USPs), product differentiation, brand positioning and brand equity, inclusive of embodying quality, reliability as well as service and value for money (QRSV). Specific **Independent Variables** were embodied such as National Demand Conditions and marketing strategies, existing corporate, long term and grand strategies, as well as research and development (R&D), information technology, inclusive of Enterprise Resource Management, value chain system, and a few **Control Variables** were used such as five forces of competition and competitive parity, primarily to determine their influence in spurring the Cooperative Bank of Kenya to sustainably gain competitive-advantage in the banking sector.

Quantitative research designs adopted in this study, particularly convergent parallel mixed method has tested and validated research hypotheses (**H1 to H4)** with a view to ensure achievement of the overall research objectives. Following hypotheses through quantitative analysis have been tested and validated.

H1. Adoption of numerous marketing strategies by the bank has the potential to increase its market share in the banking sector.

H2. Embracing technological change can increasingly enable the bank to achieve sustainable competitive advantage and economies of scales.

H3. Pursuit of internationalization and diversification of its financial services can significantly enable the bank to achieve growth and profitability.

H4. Government banking policies can create enabling and competitive environment to spur growth in the banking industry.

The qualitative research design adopted in this study, tested, and validated research hypotheses (**H5-H6)** with a view to achieving the overall research objectives. Following hypotheses have been tested and validated through qualitative analysis.

H5. Customers' perception is that brand positioning of the Cooperative bank is comparatively better than other competitors in the banking sector.

H6. The leadership styles adopted, and quality of customer care services offered by the bank resonate well with the expectations of their customers.

Considerably, Likert- Scale which ranges from one to five with one being "sturdily disagree" and five being "sturdily agree" and categorical scales (for example, yes/no), were used to measure all the independent, dependent and control variables. Statistical techniques particularly statistical package of social sciences (SPSS) was adopted to produce numerical and statistical data which was analyzed to present trend analysis in quantitative research. The collected data were processed by computing weighted mean of each survey item. **A Chi-Square-Test**, particularly a **chi-square-goodness of fit-test** were used in this study to determine, if a sample data matched a population (Creswell, 2018).

The following table is the summary of variables inclusive of Research Questions.

Table 1: Table showing variables used in research questions.

Variable Name	**Research Question**	**Item on Survey**
Dependent Variable-1: Marketing strategies **Independent Variable-1**: Market share	**Q1**. To what extent have the existing competitive marketing strategies adopted by the bank enhanced its market share in the banking sector?	See Questions 3, 4, 5, 6, 7, 8, 12 and 13: correlating choices: Holistic marketing initiatives and branding strategies. Increased Competition and competitiveness in the banking industry Improved competitive scope and value chain processes in the industry. Adoption of National Diamond Advantage theory in the banking sector Increased competitive intelligence. Improved Competitive location alongside National Demand Advantage Improved Competitive scope and integrated value chain system to reduce overall operational costs. Competitive business environment and infrastructure in the banking sector

		Increased Competitive intelligence. Development of distinctive and competitive strategies inclusive of short, long term and grand strategies Unique Selling positioning of banking services Cost differentiation and Cost advantage Competitive strategy and grand strategies Improved product differentiation and diversification Improved overall cost leadership/cost advantage. Improved brand recognition and brand positioning.
Independent Variable-2: Impact of technological change **Dependent Variable-4**: Promotion of quality and reliability of services and corresponding value for money (QRSV)	**Q2**. To what extent has the technological change enabled the bank to achieve sustainable competitive advantage**?**	See Questions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 and correlating choices: Adoption of technological change for spawning new business opportunities Enhanced Quality & Reliability of Services and corresponding Value for Money (QRSV). Improved brand recognition and brand positioning. Adoption of technological change for synchronized and real time transactions. Integrated Supply Chain Management System and ERP. Integrated Supply Chain Management System and ERP.

Control Variable-3. Internationalization and Diversification of banking services. **Dependent Variable2:** Growth and profitability	**Q3**. To what extent has the pursuit of internationalization and diversification of its financial services contributed toward to its growth and competitiveness?	See Questions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 and correlating choices: Increased forces of competition in the industry Increased competitiveness of location and market High entry barriers into the banking sector. Product differentiation and Diversification of banking services, Mergers and acquisitions/joint ventures/strategic alliances. Economies of scope/scales.
Q4. **Independent Variable-3**: Banking policies and regulations. **Dependent Variable-3:** Fair competition in the banking industry.	**Q4**. To what extent have the existing government banking policies enhanced growth and profitability in the banking industry?	See Questions 3, 4, 5, 6, 7, 8 and 9 and correlating choices: Government policies and regulations Compliance with Banking of Act Central Bank of Kenya

Adopted from Summary of variables inclusive of Research Questions, 2022.

3.6 Appropriateness of Research Hypotheses

Research questions are framed within the conceptual framework of achieving competitive advantage in the banking industry which requires adoption of various marketing strategies, espousing technological change, embracing globalization and diversification of market offerings, as well as embracing government banking policies and regulations to create enabling environment

for growth and profitability in the banking sector.

This study adopted strategic and coherent research questions principally to help evaluate and investigate the impact of embodying cutting-edge mobile-banking technology on competition and diversification, analyze economic factors influencing competition in the banking industry, review the influence of Enterprise Resource Management and value chain system in improving business processes and innovations, evaluate the role of branding and branding positioning in expanding market share, analyze the impact of segmentation marketing and product differentiation, and examine the effects of internationalization of bank products in an effort to achieve sustainable differential and competitive advantage in the banking sector.

Significantly, selected research questions embodied in this study have attempted to examine how the bank had leveraged its intellectual capital and analysed its internal and external environment to gain competitive success, determine how the firm has leveraged diversification and unique differentiation of its products to increase its market share, analyse how the bank has integrated organisation learning culture and employee motivation to improve operational efficiency, and examine how the bank has embraced short-term and long strategies to improve its competitive scope and strategic significance, and to evaluate how the bank has improved its competitiveness to potentially realize elevated growth and competitive advantage in the financial sector.

Research questions adopted in this study attempted to evaluate how existing customer care services have improved customer satisfaction, loyalty and retention, examine how existing government fiscal policies and regulatory framework have improved the business environment, analyse how existing Corporate Social Responsibility initiatives have reinforced its brand positioning and brand meaning, evaluate how continued learning opportunities, inclusive of development of human capital and adoption of ethical-business practices, have improved efficiency, transparent business processes and prudent management in the bank.

Overall, selected research questions adopted in the study attempted to evaluate the net impact of competition in the banking sector and their influence on competitive positioning, industry attractiveness, product differentiation and unique selling propositioning in the banking industry. Research questions analyzed the role of diversity and brand positioning and their influence on improving market penetration and increasing market share, to examine the impact of cost leadership and unique differentiation and their influence on improving the competitive scope and strategic positioning, to evaluate the role of technological change and Enterprise Resources Management and their influence on diversification, globalization, and internalization of products. They also examined the adopted leadership style and ethical business practices and their impact on productivity and competitive success of the firm, and further reviewed the existing banking

policies and regulatory framework and their impact on growth and competitiveness in the industry.

Following is the summary of research questions, which had been designed to test and validate research hypothesis as follows:

Table 2: Table Showing Research Questions linked to Hypotheses.

Questions	**Source Cited**	**Hypothesis**
Q1. To what extent have the existing competitive marketing strategies adopted by the bank enhanced its market share in the banking sector.	https://www.cleverism.com/26-universal-questions-for-brand-positioning-and-creating-your-brand-story/ https://blog.alexa.com/market-research-questions/	**H1**. Adoption of strategic marketing strategies by the bank has the potential to increase its market share in the banking sector.
Q2. To what extent has the adoption of information technology enabled the bank to achieve sustainable competitive advantage and economies of scales?	https://www.cleverism.com/26-universal-questions-for-brand-positioning-and-creating-your-brand-story/	**H2**. Embracing technological change can increasingly enable the bank to achieve sustainable competitive advantage and economies of scales.
Q3. To what extent has the pursuit of internationalization and diversification of its financial services contributed toward to its growth and competitiveness?	https://www.innovationtactics.com/porter-five-forces/ https://study.com/academy/exam/topic/ethical-	**H3**. Pursuit of internationalization and diversification of its financial services can significantly enable the bank to achieve growth and profitability.

	decision-making-models.html Self	
Q4. To what extent have the existing government banking policies enhanced its growth and profitability in the banking industry?	https://www.cleverism.com/26-universal-questions-for-brand-positioning-and-creating-your-brand-story/	**H4**. Government banking policies can create enabling and competitive environment to spur growth in the banking industry.
Q5. How do customers perceive the brand and brand positioning of the bank in comparison to other competitors?		**H5.** The brand and brand positioning of the Cooperative bank is comparatively better than other competitors in the banking sector.
Q6. How do customers feel about the type of leadership style and quality of customer care services offered by the bank?		**Q6**. The leadership styles adopted, and quality of customer care services offered by the bank resonate well with the expectations of their customers.

Adopted from Research hypotheses, 2023.

3.7 Strategic linkage between research questions and hypotheses

Overall, Research Questions **Q1 to Q4** above in support of Research Hypotheses **H1 to H4** for quantitative data collection, have been sent to 40 senior bank managers of Cooperative Bank of Kenya to fill in survey questionnaires, overarchingly to investigate the impact of adopting cutting-edge mobile-banking technology in improving competition and competitive advantage, examine the impact of increasing competition and corresponding competitiveness in the financial sector, evaluate the impact of Enterprise Resource Management and value chain system in

improving business processes, evaluate the role of branding and branding positioning in expanding market share and growth, examine the impact of segmentation marketing and unique differentiation in improving competitive scope, and analyze the impact of internationalization of the bank products in gaining competitive success and superior profitability in the competitive market in the banking sector.

Research Questions **Q5 to Q6** above in support of Research Hypotheses **H5 to H6** for qualitative data collection using in-depth interviews, have attempted to examine the impact of flagship brands and their strategic brand positioning of the bank in the competitive banking sector as well as evaluate customers' insights on the adopted leadership styles in enhancing prudent and effective corporate management of the bank, and in motivating employees to create positive customer value proposition to achieve growth and profitability, inclusive of reviewing the quality of customer care services offered and their impact in enhancing customer loyalty and retention.

Quantitative Research Questions using survey questionnaires were adopted to evaluate and measure the impact of increased competition, and competitiveness of the bank and their influence in gaining competitive advantage. Research questions have also examined the effects of adopting innovative business processes and their influence in strategic and competitive positioning of the bank, evaluated the impact of existing penetrative marketing strategies embraced by the bank and their influence on increasing market share and improving competitive scope, reviewed significance of key branding and brand positioning strategies adopted and their impact on market share and brand awareness.

Also, research questions attempted to evaluate the impact of forces of competition and National Diamond Advantage and their influence in achieving competitive advantage, examine the effects of globalisation and diversification of banking products and their influence on growth and profitability, analyse the impact of Unique Selling Proposition (USP) and product differentiation and their influence on the bank's overall performance and growth.

The research questions helped to determine the role of long-term and grand strategies in enhancing strategic positioning of the bank and their influence on growth and globalization of the banking products. Research questions in concurrence with hypothesis have examined the effects of Research and Development in improving globalization and product differentiation and their influence on brand positioning and growth, reviewed the impact of information technology in improving business processes and enhancing competition of the bank and their effects on gaining competitive success, analyzed the impact of quality and reliability of services provided and corresponding value for money (QRSV) and examined the effect of strong brand positioning and their influence on gaining sustainable competitive advantage. The research

questions have examined the role of Enterprise Resource Management and value chain system in improving competitive and differential advantages of the bank and their influence on improving competitive scope and enhancing efficient operational business processes.

Quantitative research questions **(Q1-Q4)** adopted in this study tested and validated research hypotheses (**H1 to H4) with** a view to achieving the overall research objectives. Overall, in this mixed research study, various **Dependent Variables, Independent Variables,** and few **Control Variables** were adopted to determine their influence in spurring the bank to achieve sustainable competitive advantage in the sector.

Qualitative Research Questions using in-depth interviews (virtual interviews and self-administered interviews) were adopted to critically evaluate and measure the effects of adoption of ethical business strategies, and shared quality values in promoting ethical business culture and improving corporate governance, examine the impact of branding and Corporate Social Responsibilities, government banking regulations and learning opportunities and their strategic significance in increasing market share and sustaining competitive advantage, determine the influence of transformative leadership and management styles in promoting prudent management and achieving competitive success, and to examine the impact of corporate governance and customer care approaches in improving quality customer-care services and enhancing customer value propositioning in the competitive banking sector. The qualitative research questions (**Q5-Q6**) have tested and validated research hypotheses **H5-H6** with a view to achieving the overall research objectives. Case study research design has been adopted in qualitative research approach, which embodied both dependent and independent variables.

3.8 Data Analysis

This study adopted a mixed research method, which combined quantitative and qualitative research methods. For quantitative data collection, a structured survey questionnaire was developed in line with research objectives and hypotheses, which was electronically sent out to participants to fill.

A total of 86 (43 male and 43 female) research participants out of the 150 senior employees of the Cooperative Bank of Kenya Ltd drawn from 80 out of 193 branches in 47 counties had filled research questionnaires. Research participants were selected from the senior bank managers, middle level cross-functional managers and low cadre bank managers. Demographically, research participants were drawn from across all genders, rural and urban settings, particularly from 80 out of the 193 branches in 47 counties. Segmentation targeting was adopted in this research with focus on high level professionals with progressive and vast expertise in banking and the

cooperative movement, competitive theory, branding and branding positioning, marketing and product differentiation, banking policies and regulatory frameworks, ethics, and Corporate Social Responsibilities, with a view to generate valuable data for analysis and interpretation. Forty participants (20 male and 20 female) had been interviewed (20 participants in telephonic interviews and 20 in on-line focus group discussions) using qualitative survey tool whereas 86 participants (43 male and 43 female) filled the Quantitative questionnaire via virtual or online system. No face-to- face interviews and/or filling of questionnaires took place because of Covid-19. Convergent parallel mixed design was adopted in this research whilst using both in-depth interviews and survey questionnaire for collection of required data.

The mixed research method embraced in this study has addressed the research objectives, answered research questions, as well as has tested and validated research hypothesis along with secondary data sources**.** The mixed research approach adopted in this research attempted to generate new body of evidence and knowledge to determine and establish the critical underlying competition and competitiveness strategies and unrivalled business models, which have enviably propelled the Cooperative Bank of Kenya to rapidly rise from a mere cooperative society to a full-fledged commercial bank, yet many other societies have tried and failed to achieve this feat. The objective of the research was realized by embodying mixed research methodology; whilst reviewing both secondary and primary data sources, rigorously collecting primary data whilst using structured questionnaires, virtual interviews, telephonic interviews, inclusive of self-administered questionnaires. To ensure elevated achievement of results of high levels of credibility, reliability, accuracy, trustworthiness, transferability, validity, authenticity and dependability of the research findings, this study has fittingly adopted an array of primary-data-collection methods such as personal interviews telephone interviews/surveys, self-administered (using mail or Internet) surveys, virtual interviews. In-depth interviews and survey questionnaire were used for data collection, overarchingly to determine how Cooperative Bank had successfully designed its strategic intent and actions while leveraging its strategic competitive advantage, cost and technology leadership, unique differentiation of its leading financial brands and corporate advantage to increase and expand its market share and shareholder values in the competitive financial marketplace.

Noble and Heale, (2019) and Roh and Whang (2019) argue that standardized questionnaire remains an essential, valuable reliable tool, which can be used for both qualitative and quantitative research. As such, a survey questionnaire has been adopted as a tool for primary data collection.

Primary data collection tool-----the quantitative research questionnaire-----had attempted to

examine the role of technological change and government banking regulating policies in enhancing competition, growth, and profitability in the banking sector. Research questions also attempted to evaluate the impact of forces of competition and National Diamond Advantage and their influence on achieving competitive advantage, examine the effects of globalization and diversification of banking products and their influence on growth and profitability, analyse the impact of marketing strategies such as Unique Selling Proposition (USP) and product differentiation and their influence on the bank's overall performance and growth.

Primary data-collection targeted 86 out of 150 senior bank managers, cross-functional bank managers and low-cadre managers of the Cooperative Bank of Kenya Limited, and both focus group interviews, and survey questionnaires were administered virtually. Criteria for selection of respondents was informed by segmentation targeting of professionals with progressive and vast expertise in banking and cooperative movement, competitive theory, branding and branding positioning, marketing and product differentiation, banking policies and regulatory frameworks, ethics, and Corporate Social Responsibilities.

The survey adopted statistical techniques for descriptive statistical analysis to produce numerical or statistical data to present trend analysis in quantitative research. Collected data from the questionnaires has been verified for errors, coded, and then fed into SPSS system for statistical analysis. A Chi-Square-Test, particularly a **chi-square-goodness-of-fit-test,** has been adopted in this study to determine, if a sample data matches a population. Likert- Scale was adopted in this study, and it ranges from one to five with one being "Strongly-Disagree" and five being "Strongly -Agree" and categorical scales (for example, yes/no), had been used to measure all the independent, dependent and control variables. The data have been presented using descriptive tables, figures, and graphs for easy interpretation.

Qualitative focused group discussions and in-depth self-administered interviews attempted to evaluate and measure the effects of spousal of ethical-business-strategies, and shared quality values in promoting ethical business culture and improving corporate governance, examine the impact of corporate social responsibilities, government banking regulations and learning opportunities and their strategic significance in increasing market share and sustaining competitive advantage. The in-depth-interviews attempted to determine the influence of transformative leadership and management styles in promoting prudent management and achieving competitive success, as well as examined the impact of corporate governance and customer care approaches in improving high end-customer-care services and enhancing customer value propositioning in the industry.

Qualitative data, which is exploratory in nature, had been collected using unstructured or semi-structured techniques, particularly virtual in-depth interviews, inclusive of Focus Group Discussions, whilst using a small sample size of 40 bank managers. Qualitative Data Analysis (QDA) was adopted for data collection, coding, and development of data category. Regression analysis or variance analysis of patterns and relationships was used to enhance validity and reliability of collected data. Data analysis embodied use of constant comparisons, patterns and variations, and data processing was informed by theoretical grounds inclusive of data security, which was ensured through data storage in watertight digital technology platform. Overall, collected qualitative data, had undergone through quality checks particularly coding or indexing, identification of themes, re-coding, development of provisional categories, exploration of relationships between categories, refinement of themes and categories, testing of theory against the data and report writing (Creswell, 2018, p. 130).

The credibility and reliability of the key findings and conclusions extensively depended on the quality of research-design-tools, quality, and accuracy of instruments for data collection and quality of data management and accurate data analysis. Convergent parallel mixed design was adopted in this research which embodied dependent, independent and control variables, as well as attempted to test and validate research hypothesis and research objectives.

In this study and in accordance with Gibbs (2018) assertion that to effectively ensure qualitative reliability of the data, this research adopted quality assurance by checking transcripts to get rid of any errors which ensured that there was no change in the definitions of the codes and any paradigm shift in the connotation of the codes during coding. Overall, the researcher consistently cross-checked the codes developed by various researcher participants as well as constantly compared results, and this significantly enhanced the reliability, validity, legitimacy, and authenticity of the collected data (p. 130).

Field testing quantitative survey questions and qualitative interview questions, as well as provision of comprehensive briefing and orientation to the research participants prior to actual research, were identified as critical factors for mitigating internal validity threats, external validity threats and statistical conclusion validity with a view to control drawing inaccurate inferences from the data (Creswell, 2018, p. 80).

The principle of anonymity and confidentiality nature of research invariably gives confidence and credence to research participants to voluntarily give sensitive information, and as such, the researcher whilst obtaining consent from research participants, had clearly informed participants that their information would be held in confidence, both in data and storage (Bill, 2015, p. 400).

Miles and Huberman (2019) assert that the greater sense of consistency of accuracy in coding

should be in agreement with at least 80% to ensure elevated levels of qualitative reliability (p. 150). In the interpretation of data, high levels of accuracy were ensured by debriefing research participants inclusive of checking the accurateness and correctness of the data with research participants inclusive of ensuring intense further review of different data sources particularly through the process of validation in quantitative research.

Overall, mixed research method invariably promotes greater sense of complementarity inclusive of congruence of results, enhances effective convergence and corroboration of research results, seeks seamless consistency and convergence of results, and ensures high levels of credibility, legitimacy, acceptability, accuracy, reliability, validity, and authenticity of results.

3.9 Secondary Data Collection

Theoretical concepts on sustainable competitive advantage and five forces of competitiveness and competition, National Demand Advantage theory, economies of scale and first mover advantage, globalization and internationalization, and transformative and situational leadership theories have significantly influenced the type of secondary data collected and reviewed with a view to ensure elevated levels of reliability, acceptability, validity, authority, legitimacy, authenticity and accuracy, of the research findings. Roh and Whang (2019) and Olabode et al. (2019) have both underscored the relevancy and strategic significance of secondary data collection and analysis to enhance quality, authenticity, authority, and validity of research findings. As such, various secondary data and information on the Cooperative Bank of Kenya Limited were collected, reviewed and analyzed particularly: the Cooperative Bank of Kenya Limited's year-end financial reports, Cooperative Bank analysis of Mobile Banking (MCO-Op Cash), marketing and branding strategies, innovation and ICT internal reports, customer care strategies, globalization and internationalization strategies, leadership and ethical business policy, Central Bank Policies and Regulations, competitive advantage strategies adopted by the banks in Kenya, cooperative movement in Kenya, growth strategies adopted by the Cooperative Bank, its diversification strategies and other commercial banks in Kenya, etc.

In order to comprehensively collect relevant and appropriate secondary data, a robust literature review of different scholarly works was undertaken, in particular, reviews of scholarly works of Porter in Competitive Advantage and on Competition, Mbogo (2017) on the Influence of Information Technology on the effective Performance of Financial Institutions in Kenya, Mbigura (2015) on the Impact of Technology in Enhancing the Competitive Advantage of Commercial Banks in Kenya, Kimani (2015) on Strategic Positioning and Competitive Advantage in Banking Industry in Kenya, Kariuki (2017) on Effects of Information

Communication and Technology on improved banking services in Kenya, Jackson (2017) on improved competition in the financial sector in Kenya, Hilver (2019) on Promoting Business Ethical Culture in Kenya, Harker (1998) on What Drives the Performance of Financial Institutions, Gudmundsson et al. (2012) on the Role of Capital Requirements on Bank Competition and Stability, Edowsomwan on Ethics and Leadership, Cytonn Investments (2017) on Effects of Interest Rate Cap on Credit Growth and Cost for Commercial Banks in Kenya, Central Bank of Kenya (2017) on the Kenya Financial Sector Stability Report of 2017, Central Bank (2019) on Legislations and Guidelines for the banking Sector, and many more.

3.9.1 Study Procedures and Ethical Assurances

CIMS Geneva (2016) affirms that there is a growing demand that ethical analysis must apply ethical principles in all researches to ensure an elevated degree of reliability, legitimacy, and acceptability. To ensure complete proof of compliance with study procedures and ethical issues, the researcher sought UNICAF University approval's and enviably received approval from University Research Ethics Committee (UREC) prior to data collection. Accordingly, local permission from site and participants, were sought from Senior Management of the bank, which was granted.

Canterbury Christ Church University (2014) has underscored that in order to reduce the likelihood of accusations of negligence and carelessness made against a researcher, research facility, university, and/or any associated individuals or groups, the researcher made sure that all current ethical research protocols and Codes of Ethics for Research were fully followed. Additionally, in accordance with the fundamental tenets of research and the underlying ethical norms of justice, such as non-maleficence, respect for individuals, and beneficence, the researcher adopted strategic actions (e.g., maintaining confidentiality and privacy, embodying integrity, and anonymity, etc.) to guarantee that the research being conducted conforms to ethical norms for research. The five fundamental principles of research ethics, which include: minimizing and reducing risk of harm to research participants; protecting research participants' anonymity, enhancing confidentiality, and privacy of the research participants, and obtaining informed consent were adopted in this research study.

Israel and Hay (2018) argue that ethical principles mandate that study participants be guaranteed of their privacy, secrecy, and anonymity with a view to safeguard their rights and integrity. The standards of privacy and confidentiality protect the access, control, and dissemination of personal information; such standards also help to protect mental or psychological integrity of the research participants.

In this research, the researcher ensured that the principles of protecting anonymity and confidentiality of research participants were strictly adhered to and that the procedure for data storage and retention was strictly complied with. In every aspect, the researcher had taken conscious effort to safeguard and protect the right, privacy and integrity of research participants and the confidentiality and anonymity of their individual information in the design of survey questionnaire (Israel & Hay, 2018, p. 10).

Laerd (2017) affirms that safeguarding confidentiality, anonymity, integrity, and privacy of research participants is an essential ingredient of research ethics and norms. Anonymity and confidentiality nature of research gives confidence and credence for research participants to voluntarily give private or sensitive information. In this research study, whilst obtaining informed consent from research participants, they were clearly informed that their information would be held in confidence, in both data and storage.

It was clearly emphasized by Laerd (2017) that researchers must acknowledge that individual research participants have a right to define their own course of actions, judgements, and decisions in sync with the principles of research ethics. Respect for research participants was ensured by recognizing and appreciating their autonomy and their capability to make independent judgments and decisions, which underlie the tenets of informed consent. The right to autonomy and with draw from the research, was ensured in the informed consent forms and was clarified to every research participant prior to data-collection.

To minimize the risk of doing harm (non-maleficence) to the research participants, the researcher engaged research participants in (1) strategic planning and priority setting to demonstrate how participants' harm (or distress and anxiety) could be lessen (2) sought informed consent of the participants and (3) and had undertaken a comprehensive briefing and debriefing of the nature of harm they were likely to encounter, particularly, psychological anxiety, physical harm, social disadvantage, loss of privacy and anonymity. To safeguard and protect the rights and safety, anonymity of research participants, their corelating data will not be shared with anyone, and as such will be kept safely. Strict compliance to the Codes of ethics in data storage had been ensured for this research by strictly avoiding scientific misconduct (such as data manipulation or plagiarism), ensuring strict compliance with environmental and safety regulations, ensuring adherence to ethical norms related to authorship and intellectual property, inclusive of ensuring strict privacy and confidentiality of the participants' data, which they have a right to access for a period of one year after research study (Laerd, 2017). Upon completion of the data analysis, verification and validation, their stored data will then be destroyed by November 2026.

Within the framework of informed consent, arguably Laerd (2017) noted that obtaining informed

consent ensures that research participants are fully informed that (a) they are voluntarily and willingly engaged in research and (b) also provides the opportunity to clarify what is expected of them in the research. Voluntary nature of participation in research is another form of informed consent, as such, the research participants in this study were informed that their voluntary participation inclusive of ensuring their right to accordingly withdraw from the research without any consequences. Participants were also informed that they had the opportunity to correctly evaluate their remarks at the completion of the interview and that they could stop participating at any time during discussions/interviews. Participants were also free to request a printed copy of the interview transcripts inclusive of requesting amendments out of the final copy of the transcript (p. 34). No minor participants were involved in this research. In overall, written consent was gotten from all research participants, and all were informed that their participation in the research was entirely voluntarily inclusive of their right-to-withdraw.

Research participants were able to make informed decisions to participate in research based on the real risks and benefits of participation, not on compensation. Letters of appreciation were issued to all participants who completed and/or who chose to withdraw too. Ethically no monetary payment was given, except a reimbursement payment model was provided to take care of small expenditures incurred during the interviews.

Laerd (2017) asserts that, debriefing is an important element of the research where the researcher takes the opportunity, once data has been collected, to provide participants any necessary or additional information to understand the level and depth of the researcher's project / dissertation. In this research study, research participants were appreciated for taking part in the study inclusive of providing a description of the findings of the study. A re-assurance that data would be held confidential or anonymous as appropriate and that participants had the right to withdraw their data retrospectively and without explanation. Participants were informed that strict compliance with the codes of ethics was ensured for this research by strictly avoiding scientific misconduct (such as data manipulation or plagiarism), ensuring strict compliance with environmental and safety regulations, ensuring adherence to ethical norms related to authorship and intellectual property, inclusive of ensuring strict privacy and confidentiality of the participants. (p. 100).

The researcher had ensured that there was no conflict of interest in selection of sites and participants, ensured high levels of privacy, and high degree of anonymity of research participants, fairly reported multiple views and perspectives, inclusive of reporting on contrary findings, as well as ensured greater sense of safety, and security of collected data. The researcher obtained appropriate consent, briefed research participants of the purpose of the study, fostered trust, and conveyed information about possibility of disruption during data collection.

CHAPTER 4: DATA PRESENTATION

4.1 Introduction

Increased competition in the banking sector together with adoption of cutting-edge technological change by embracing mobile and internet banking services by Cooperative Bank of Kenya, have largely spurred unique differentiation of its financial services and enhanced its cost advantages. The overarching purpose of this research was to establish how the Cooperative Bank of Kenya has successfully designed its strategic intent and actions while leveraging on its integrated competitive marketing strategies, technological change, low-cost-leadership, unique differentiation and delivery of quality customer care services, and internationalization of its leading financial brands to increase and expand its market share and gain sustainable competitive success in the financial sector. The research adopted mixed research methodology to analyze key determinants of National Diamond Advantage and diverse marketing strategies, Sustainable Competitive Advantage, five forces of competition, technological change and digitalization, globalization and diversification, government fiscal policies, leadership models and customer care services adopted.

The main source of data collection comprised of seventeen (17) Quantitative Survey Questions and fifteen (15) Qualitative interview questions, which were completed by 86 research participants out of a target of 150 staff on 50% basis formulae and gender mainly drawn from management staff of cooperative bank of Kenya particularly drawn from 80 out of the 193 branches in 47 counties in Kenya.

In this research to ensure trustworthiness, credibility and congruence of the data and results, a comprehensive audit trail providing details of the processes for data-collection inclusive of analysis, and deeper interpretation of the data was done whilst at the same time maintaining strict reflexivity. Research methodology adopted in this study ensured that research results were informed by research participants information, and that collected, interpreted, and analyzed data, were shared with research participants within the framework of member-checking to clarify and correct errors inclusive of providing missing information.

4.1.1 Trustworthiness of Data

Creswell (2018) affirms that the quality and appropriateness of research design alongside accuracy of data collection method, data analysis and management invariably enhance the credibility, trustworthiness, legitimacy, and reliability of the key findings and conclusions. To ensure complete proof of compliance with study procedures and ethical issues, the researcher had

sought university's approval, and received ethical clearance from UREC prior to data collection. The researcher ensured that there was no conflict of interest in selection of sites and participants, ensured high levels of privacy, and elevated degree of anonymity of research participants, fairly reported multiple ideas and views, inclusive of reporting on contrary findings, as well as ensured elevated levels of safety and security of collected data. Arguably, Creswell (2018) affirms that ethical principles and considerations in research have generated great traction and attention which largely inspire credibility, validity, and reliability of the research findings in mixed research method. In this study, the researcher ensured that the principles of confidentiality, privacy, integrity, and anonymity were adopted to protect research participants; by building a greater sense of trust; promoting the integrity and credibility of research results; guarding against misconduct inclusive of impropriety, with a view to enhance credibility, acceptability, trustworthiness, reliability, transparency, legitimacy, and authenticity of the findings.

In overall, quantitative and qualitative approaches invariably supplement each other in enhancing trustworthiness, legitimacy, validity, reliability and dependability of the research findings to inform effective and sustainable turn around and spur process improvement, foster reverse innovation and unique differentiation, enhance brand positioning and market penetration, and catalyze efficiency and operational effectiveness to enhance the competitive advantage and strategic positioning of Cooperative Bank of Kenya. Fittingly convergent parallel mixed method design was adopted in this research study, whereby the researcher collected appropriate quantitative data, and qualitative data, analyzed, and accordingly synthesized the data separately, and then undertook comparative analysis of the results to cross-check if the findings confirmed or disconfirmed each other. Strategically Campbell and Fiske (2021) emphasize the need for collection and adoption of high quality and elevated mixed method research instrument which invariably offers different types of insights and information, and yields better results with elevated levels of reliability, credibility, and acceptability inclusive of enhanced legitimacy and increased congruence.

Array of primary data-collection-methods such as telephone interviews/surveys, self-administered (using mail and/or Internet) surveys, virtual interviews were adopted to ensure elevated levels of credibility, accuracy, reliability, trustworthiness, dependability, transferability, validity, and authenticity of the findings. Noble and Heale (2019) and Roh and Whang (2019) argue that standardized questionnaire remains an essential, valuable reliable tool which can be used for both qualitative and quantitative research. As such, a survey questionnaire was adopted as a tool for primary data collection. There are four aspects of trustworthiness that qualitative researchers invariably establish: credibility, transferability, dependability, and

confirmability, which were tested and validated in this study. It was affirmed that reliability, credibility, validity, and acceptability of any research results are the critical determining factors for enhancing trustworthiness, authenticity, and legitimacy of any research results.

Within the framework of quality and accurate data collection and processing, the study had espoused mixed research method, which is largely viewed as essentially inclusive and a complementary form of research method which analytically and scientifically legitimizes use of multiple research tactics in attempt to significantly enhance reliability, complementarity, validity, accuracy, credibility, trustworthiness, authenticity, and acceptability. To ensure credibility, reliability and trustworthiness of the data, different data collection methods such as telephone interviews/surveys, self-administered (using mail and/or Internet) surveys, virtual interviews, were adopted in this research study to clearly cross-check the consistency, accuracy, and relevancy of the results. Also, within the framework triangulation of sources, adoption of multiple data sets covering primary and secondary data were used to ensure high levels of credibility, reliability, trustworthiness, and validity of the data and research results. To further enhance credibility and acceptability, the researcher adapted mixed research method whilst using both probability sampling technique with focus on Stratified Random Sampling in quantitative research methodology, and non-probability sampling technique with focus on purposive sampling in qualitative research methodology, which largely had enhanced the credibility and trustworthiness of collected, analyzed, and interpreted data as well as results of research. Also collected, interpreted, and analyzed data, were shared with research participants for member-checking in order to clarify, and correct errors inclusive of providing missing information.

The overall research-objectives of this study were to comprehensively determine and ascertain the key competitive factors which have spurred the rapid growth and profitability of the Cooperative bank of Kenya. Following were the strategic objectives of the mixed research method:

- To analyse the existing competitive marketing strategies adopted by the Cooperative bank to enhance its market share in the banking sector.
- To evaluate how the adoption of information technology has enabled the bank to achieve competitive advantage in the banking industry.
- To analyze how the internationalization and diversification of its financial services have enabled the bank to achieve sustainable competitive advantage.
- To determine how the existing government banking policies and regulations have enabled the bank to achieve competitive success in the banking industry.

- To determine how branding and brand positioning of the Cooperative bank services had impacted its growth and profitability.
- To examine how the leadership styles and customer care services had contributed its competitive advantage.

In this research, sufficient data was collected, interpreted and analyzed on the significance role of competitiveness of the Cooperative Banking of Kenya, evaluated the impact of adopting cutting-edge technological change by embracing mobile and internet banking services, examined the influence of adopted competitive marketing and segmentation marketing strategies, evaluated the effect of branding and unique differentiation of its financial services, investigated the significance role of globalization and internationalization of its leading financial brands across the region, analyzed the effects of adopting ethical business practices in enhancing market confidence and increasing market-shares, examined the impact of quality customer care services and provision of continued learning of their staff in enhancing competitive and differential advantages, examined the effect of ever-evolving fiscal government policies and their impact on its growth, investigated the impact of leadership and prudent financial management practices in enhancing growth and profitability in the banking sector.

A comprehensive and sufficient description of the phenomenon under study was captured in data collection, analysis, interpretation, and results, which largely would allow future researchers to have a proper understanding of the study in its broadest sense to enable them to compare aspects of this research with other elements of their own research. As such, in this research, the aspect of transferability and generalizability were strengthened by creating enabling research environment for making out associations between elements of this research and components of other research (Universal Teachers, 2020, p. 2).

Universal Teacher (2020) affirmed that transferability, dependability, and confirmability are critical factors for enhancing the accuracy, validity, relevancy, and legitimacy of the results in mixed research method. The adoption of mixed research method in this research study ensured elevated levels of credibility, reliability, and legitimacy of the research findings.

Statistic Solutions (2020) argue that dependability consistently helps researchers to establish whether the research outcomes and results were systematically consistent with the raw data collected and/or to determine congruency and similarity of results if further examination was undertaken using same data. Dependability is a critical element for determining reliability, trustworthiness, legitimacy, credibility, and authenticity of the research outcomes. Universal

Teacher (2020) affirms that confirmability simply relates to the level and degree of which research results and outcomes of any study could be verified or corroborated by other researchers, with the same objectivity and focus. The concept of confirmability is the qualitative investigator's comparable concern to objectivity.

Statistic Solutions (2020) underscores that to ensure elevated levels of trustworthiness, credibility and legitimacy of the data and results, a comprehensive audit trail providing details of the processes for quality data collection inclusive of data management and corresponding data analysis and interpretation was carefully and comprehensively undertaken whilst at the same time maintaining strict reflexivity. Research methodology adopted in this study ensured that research results were informed by research participants information, and that collected, interpreted, and analyzed data, were shared with research participants for member-checking in order to clarify and correct errors inclusive of providing missing information.

In this research study, independent, dependent and control variables were adopted in quantitative research overarchingly to address the research objectives, critically answer research questions, and address research hypotheses with a view to enhance trustworthiness, credibility, reliability, validity, and legitimacy of the research results.

4.1.2 Reliability and validity of data

Creswell (2018) affirms that a mixed research method which holistically meets standards for validity and reliability has the potential to produce results which are both accurate (validity) and consistent (reliability). Both quantitative and qualitative research questions adopted in this study, validated research hypotheses with a view to achieve the overall research objectives and enhance credibility, trust worthiness, reliability, and validity of results.

The mixed research method was principally adopted because; it fosters innovation of conceptual frameworks and promotes multi-disciplinary research, fosters development, and widens enquiry, promotes use of multiple research tools, methods, techniques, and data sources to enhance reliability, trustworthiness, and validity of results. It promotes greater complementarity and congruence of results, enhances effective convergence and corroboration of research results, seeks seamless consistency and convergence of results, and ensures high levels of credibility, legitimacy, acceptability, accuracy, reliability, validity, and authenticity of results.

Overall, and to enhance accuracy, reliability, trustworthiness, acceptability, authority, legitimacy, and validity of results, any research study should consider embodying mixed research method whilst using appropriate primary and secondary data gathering tools, analysis, and correlating interpretation to inform generation of elevated and high-quality results which have great sense of

legitimacy, congruence, and reliability.

4.2 Data Presentation

The research results address research objectives, research hypotheses, theoretical framework, conceptual framework and as such, affirmed that the content of the information gathered in primary and secondary literature reviews were sufficient to address paucity of information on competitiveness of banks in Kenya. Achieving competitive advantage in the banking industry critically requires adoption of various integrated marketing strategies, espousing technological change, embracing globalization and diversification of market offerings, as well as adopting government banking policies and regulations to create enabling environment for growth and profitability in the banking sector. In quantitative data collection and analysis, 86 (43 male and female) out of the 150 senior bank managers, cross-functional and low-cadre managers of the Cooperative Bank of Kenya, filled the Quantitative questionnaires via virtual and/or Online system. Statistical data analysis techniques were used to generate statistical data and research results, which were compared with qualitative data results using convergent Parallel Mixed Method Design approach. For Qualitative data collection and analysis, 40 respondents (20 male and 20 female) were interviewed; virtual in-depth interviews (20 participants for telephonic interviews) and focus-group discussions (20 for on-line focus group discussions). Table 3 reflects the accurate results of the research which are underpinned by corresponding analysis of quantitative data as well as the qualitative data analysis and their interpretation.

Table 3: Questionnaire response rate

4.4.2. QUESTIONNAIRE RESPONSE RATE BY NUMBER AND PERCENTAGE		
	Distribution by	
Filled Questionnaires	Numbers	Percentage (%)
Returned	86	100
Unreturned	0	0
TOTAL	86	100
Source: Field Survey 2020		

Adopted from Questionnaire response rate by number and percentage, 2020.

During the survey, 86 questionnaires were administered and all of them were filled and returned. The analysis of the above table indicates that there was 100% response rate from management staff of Cooperative bank of Kenya.

4.2.1 Biodata of Respondents

This section seeks information mainly on biodata of the research respondents from the Cooperative Bank of Kenya Ltd.

Table 4: Sex of respondents

Sex	Number	Percentage (%)
Male	43	50
Female	43	50
Total	86	100

Adopted from sex of respondents, Field Survey 2020

Table 4 indicates that 50% of the respondents were male and 50% were female. This could be said to be a fairly-gender balanced distribution of respondents.

Table 5: Age Of Respondents

Age	Number	Percentage (%)
25-35	27	31
36-45	33	38
46-55	15	17
55 and above	11	13
Total	86	100

Adopted from age of respondents, Field Survey 2020.

Table 5 illustrates that majority of the respondents were between ages 25-35 and 36-45 represented by 31% and 38% respectively.

Table 6: Status/position of respondents

Status	Number	Percentage (%)
Low Cadre level	27	31
Cross functional level	48	56
Senior level	11	13
Total	86	100

Adopted from Status/position of respondents, Field Survey 2020.

Most of the respondents were mid-level managers, which was represented by 56% of the population. Some strategic and operational decisions are made in this level of management.

Table 7: Banking Experience of Respondents

Response	Number	Percentage (%)
1-10 years	27	31
11-20 years	48	56
21-30 years	8	9
31 and above	3	3
Total	86	100

Adopted from banking experience of respondents, Field Survey 2020.

Table 7 indicates that most of the respondents were those that had 11-20 years of banking experiences, which is represented by 56%. This implies that respondents were competent enough to understand the underlying factors enhancing the competitiveness of the Cooperative bank of Kenya in the banking sector in East Africa.

Table 8: Educational Qualification of respondents

Level of Education	Number	Percentage (%)
Diploma	-	-
Bachelor's degree	28	33
Master's degree	54	63
PHD and above	4	5
Total	86	100

Adopted from Educational Qualification of respondents, Field Survey 2020.

Table 8 indicates that majority of the respondents were master's degree holders represented by 63%. This implies that those interviewed were well informed and knowledgeable about financial sector.

Table 9: Professional Qualifications Of Respondents

Professional Qualification	Number	Percentage (%)
CPA or ACCA	23	27
Chartered Institute of Bankers (CIB)/Kenya Institute of Bankers (KIB)	26	30
Kenya Institute of Supplies Management (KISM)/ Chartered Institute of Procurement & Supply (CIPS)	11	13
MBA and others	26	30
Total	86	100

Adopted from professional qualifications of respondents, Field Survey 2020.

Table 9 shows that 60% of the respondents had professional qualifications from Chartered Institute of Bankers (CIB)/Kenya Institute of Bankers (KIB) and MBA whilst 27% of the respondents had CPA or ACCA qualifications which is a clear indication that critical and essential information on competition in the banking sector was received from those who were competent enough and well informed about the topic being researched.

4.2.2 Presentation of Quantitative Data

In this section, all the questions were examined and presented systematically with the use of tables and graphs in determining the impact of competitiveness of Cooperative Banking in order to establish growth and profitability in the financial market in Kenya. Data presentation was strategically aligned to the research questions and correlating hypotheses, as reflected below.

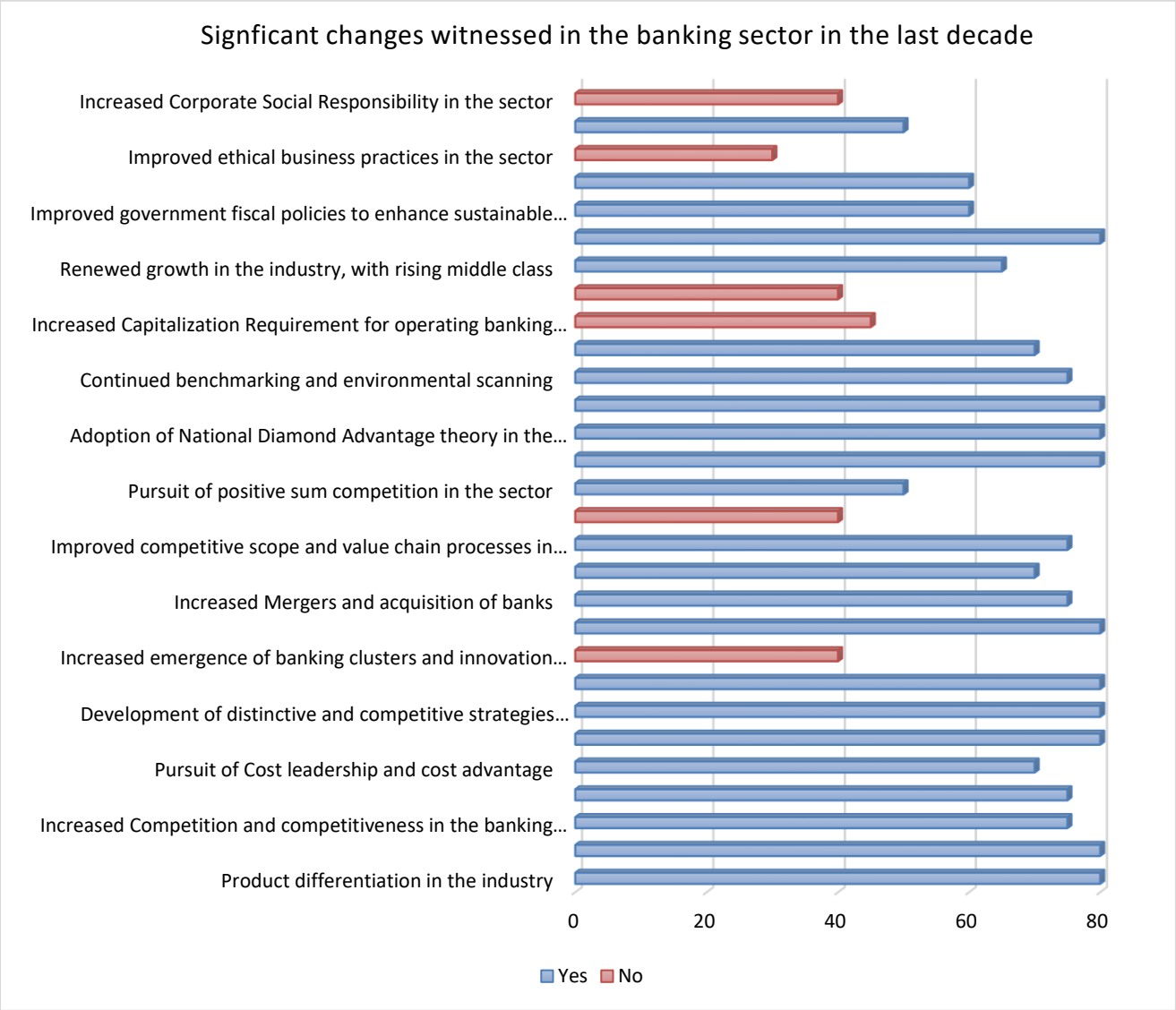
Q1. What are the competitive business models enhancing the competitiveness?

Table 10: Changes witnessed in the banking Sector in Kenya

Response	Number/Frequencies	Percentage (%)
Yes	80	93
No	6	7
Total	86	100

Adopted from What has over the years changed in the banking sector in Kenya, Field Survey *2020.*

Figure 17: Changes witnessed in the banking sector In Kenya



Adopted from Changes witnessed in the banking sector in Kenya, Field Survey 2020.

Figure 17 and table 10 illustrate that 93% of the respondents agreed that the significant changes witnessed in the banking sector in the last decade were; improved government fiscal policies to enhance rapid growth of the banking sector, increased competition and competitiveness in the banking sector, increased mergers and acquisitions in the banking industry, development of distinctive and competitive strategies, improved competitive scope and value chain system, adoption of National Diamond Advantages, product differentiation in the industry and pursuit of cost leadership and cost advantages. Whilst 7% of the respondents disagreed that there were no major changes observed in the banking sector particularly in the following areas: increased corporate social responsibility in the sector, improved ethical business practices in the sector, increased capitalization requirement for operating banking services, globalization and dispersal

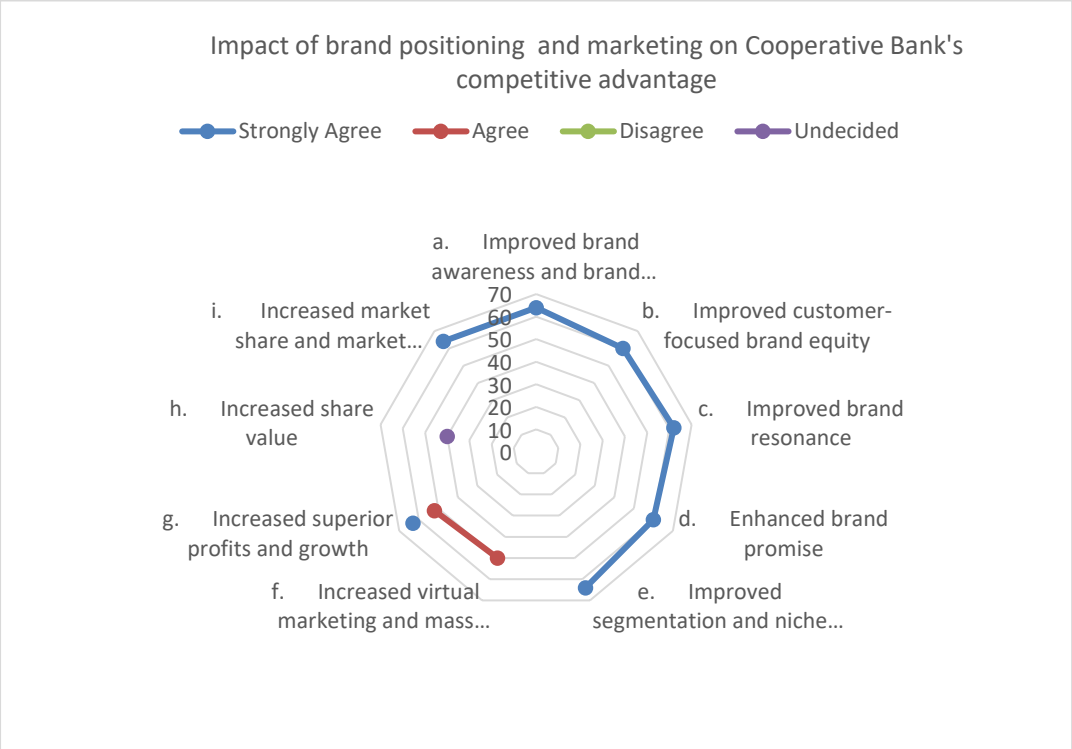
of banking services and increased emergence of banking clusters and innovation processes.

Table 11: Impact of branding on Cooperative Bank of Kenya

Response	Number	Percentage (%)
Strongly Agree	64	74
Agree	16	19
Undecided	6	7
Strongly Disagree		
Disagree		
Total	86	100

Adopted from the Impact of branding on Cooperative Bank of Kenya, Field Survey 2020.

Figure 18: Impact of branding on Cooperative Bank of Kenya



Adopted from the Impact of branding and brand positioning, Field Survey 2020.

Analysis of table 11 informs that brand positioning and competitive marketing strategies were identified as the key determinants critical for creating competitive advantage in the banking industry. This was represented by 74% and 19% of respondents that strongly agreed and agreed respectively compared to 7% that were undecided. From the analysis of figure 18, it was clearly understood that effective brand positioning and marketing had enabled the Cooperative Bank to realize; improved brand awareness and brand meaning in the marketplace, improved market segmentation and niche marketing to drive up sales, improved customer-focused brand equity and brand resonance to enhance market penetration and increased market share to drive growth and gain superior profits.

Parklean (2022) in agreement with the research results and research hypotheses argued that for an enterprise to enter and gain significant market-penetration, expand marketing scope, and

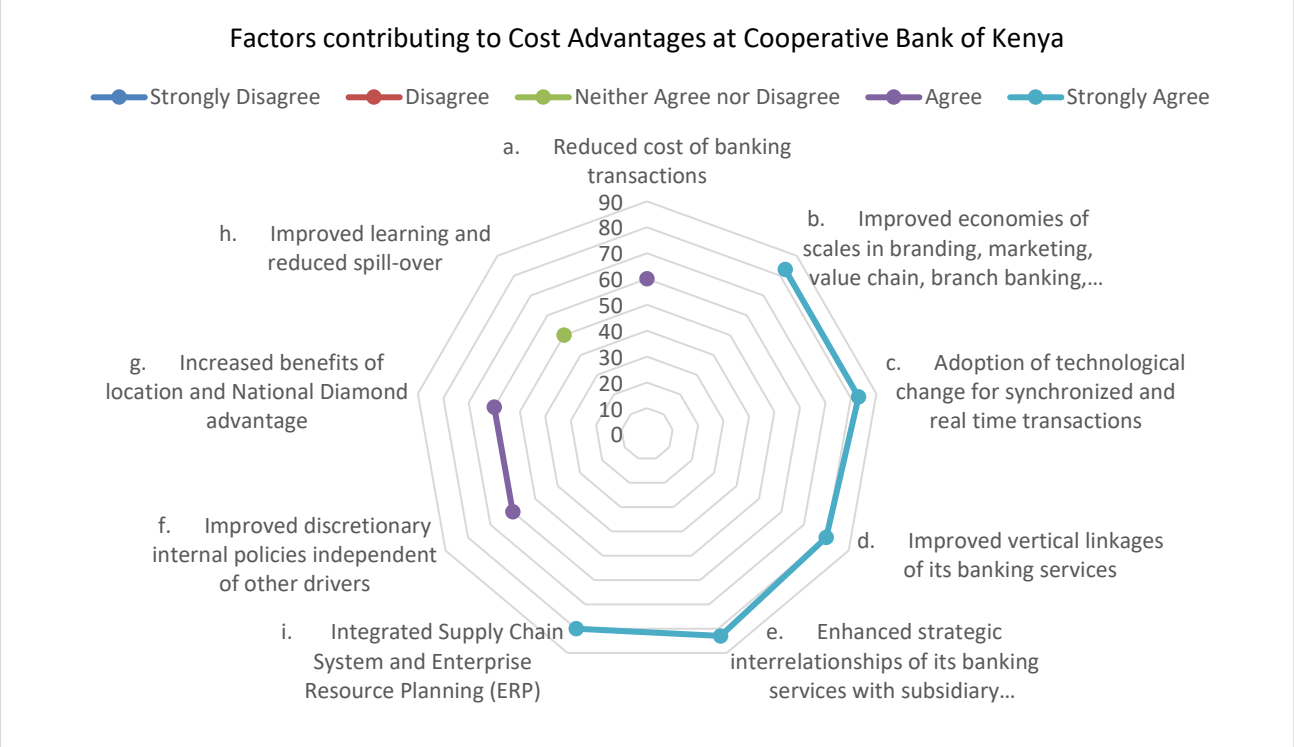
increase market share, such enterprises needed to strengthen their competitive points of differences, and improve their customer value propositioning, revitalize their flagship and megabrands to enhance brand relevance and brand resonance to drive sales and achieve profitability.

Table 12: Impact of the existing forces of competition

Response	Number	Percentage (%)
Strongly Agree	82	95
Agree	3	3
Undecided	1	2
Disagree	-	0
Strongly Agree	-	
Total	86	100

Adopted from Impact of the existing forces of competition, Field Survey 2020.

Figure 19: Impact of existing forces of competition



Adopted from Cost Advantage strategies, Field Survey 2020.

From the analysis in table 12, it was evidently clear that 95% and 3% of respondents strongly agreed and agreed respectively on the impact of the forces of competition compared to the 2% that were undecided. This analysis underpins the fact that forces of competition have the potential to determine growth and profitability of any enterprise in any industry.

Figure 19 indicates that to achieve cost differentiation and cost advantage in order to realize renewed growth and superior profitability in the competitive banking sector, the Cooperative Bank adopted improved economies of scales through integrated branding, marketing, and

integrated value chain system. The bank also adopted digital technology by using internet banking services, mobile banking, ATMs, as well as had embodied technological change to support the establishment of an integrated Supply Chain Management System, and corresponding Enterprise Resource Planning (ERP) to enhance efficiency and operational effectiveness as well as to improve vertical linkages of its banking services.

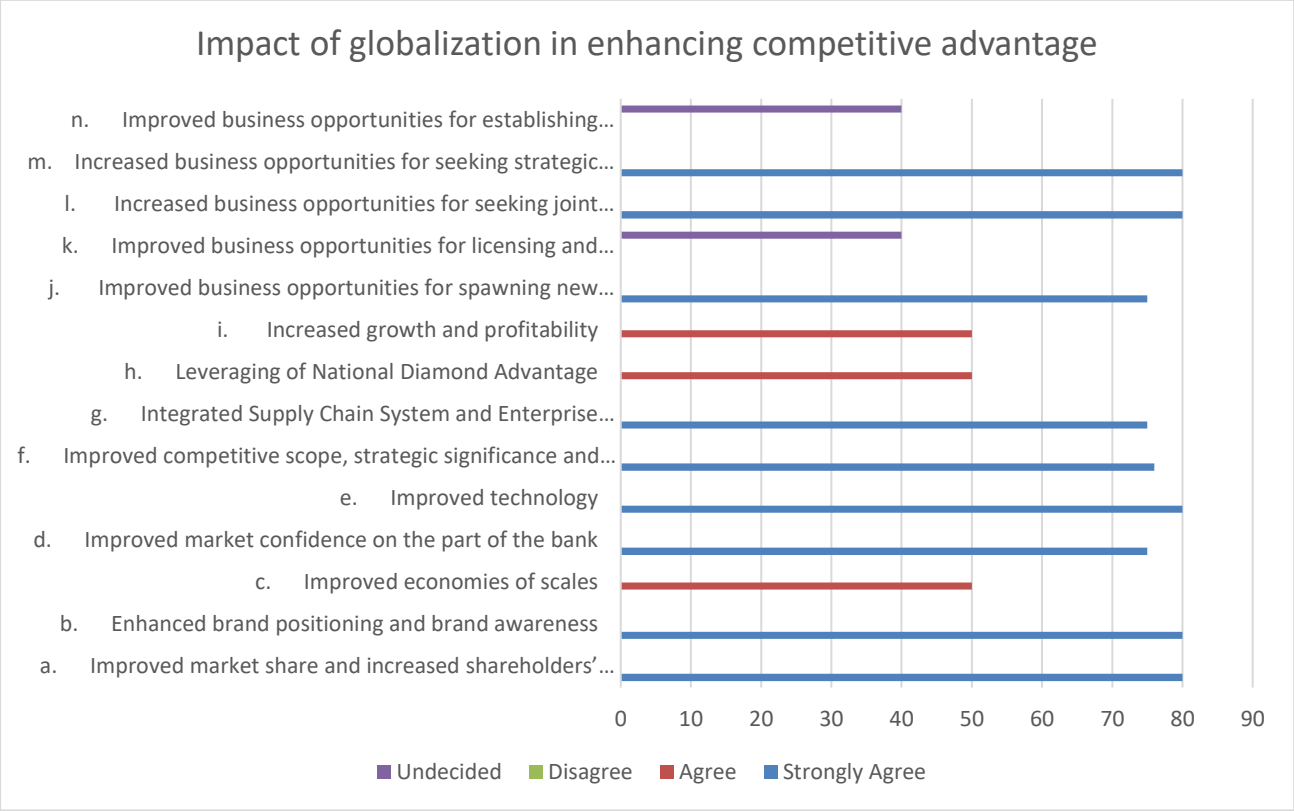
Hilver (2019) in harmony with the research results and research hypotheses affirmed that for any firm to achieve operational efficiency and realize low-cost advantages inclusive of leveraging economies of scales of the integrated systems, then it must adopt both integrated value chain system and Enterprise Resource Planning (ERP) in its business operations.

Overall, low-cost advantages embodied by the Cooperative Bank together with product differentiation and focus, were identified as the key factors which determined its comparative advantage in the banking sector, and thus had a knock on-effect on its growth and profitability.

Table 13: Impact of globalization in enhancing competitive advantage

Response	Number	Percentage (%)
Strongly Agree	69	80
Agree	15	17
Undecided	2	2
Strongly Disagree		
Disagree		
Total	86	100

Figure 20: Impact of Globalization in enhancing competitive advantage



Adopted from Impact of internalization and globalization, Field Survey, 2020.

Analysis from table 13 suggests that 80% and 17% of respondents strongly agreed and agreed on the impact of globalization in enhancing competitive advantage in the banking industry compared to the 2% that were undecided. This showed that globalization had significantly impacted Cooperative bank services in enhancing its foothold in the global competitive market, which largely compelled the bank to align its services with global financial practices.

Figure 20 clearly indicates that pursuit of internationalization and globalization of Cooperative bank services helped the bank to realize; improved market share and increased shareholders' value, enhanced brand positioning and brand awareness, improved market confidence, improved competitive marketing scope, and enhanced strategic significance and increased vertical linkages of its banking services, enhanced business opportunities for spawning new products for exportation and globalization. These factors significantly supported the bank to gain and sustain competitive advantage and achieve competitive intelligence in the banking industry over the years. Arguably in harmony with research results and hypotheses, it was observed that some cooperative savings and credit societies and commercial banks adopted internationalization of their flagship brands and products, overarchingly to expand their market share and increase their global business footprints, enhance their marketing intelligence, and leverage economies of scales

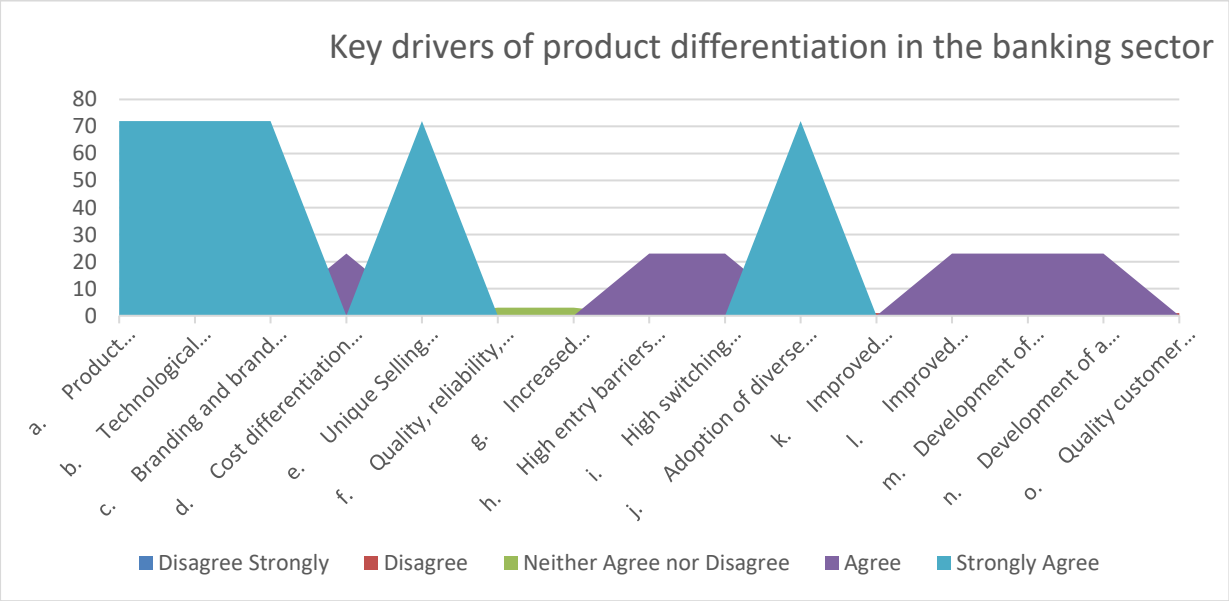
by adopting integrated Enterprise Resource Planning and Value Chain System. (Dess & Nystrom, 2018, p. 40).

Table 14: Key drivers of unique differentiation

Response	Number	Percentage (%)
Strongly Agree	62	72
Agree	20	23
Undecided	3	3
Disagree	1	1
Strongly Disagree	86	100

Adopted from Impact of long-term and grand strategies on competition, Field Survey 2020.

Figure 21: Key drivers of unique differentiation



Adopted from Key drivers of unique differentiation, Field Survey 2020.

Table 14 indicates that 72% and 23% respondents strongly agreed on the key drivers of unique differentiation in the banking industry compared to the 3% and 1% who were undecided and disagreed respectively.

Analysis from figure 21 clearly indicates that 72% of the respondents strongly agreed that key divers of product differentiation were new product development and diversification of banking services, technological change, branding and brand positioning, unique selling propositioning (USPs) of its market offerings, adoption of diverse marketing strategies and segmentation. At the same time 23% of the respondents agreed that cost differentiation, and corresponding cost-advantage in the financial sector and improved competitive marketing scope, and integrated value chain system to reduce overall operational costs, were the key divers of product differentiation in

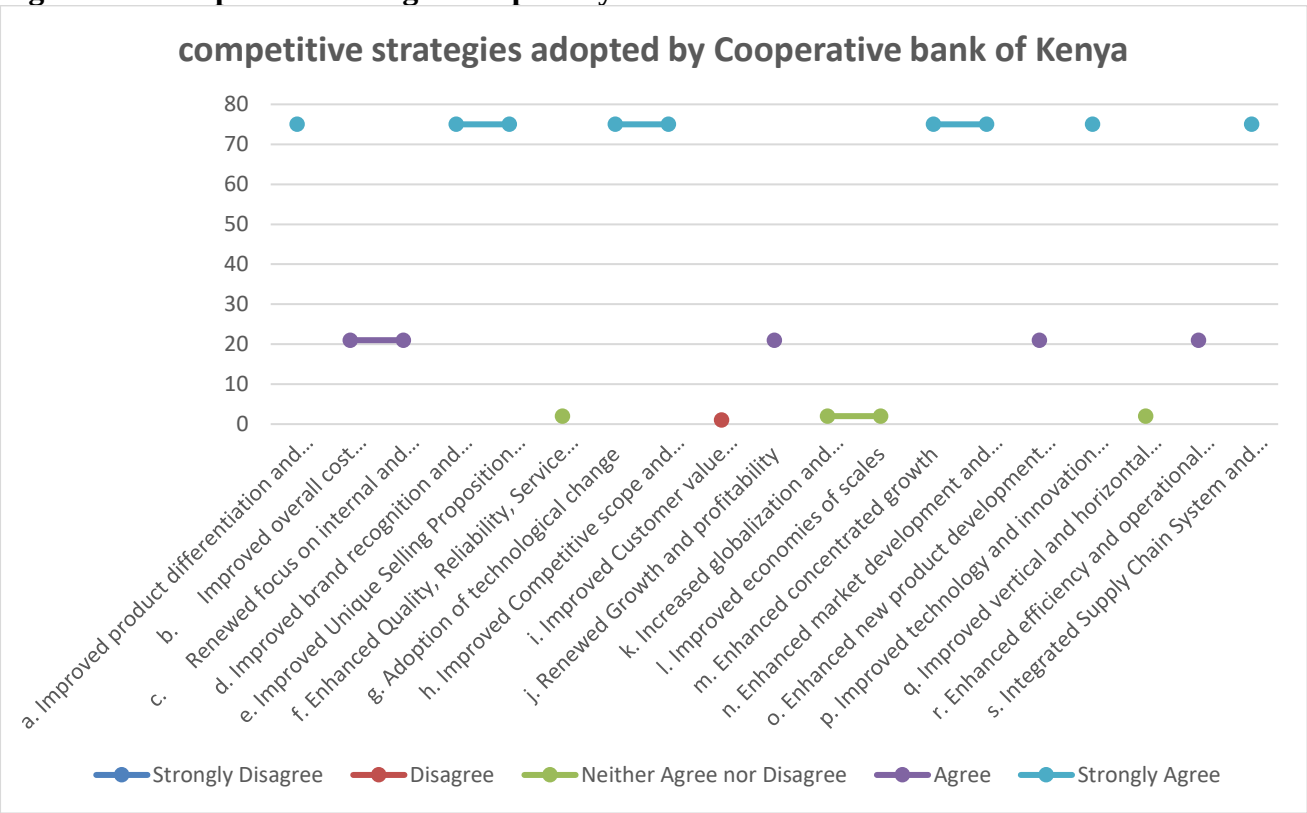
the Cooperative Bank. Arguably Dess and Nystrom (2018) in harmony with research results and research hypotheses clearly reiterated that the key drivers of product differentiation were; espousal of technical change for new product development and differentiation, pursuit of brand positioning and brand revitalization of flagship brands to enhance brand relevance and brand resonance, adoption of customer-care services to improve customer satisfaction, retention and loyalty, and pursuit of unique selling propositioning (USP) and strengthening market penetration by adopting intensive and holistic marketing approaches to expand market share and drive sales.

Table 15: Competitive strategies adopted by the bank

Response	Number	Percentage (%)
Strongly Agree	65	76
Agree	18	21
Undecided	2	2
Disagree	1	1
Strongly Disagree	-	-
Total	86	100

Adopted from what are the competitive strategies adopted by the bank, Field Survey 2020

Figure 22: Competitive strategies adopted by the bank.



Adopted from Key competitive strategies adopted by the Cooperative Bank of Kenya Ltd, Field Survey 2020.

Table 15 indicates that 76% and 21% strongly agreed and agreed that commercial banks have adopted various competitive strategies to gain and sustain competitive success compared to the 2% that were undecided and 1% that disagreed.

Analysis from figure 22 clearly indicates that Cooperative Bank adopted various competitive strategies to achieve competitive success such as; promoted product differentiation and diversification of its flagship brands, embodied overall cost leadership and cost advantages, renewed its focus on scanning internal and external environment, enhanced its unique selling proposition and new product development, adoption of competitive marketing scope and marketing penetration strategies, pursuit of concentrated growth, promotion of market development and segmentation marketing, espousal of new product development and differentiation, adoption of technological change and innovation through process improvement and process innovations, and pursuit of an integrated Supply Chain Management System, and appropriate Enterprise Resource Planning (ERP).

Arguably Dess and Nystrom (2018) in agreement with the research results and research hypothesis underpinned that strategies critical for enhancing competitiveness of the Cooperative Bank were: espousal of product differentiation and diversification of flagship brands, adoption of technical change for enhancing convenience and efficiency, pursuit of strengthening competitive point of difference and unique selling propositioning of the market offerings, and consistent pursuit of Quality and Reliability of Services and ensuing Value for money (QRSV), and adoption of holistic and target marketing approaches in order to improve market penetration and expand market share in the market place.

Hilver (2019) arguably accentuated that to sustainably maintain competitive success, firms must holistically and aggressively strengthen their brand resonance and brand equity, establish a winning team to protect their competitive advantage, offer high quality and superior customer care services to ensure loyalty and retention of customers, develop cutting edge grand strategies to out-compete on prices, establish a competitive marketing scope, and digital marketing strategies, establish strategic alliances to create structured market niches, and pursue externalization and globalization of their flagship brands (p. 45).

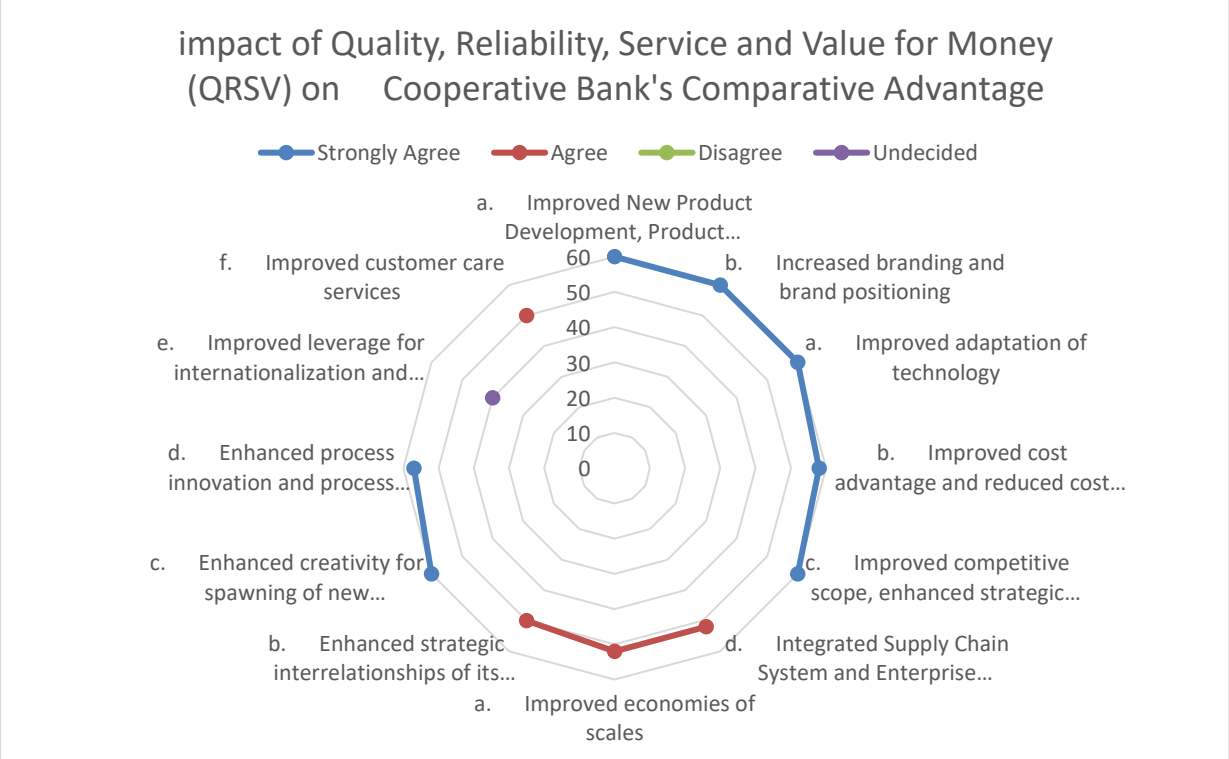
Overall, adoption of key competitive strategies, such as pursuing product differentiation and diversification of flagship brands, embodying low-cost leadership and cost advantages, espousing Unique Selling Proposition and new product development, adopting holistic marketing, and focusing on concentrated growth were found to be critical business factors for gaining and sustaining competitive advantage in the marketplace.

Table 16: Impact of Quality and Reliability of Services and corresponding Value for Money (QRSV)

Response	Number	Percentage (%)
Strongly Agree	60	70
Agree	18	21
Undecided	8	9
Strongly Disagree		
Disagree		
Total	86	100

Adopted from what is the impact of Quality and Reliability of Services and corresponding Value for Money (QRSV), Field Survey 2020

Figure 23: Impact of Quality and Reliability of Services and corresponding Value for Money (QRSV)



Adopted from the Impact of Quality and Reliability of Services and corresponding Value for Money (QRSV), Field Survey 2020.

Table 16 indicates that 70% and 21% of respondents strongly agreed and agreed that Quality and Reliability of Services and corresponding Value for Money (QRSV) impacted banking services in Kenya compared to the 9% that were undecided.

Figure 23 evidently underpins that the adoption of Quality and Reliability of Services and corresponding Value for Money (QRSV) helped the bank to realize; improved new product development, product differentiation and diversification, increased branding and brand

positioning, improved adaptation of technology, improved cost advantage and reduced cost differentiation, improved competitive marketing scope, enhanced strategic significance and vertical linkages of its banking services, enhanced creativity for spawning of new products and enhanced process innovation and process improvement for outperforming competitors and rivalries in the industry. Arguably Dess and Nystrom (2018) in concurrence with research results and research hypotheses clearly reiterated that for cooperative savings societies and Commercial banks to achieve competitive advantages, they needed to espouse QRSV to enable them to uniquely differentiate their products, enhance their Unique Selling Propositioning (USP) and strengthen their competitive scope and strategic positioning in the marketplace. Overall, the QRSV in the banking sector was found to be a critical business factor which had great impact on branding and brand positioning, product differentiation and diversification, market penetration and market share to achieve growth and profitability in the sector.

Table 17: Unique Selling Propositioning

Response	Number	Percentage (%)
Yes	75	87
No	11	13
Total	86	100

Adopted from Unique Selling Propositioning, Field Survey 2020.

Figure 24: Unique Selling Prepositions

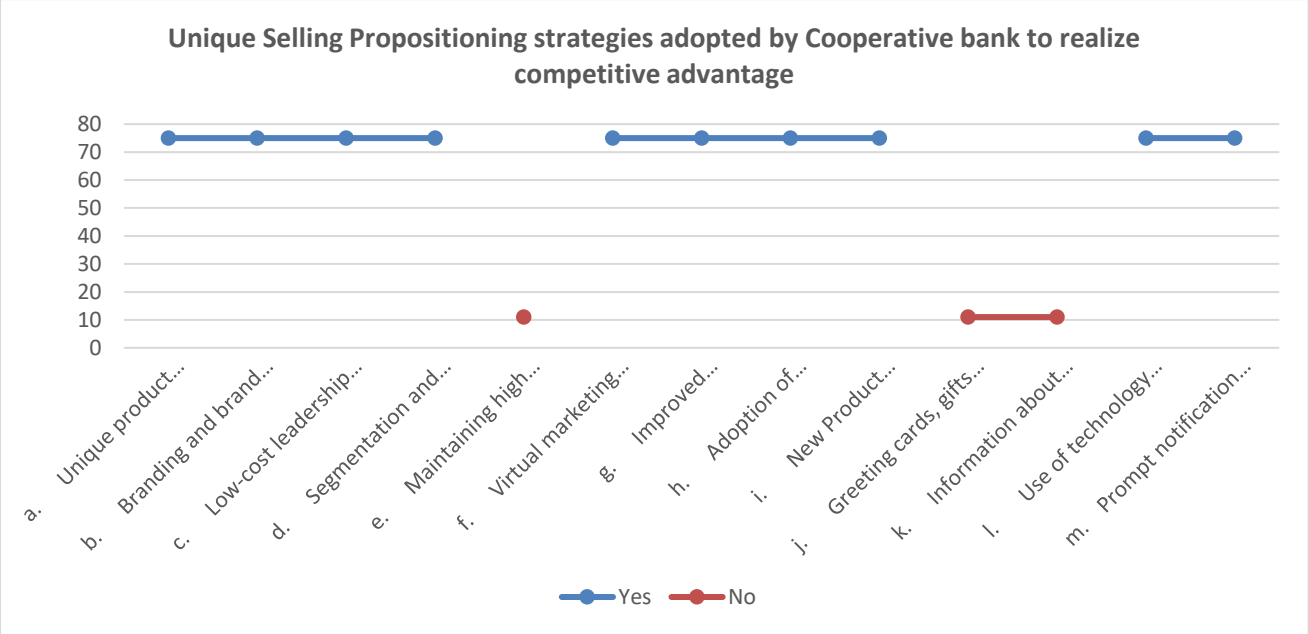


Table 17 indicates that 87% of the respondents strongly agreed that Unique Selling Propositioning strategies adopted by Cooperative Bank helped the bank to gain and sustain competitive advantage in the banking industry compared to the 13% of respondents who disagreed.

Analysis from figure 24 clearly underscores that unique selling propositioning strategies adopted by Cooperative Bank such as**;** Unique product differentiation and diversification, Branding and brand positioning, Low-cost leadership and focus, segmentation and niche marketing, technological change for process improvement and innovation, new product development and differentiation, espousal of diverse marketing strategies and segmentation, and espousal of an integrated value chain system enabled the bank to realize competitive success in the banking industry. Arguably Parklean (2022) in concurrence with research results and research hypotheses reiterated that brand revitalization of flagship and mega brands to enhance their brand relevance and resonance, as well as adoption of holistic and integrated marketing approaches significantly had improved the competitive marketing scope and expanded the market share which were determining factors for achieving unique selling propositioning of the market offerings in the marketplace.

Overall, unique selling propositioning of market offerings was found to be determined by product differentiation and diversification, branding and brand positioning, low-cost leadership, focus and adoption of technological change.

Table 18: Factors Enhancing Product Differentiation

Response	Number	Percentage (%)
Strongly Agree	60	70
Agree	20	23
Undecided	4	5
Disagree	2	2
Disagree Strongly	86	100

Adopted from Factors enhancing product differentiation, Field Survey 2020.

Figure 25: Factors enhancing product differentiation

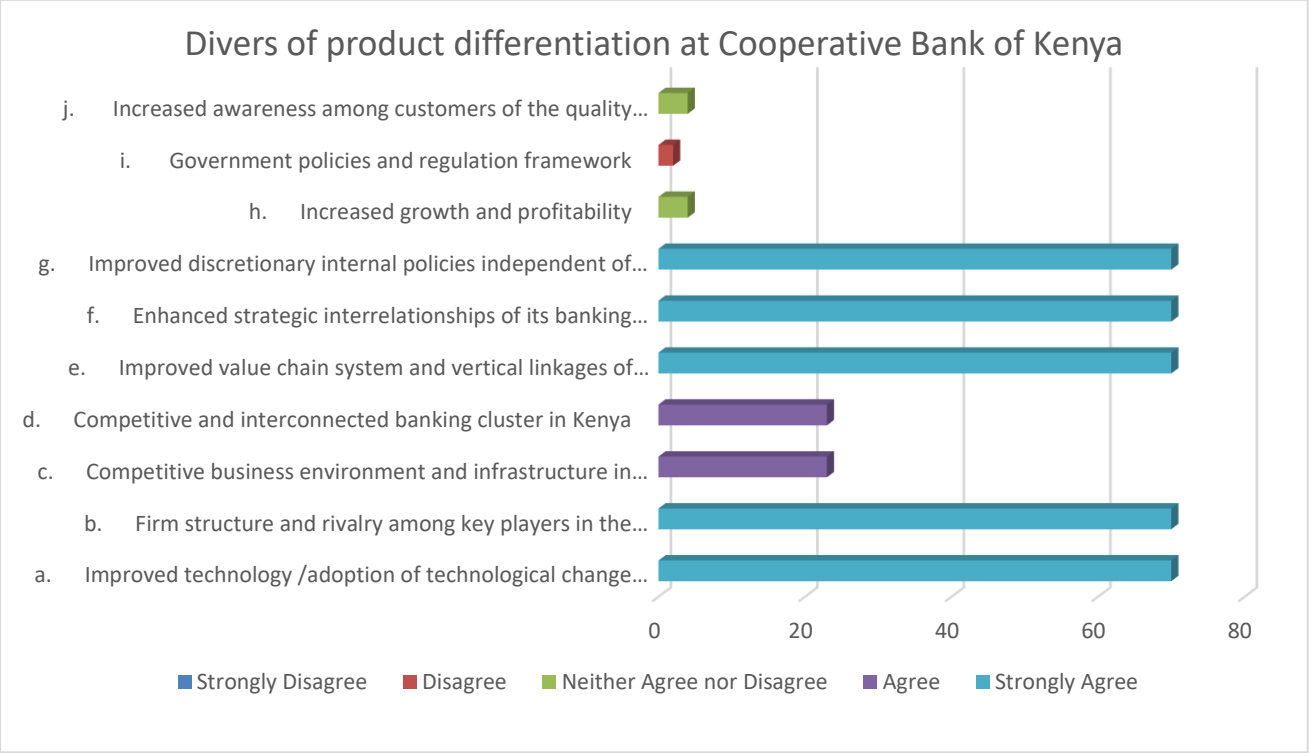


Table 18 indicates that 70% and 23% of respondents strongly agreed and agreed that are factors which determine product differentiation compared to the 5% that were undecided and 2% that disagreed, which clearly reinforced the fact that product differentiation is key factor for achieving competitive success in the banking industry.

Analysis from figure 25 identified critical factors which promoted product differentiation at Cooperative Bank of Kenya such as; improved technology /adoption of technological change, improved value chain system critical for enhancing strategic linkages of Cooperative bank services, reinforced strategic interrelationships of its banking services with subsidiary business units and improved discretionary internal policies independent of other drivers, as well as strengthened business environment and infrastructure, which enabled the bank to achieve growth and profitability. Mbogo (2017) in agreement with research results and research hypotheses posits that the adoption of technological change in the banking sector increasingly enhanced product differentiation and diversification, improved efficiency, and convenience, ensured effective integration of enterprise resource planning and value chain systems to enhance efficiency and improve operational effectiveness in the marketplace.

Table 19: Factors which make Cooperative Banking services uniquely differentiated.

Response	Number	Percentage (%)
Strongly Agree	61	71
Agree	18	21
Undecided	2	2
Disagree	4	5
Disagree strongly	1	1
Total	86	100

Adopted from What makes Cooperative Bank services uniquely differentiated, Field Survey 2020.

Figure 26: Factors that make Cooperative Banking Services Uniquely Differentiated

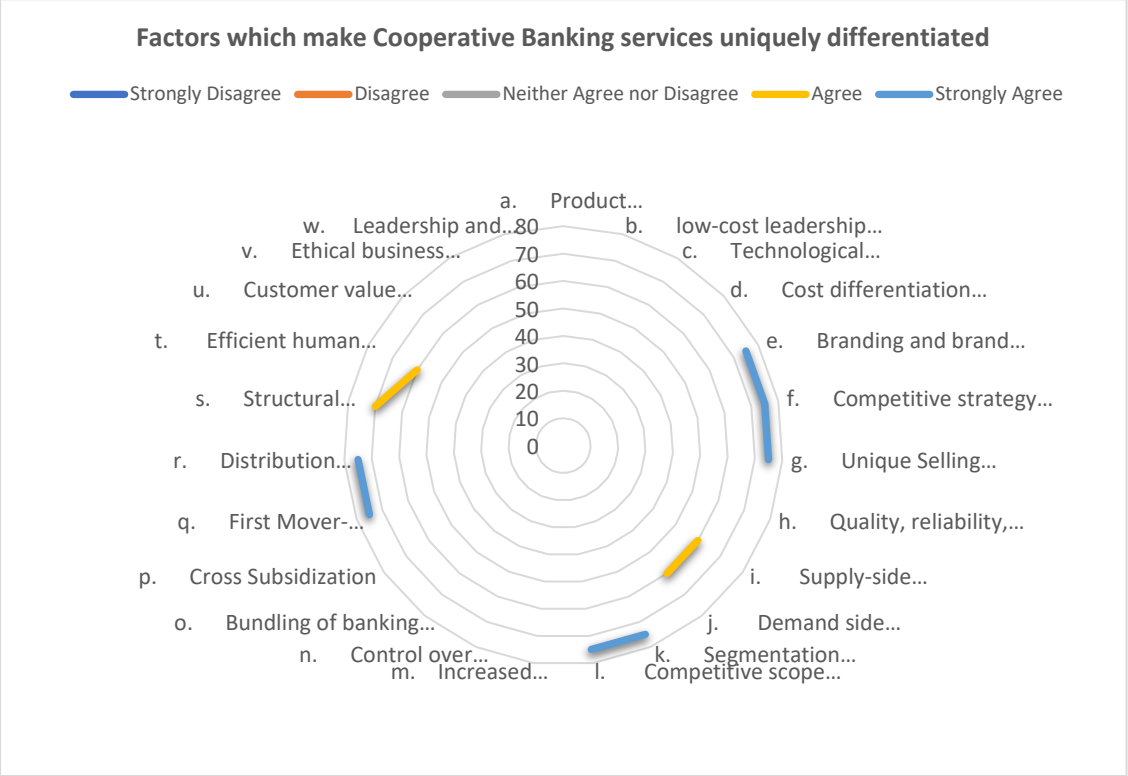


Table 19 indicates that 71% and 21% of respondents strongly agreed and agreed that Cooperative bank adopted various strategies to make its products uniquely differentiated compared to the 5% that were undecided and 1% that disagreed.

From Analysis from figure 26 clearly asserts that to sustainably attain competitive advantage as well as to realize competitive intelligence in the banking sector, Cooperative Bank adopted uniquely differentiated market strategies by; strengthening its product differentiation and diversification, reinforcing its branding and brand positioning, developing customized competitive grand strategies, strengthening its unique selling proposition (USPs), promoting segmentation marketing and niche targeting of Cooperative Savings Societies and farmers to

expand its market share, strengthening its competitive marketing scope and integrated value chain system to enhance efficiency and to reduce overall operational costs.

Conceivably, determining factors which had uniquely differentiated Cooperative Bank's market offerings were: —low-cost leadership, unique differentiation, and focus—inclusive of unique selling propositioning (USP), adoption of integrated and holistic marketing approaches, pursuit of effective branding and branding positioning, and promotion of technological change and espousal of Enterprise Resource Planning in order to achieve competitive advantage in the marketplace.

Table 20: Impact of technological change on Cooperative Bank Services

Response	Number	Percentage (%)
Strongly Agree	65	76
Agree	15	17
Undecided	6	7
Strongly Disagree		
Disagree		
Total	86	100

Adopted from Impact of technological change, Field Survey 2020.

Figure 27: Impact of technological change on Cooperative Bank Services

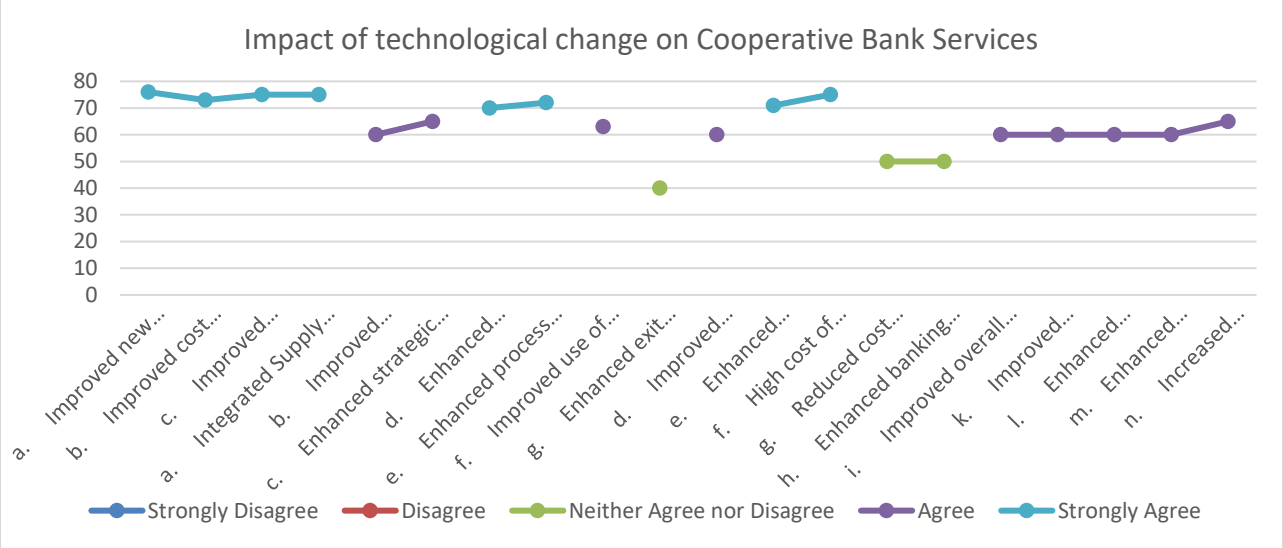


Table 20 indicates that 76% and 17% of respondents strongly agreed and agreed that adoption of technological change positively impacted the services of the Cooperative Bank compared to the 7% that were undecided, which clearly reaffirmed that adoption of technology enhanced process innovation, efficiency gains, and operational effectiveness in the bank.

Analysis from figure 27 evidently underscores that the adoption of technological change by Cooperative Bank had improved its new product development, enhanced product differentiation and diversification, improved competitive marketing scope, enhanced strategic significance and vertical linkages of its banking services, enhanced integration of supply chain system and enterprise resource planning, reinforced creativity for spawning of new products/services inclusive of enhancing diversification, enhanced process innovation and process improvements for outperforming competitors and rivalries, spurred competition and rivalry. Stalk and Shulman (2020) in concurrence with research results and research hypotheses argue that technological change had enhanced strategic positioning and strategic significance of cooperative savings and credit societies and commercial banks in the banking industry by reducing the cost of operation, improving product differentiation and diversification, reinforcing branding and brand positioning, and ensuring quality improvement of standards and production of high-end products. However, research results had not clearly established the direct correlation between adoption of technological change by the bank, and its impact in improving quality of service delivery, which requires future research.

Arguably Hilver (2019) in concurrence with research results and hypotheses asserted that the central role of technological change was to spawn new businesses, create efficiency, and reduce costs by underscoring that adoption of technological leapfrogging, continuous research and development of uniquely differentiated products, espousal of process innovation and process improvement, benchmarking and re-engineering in production and production processes are the key drivers for enhancing efficiency and operational effectiveness in the company.

Table 21: Determining factors in choosing Cooperative Bank services.

Response	Number	Percentage (%)
Yes	69	80
No	17	20
Total	86	100

Adopted from Factors to be considered when choosing the Cooperative Bank of Kenya, Field Survey 2020.

Figure 28: Determining factors in choosing Cooperative Bank services.

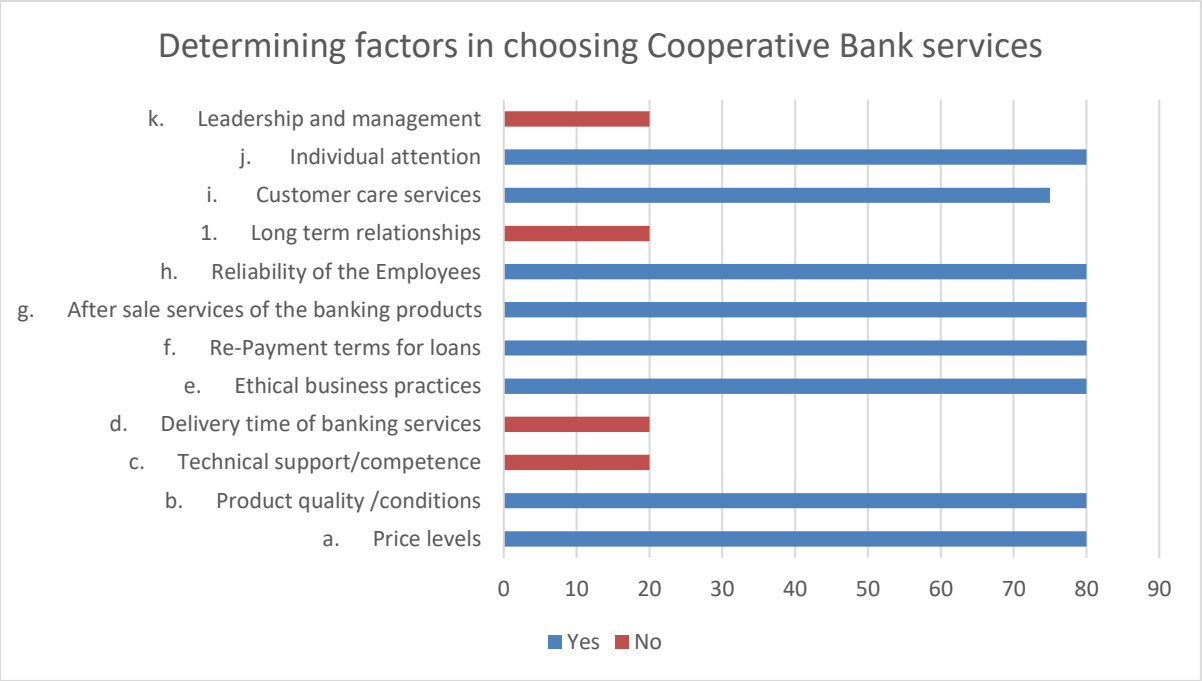


Table 21 highlights that majority of the respondents (80%) believed that they are key factors such as customer services, individual attention and after sale services which influence their choice of the bank, whilst 20% of the respondents disagreed.

Analysis from figure 28 clearly underpins that key determining factors which influence customers' preferences and choices for Cooperative bank were price levels, product quality /conditions, ethical business practices, Re-Payment terms for loans, after sale services of the banking products, customer care services, and individual attention. As such, it was noted that banks must improve on quality and coverage of their services for them to remain competitive in the banking industry. Parklean (2022) in agreement with research results, and research hypotheses affirmed that pricing, Quality and Reliability of Services and corresponding Value for Money (QRSV), unique selling propositioning, customer value propositioning, after sale services,

customer care services were the determining factors for choosing Cooperative bank over other banks.

Adaption of ethical business standards and practices in decision making processes by the Cooperative Bank had emerged as a yardstick, which customers use to choose the bank over others, and this perspective had been re-emphasized by Hilver (2019), who argues that fostering ethics and ethical culture in decision making processes can be achieved by fostering ethical-based programmes, empowering workers on ethical standards and code of conduct, promoting policies and procedures/protocols to influence ethical business decisions, reviewing existing policies, credos and procedures inclusive of promoting structured reward and performance management systems (p.34).

Table 22: Government role in enhancing competitive advantage in the banking industry.

Response	Number	Percentage (%)
Yes	70	81
No	16	19
Total	86	100

Adopted from the Role of the government regulations in controlling the banking sector, Field Survey 2020.

Figure 29: Government role in enhancing competitive advantage in the banking industry.

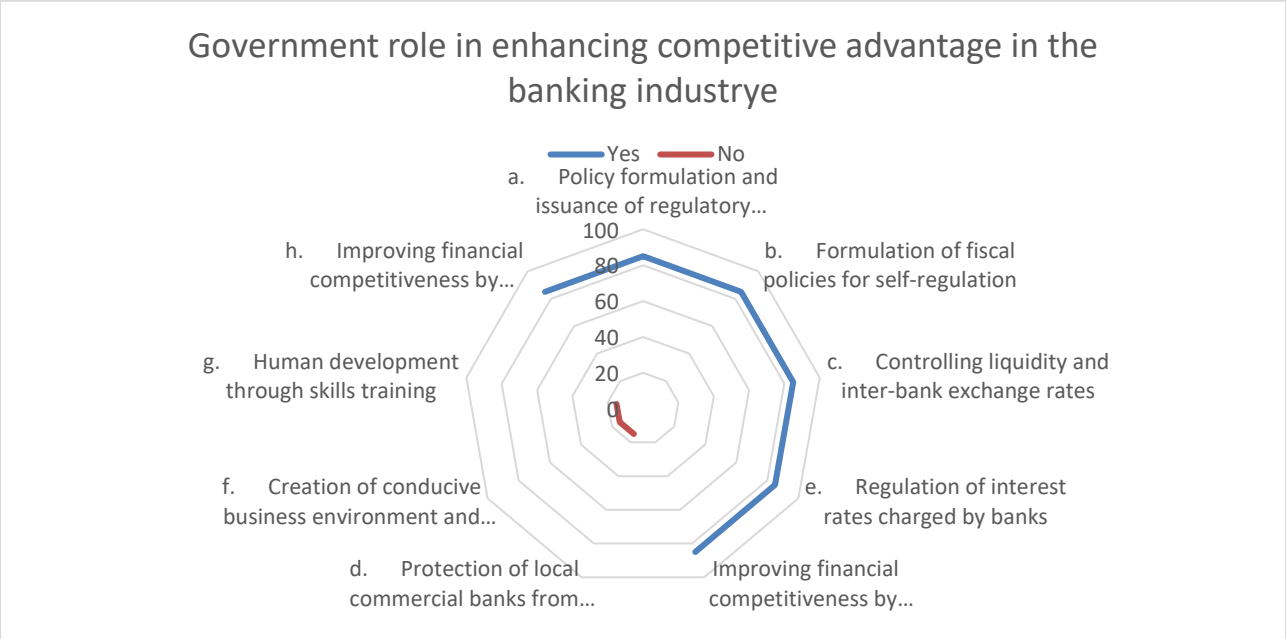


Table 22 indicates that 81% of respondents that strongly agreed on the strategic role the government plays in enhancing the competitive advantage in the banking industry compared to the 19% that disagreed, which reconfirm that government has a regulatory role in the banking sector.

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Analysis from figure 27 evidently reiterates that the government through Central bank has a critical role in formulating and enforcing regulations, particularly fiscal policy formulation and issuance of regulatory framework, formulation of fiscal policies for self-regulation, controlling liquidity and inter-bank exchange rates, regulation of interest rates charged by banks, improving financial competitiveness by encouraging change and stimulating innovation in the banking sector. However, few of the respondents argued that government had limited role particularly in protection of local commercial banks from external competition, creation of conducive business environment, encouraging innovation and creativity and supporting human development through skills development.

Maina (2020) argues that the government through the Central-Bank of Kenya is responsible for formulation of appropriate fiscal policies, regulation, and control of commercial banks, albeit due to the nature of liberalized economy in Kenya, the Central Bank has limitations in protecting local banks from external competition and/or enhancing equitable playing level field between local banks and international banks.

Table 23: Determining factors in customer care services

Response	Number	Percentage (%)
Yes	65	76
No	21	24
Total	86	100

Adopted from what do you consider as important aspects of customer care services in the Cooperative Bank of Kenya, Field Survey 2020.

Table 30 indicates that 76% of the respondents agree that customer care services had direct impact on competitive advantage of the bank compared to 24% who disagreed, hence customer care services are critical for expanding market share and retaining loyal customers to achieve growth and profitability.

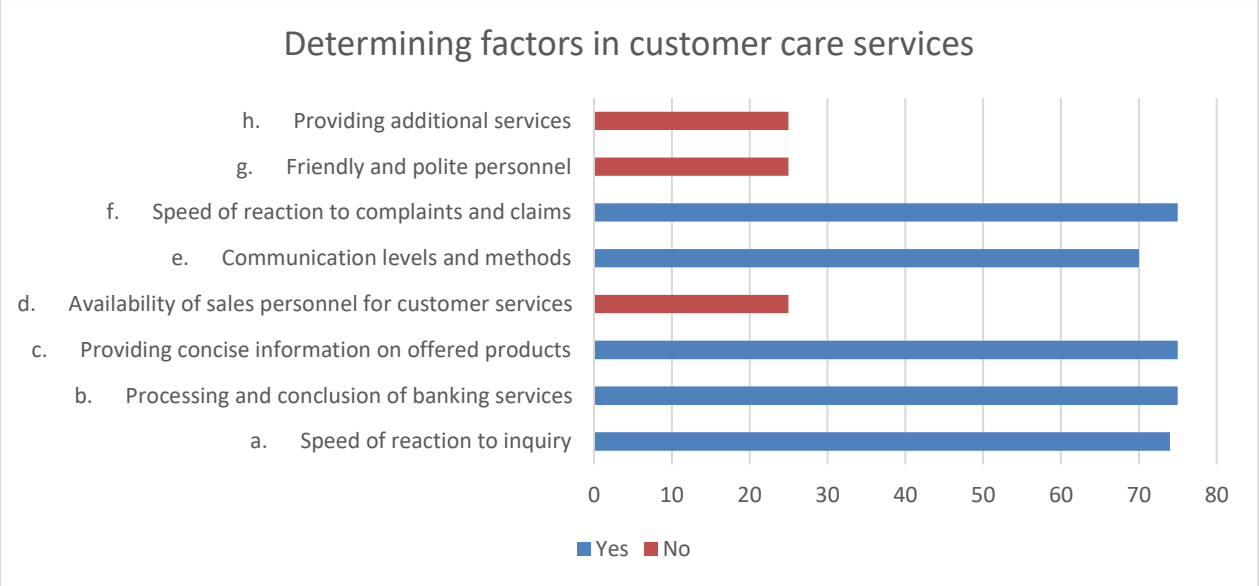

Figure 30 indicates that customer care considerations such as speed of reaction to inquiry, processing, and conclusion of banking services, providing concise information on offered products, communication levels and methods as well as speed of reaction to complaints and claims were determining factors which enabled Cooperative bank to gain and sustain competitive advantage. Whilst availability of sales personnel for customer services, friendly and polite personnel were not considered as key factors influencing customer satisfaction. Hilver (2019) in concurrence with research results and research hypotheses, underscores that key determining factors critical for improving better customer services in the banking sector were speed of reaction to complaints, provision of high-end after sale services, establishment of enduring customer-relationships, speed of reaction to inquiry, consistent application of Quality, Reliability, Service and Value (QRSV) for money.

Overall, cultivating customer relationships and creating customer value by providing high quality services, ensuring cost reductions, maintaining product quality leadership, and pursuing market-skimming pricing were identified as the critical business factors for maintaining Customer satisfaction, retention, and loyalty.

Table 24: Impact of Leadership and management styles in creating competitive advantage.

Response	Number	Percentage (%)
Yes	75	87
No	11	13
Total	86	100

Adopted from the Impact of leadership and management styles, Field Survey 2020.

Figure 30: Impact of Leadership and management styles in creating competitive advantage.

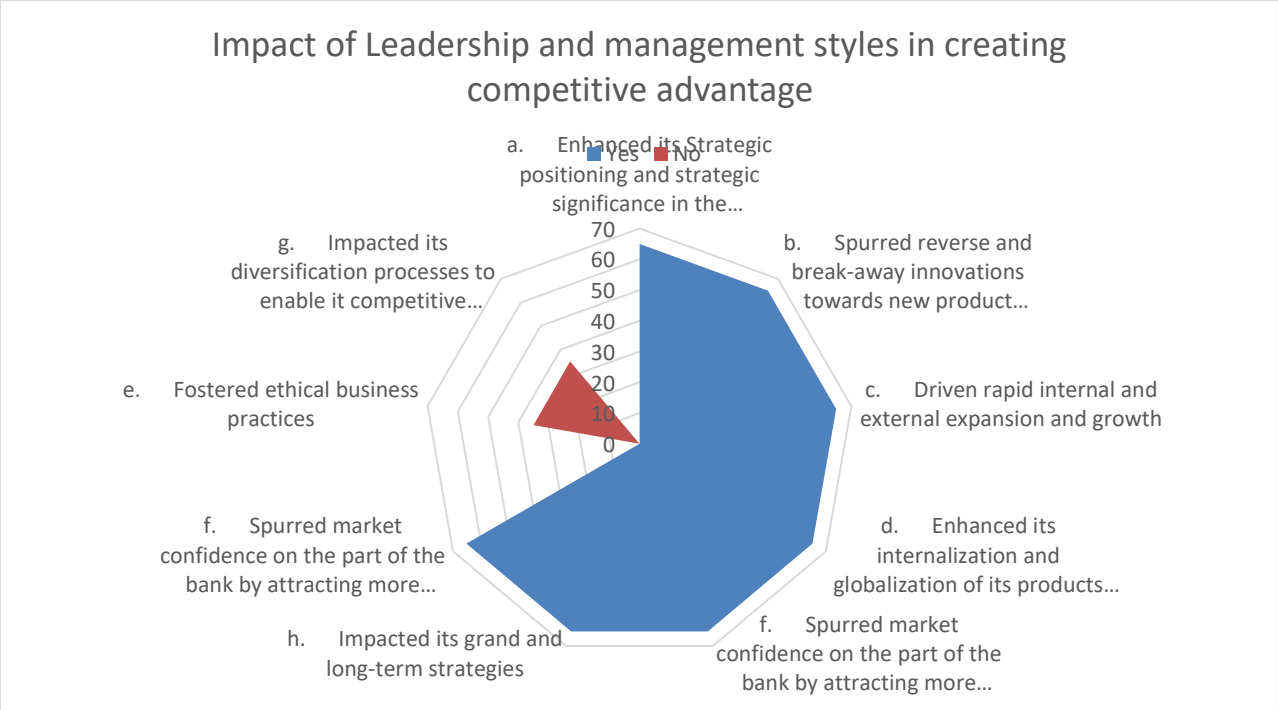

Table 24 clearly indicates that 87% of the respondents agreed that transformative Leadership was an essential ingredient for creating and sustaining competitive advantage of Cooperative Bank compared to the 13% who had contrary opinions.

Analysis from figure 31 evidently asserts that Cooperative bank has embodied transformative Leadership and Management styles which largely helped the bank to realize; enhanced strategic positioning and strategic significance in the competitive market, improved reverse and break-away innovations towards new product development and differentiation, spurred rapid internal and external expansion and growth, enhanced internalization and globalization of its products and branches, improved market confidence on the part of the bank by attracting more shareholders and reinvigorated long-term strategies in order to achieve increased competitive success and profitability in the market place.

In essence, transformative leadership and managerial styles adopted by the Cooperative Bank of Kenya largely influenced its strategic positioning and competitive marketing scope, enhanced its unique selling propositioning (USP) and product differentiation, and spurred its market penetration through diversification, technological change, branding and internationalization of its flagship market offerings.

Overall, adaption of transformational and situational leadership attributes by the Cooperative Bank significantly helped the bank to clearly develop a compelling company vision to influence policies and strategies for its strategic positioning in the marketplace as well as informed its pursuit for globalization of its market offerings to achieve competitive advantage and growth.

4.2.3 Presentation of Qualitative Findings.

Qualitative Data Analysis (QDA) which is inductive was adopted for data collection, coding, and development of data category. Data analysis made use of constant comparisons, patterns and trends of themes and variations, and data processing was guided by theoretical grounds inclusive of data security, which ensured tightly secured data storage in a watertight digital technology platform.

Convergent parallel mixed method design was adopted in this study to collect qualitative data. Overall, the credibility and reliability of the key research results entirely depended on the quality of research design, accuracy of data collection and data analysis (Creswell, 2018). Qualitative Data analysis made use of constant comparisons, review of patterns and trends of themes and variations, as well as embodied visualization whilst reflecting patterns and frequency of themes as articulated in research interviews as presented below.

Table 25: Qualitative Data analysis.

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
Q1a. What is the key cost reduction, risk management and quality control measure the bank has taken to enhance its competitive advantage and strategic significance in the sector?	Adoption of technological change Segmentation and niche marketing Unique product differentiation and diversification Pursuit of improved marketing scope and virtual marketing Adoption of an integrated Supply Chain Management System, and Enterprise Resource Planning (ERP) Espousal of efficient ethical	Adoption of technological change (35 times out of 40 interviews) Segmentation and niche marketing (30 times out of 40 interviews) Unique product differentiation and diversification (32 times out of 40 interviews) Pursuit of improved marketing scope and virtual marketing (35 times out of 40 interviews) Adoption of an integrated Supply Chain System and Enterprise Resource Planning (ERP) (35 times out of 40 interviews) Espousal of efficient ethical business processes and consistent training on the same ethical values (35 times out of 40 interviews) Leveraging of National Diamond Advantage (35 times out of 40 interviews) Maintaining high quality brands (34 times out of 40 interviews)

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
	business processes and consistent training on the same ethical values Leveraging of National Diamond Advantage Maintaining high quality brands	
Q1b. What are the business models linked to innovation, unique differentiations, and value for customers that the bank has embraced to strengthen its competitive scope?	Pursuit of New Product Development, Product differentiation & Diversification, Improved adaptation of technology Improved branding and brand positioning Enhanced cost advantage and reduced cost differentiation, Reinforced creativity, and process improvements for spawning of new products/services, Improved competitive scope, enhanced strategic significance, and reinforced vertical linkages of its banking services. Provision of real-time internet/mobile banking services	Pursuit of New Product Development, Product differentiation & Diversification (35 times out of 40 interviews) Improved adaptation of technology (35 times out 40 interviews) Improved branding and brand positioning (35 times out of 40 interviews) Enhanced cost advantage and reduced cost differentiation (35 times out of 40 interviews), Reinforced creativity and process improvements for spawning of new products/services (28 times out of 40 interviews), Improved competitive scope, enhanced strategic significance and reinforced vertical linkages of its banking services (31 times out of 40 interviews) Provision of real-time internet/mobile banking services (35 times out of 40 interviews)
Q1c. How is the Cooperative bank brand doing compared to our competitors?	Improved market scope, share, confidence and market penetration Strong brand awareness and brand meaning. Effective brand resonance with low-income earners particularly farmers' Saving Societies Enhanced customer-focused brand equity Efficient brand equity that transcends boundaries	Improved market scope, share, confidence, and market penetration (35 out of 40 interviews) Strong brand awareness and brand meaning (35 out of 40 interviews), Effective brand resonance with low-income earners particularly farmers' Saving Societies (35 times out of 40 interviews), Enhanced customer-focused brand equity (29 times out of 40 interviews) **Efficient brand equity that transcends boundaries (10 times out of 40 interviews**)
Q2a. What are the main forces of competition, which drive economic value and spur the competitiveness of your bank?	Adaptation of technological change, Improved technology and innovation through process improvement and process innovations Improved brand recognition and brand positioning, Improved Unique Selling	Adaptation of technological change (35 times out of 40 interviews) Improved technology and innovation through process improvement and process innovations (35 times out of 40 interviews) Improved brand recognition and brand positioning (34 times out 40 interviews) Improved Unique Selling Proposition (USPs) (35 times out of 40 interviews) Unique product differentiation and diversification (34 times out of 40 interviews) Improved Competitive scope and marketing penetration strategies (35 times out of 40 interviews) Enhanced market development and marketing (35 times out of 40 interviews)

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
	Proposition (USPs) Unique product differentiation and diversification Improved Competitive scope and marketing penetration strategies Enhanced market development and marketing Enhanced concentrated growth Integrated Supply Chain Management System, and Enterprise Resource Planning (ERP) Enhanced Quality and Reliability of Services, and corresponding Value for Money (QRSV) Increased globalization and internationalization of banking products	Enhanced concentrated growth. Integrated Supply Chain Management System, and Enterprise Resource Planning (ERP) (35 times out of 40 interviews) **Enhanced Quality and Reliability of Services and corresponding Value for Money (QRSV) (13 times out of 40 interviews)** **Increased globalization and internationalization of banking products (14 times out of 40 interviews**)
Q2b. Does your bank operate in global capital markets and why?	Due to improved technology /adoption of technological change which links bank services globally Due to improved competitive advantage by leveraging the benefits of globalization and internationalization of its banking products to realize economies of scales. Due to existence of its strong branding and brand positioning which transcends the boundaries. Due to existence of an integrated Value Chain System and Enterprise Resource Planning (ERP), which links its services to subsidiary banks in other countries. Due to Competitive business environment in the banking sector and attractive regulatory policies in other countries Due to an improved firm structure and rivalry among key players in the banking	Due to improved technology /adoption of technological change which links bank services globally (35 times out of 40 interviews) Due to improved competitive advantage by leveraging the benefits of globalization and internationalization of its banking products. to realize economies of scales (30 times out of 40 interviews) **Due to existence of its strong branding and brand positioning which transcends the boundaries (10 times out of 40 interviews**) Due to existence of an integrated Value Chain Management System, and Enterprise Resource Planning (ERP), which links its services. to subsidiary banks in other countries Due to Competitive business environment in the banking sector and attractive regulatory policies in other countries (35 times out of 40 interviews) Due to an improved firm structure and rivalry among key players in the banking sector (33 times out of 40 interviews)

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
	sector	
Q2c. Can you attribute the superior growth and profitability of the bank to globalization and diversification of its products?	Due to Improved technology /adoption of technological change in the bank Due to Product differentiation and Diversification of banking services Due to efficient branding and brand positioning of the products Due to Unique Selling proposition (USPs) of the banking services Due to Adoption of diverse marketing strategies and segmentation Due to improved Competitive scope and integrated value chain system to reduce overall operational costs. Due to internalization and globalization of its banking services in the region	Due to Improved technology /adoption of technological change in the bank (35 times out of 40 interviews) Due to differentiation and Diversification of banking services (35 times out of 40 interviews) Due to efficient branding and brand positioning of the products (34 times out of 40 interviews) Due to Unique Selling proposition (USPs) of the banking services (35 times out of 40 interviews) Due to Adoption of diverse marketing strategies and segmentation marketing (34 times out of 40 interviews) Due to improved Competitive scope and integrated value chain system to reduce overall operational costs (34 times out of 40 interviews) **Due to internalization and globalization of its banking services in the region (10 times out of 40 interviews)**
Q3a. Can you attribute the competitive success of your bank to Unique Selling Proposition and product differentiation?	Due to Unique Selling proposition (USPs) of banking services Due to product differentiation and Diversification of banking services Due to efficient branding and brand positioning of the products Due to adoption of diverse marketing strategies and segmentation Due to improved value chain system and vertical linkages of Cooperative bank services Due to improved technology /adoption of technological change by the bank Due to internalization and globalization of its banking services in the region Enhanced Quality and Reliability of Services and correlating Value for Money (QRSV)	Due to Unique Selling proposition (USPs) of the banking services (35 times out of 40 interviews) Due to product differentiation and diversification of banking services (35 times out of 40 interviews) Due to efficient branding and brand positioning of the products (35 times out of 40 interviews) Due to adoption of diverse marketing strategies and segmentation (35 times out of 40 interviews) Due to improved value chain system and vertical linkages of Cooperative bank services (30 times out of 40 interviews) Due to improved technology /adoption of technological change by the bank (35 times out of 40 interviews) **Due to internalization and globalization of its banking services in the region (10 times out of 40 interviews)** **Enhanced Quality and Reliability of Services and correlating Value for Money (QRSV) (11 times out of 40 interviews)**

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
Q3b. Can you attribute the superior growth and profitability of your bank to its long term and grand strategies?	Due to adoption of diverse marketing and segmentation strategies Due to consistent pursuit of Unique Selling proposition (USPs) of the banking services/products Due to improved technology /adoption of technological change by the bank Due to Product differentiation and Diversification of banking services Due to efficient branding and brand positioning of the products Due to internalization and globalization of its banking services in the region, Due to Enhanced Quality &, Reliability of Services and correlating Value for Money (QRSV**)**	Due to adoption of diverse marketing strategies and segmentation strategies (33 times out of 40 interviews) Due to consistent pursuit of Unique Selling proposition (USPs) of the banking services/products (35 times out of 40 interviews) Due to improved technology /adoption of technological change by the bank (35 times out of 40 interviews) Due to Product differentiation and Diversification of banking services (35 times out of 40 interviews) Due to efficient branding and brand positioning of the products (35 times out of 40 interviews) **Due to internalization and globalization of its banking services in the region (9 times out of 40 interviews**) **Due to Enhanced Quality and Reliability of Services and correlating Value for Money (QRSV) (13 times out of 40 interviews)**
Q3c. Has Research and Development improved globalization and product differentiation of your bank	Globalization and product differentiation have increased due to research, new product development and increased competition. Enhanced adoption of Improved technology and innovation through process improvement and process innovation which have enhanced product differentiation. Enhanced market development and marketing strategies which have resulted into product differentiation. Enhanced Quality &Reliability of Services and correlating Value for Money (QRSV) (13 times out of 40 interviews) Enhanced Espousal of ethical business processes, leveraging National Diamond Advantage	Globalization and product differentiation have increased due to research, new product development and increased competition. (10 times out of 40 interviews). Enhanced adoption of Improved technology change and innovation through process improvement and process innovation which have enhanced product differentiation (30 times out of 40 interviews) Enhanced market development and marketing strategies which have resulted into product differentiation (30 times out of 40 interviews) **Enhanced Quality & Reliability of Services and correlating Value for Money (QRSV) (13 times out of 40 interviews)** **Espousal of ethical business processes, leveraging National Diamond Advantage and corporate governance** **(12 times out of 40 interviews)**

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
	and Corporate Governance	
Q4a. Has information technology improved the business processes and enhanced competitive advantage of your bank?	Has improved its competitive scope, enhanced strategic significance and vertical linkages of its banking services Has enhanced new product development, unique differentiation, and diversification. Has enhanced Unique Selling Proposition (USPs) of banking services. Have enhanced Quality & Reliability of Services and correlating Value for Money (QRSV) Has enhanced efficiency and operational effectiveness through process improvement and innovation, has improved its competitive scope and reinforced its market penetration strategies Has improved brand recognition and brand positioning Has improved economies of scales in branding, marketing, value chain, branch banking, mobile banking, use of ATMs and reduced staff costs, has enhanced integration of Supply Chain Management System, and Enterprise Resource Planning (ERP) Has enhanced market development and virtual marketing inclusive of spurring renewed growth and profitability Has spurred reverse and break-away innovations towards new product development and diversification. Has deepened financial inclusion in remote areas. Has improved globalization and	Has improved its competitive scope, enhanced strategic significance and vertical linkages of its banking services. (35 times out of 40 interviews) Has enhanced new product development, unique differentiation, and diversification (34 times out of 40 interviews) Have enhanced Unique Selling Proposition (USPs) of banking services (35 times out of 40 interviews) **Has enhanced Quality & Reliability of Services and Value for Money (QRSV) (18 times out of 40 interviews**) Has enhanced efficiency and operational effectiveness through process improvement and innovation (33 times out of 40 interviews) Has improved its competitive scope and reinforced its market penetration strategies (35 times out of 40 interviews) Has improved brand recognition and brand positioning (35 times out of 40 interviews) Has improved economies of scales in branding, marketing, value chain, branch banking, mobile banking, use of ATMs and reduced staff costs (30 times out of 40 interviews), Has enhanced integration of Supply Chain Management System, and Enterprise Resource Planning (ERP) (33 times out of 40 interviews) Has enhanced market development and virtual marketing inclusive of spurring renewed growth and profitability (34 times out of 40 interviews) Has spurred reverse and break-away innovations towards new product development and diversification (35 times out of 40 interviews) Has deepened financial inclusion in remote areas (35 times out of 40 interviews) **Has improved globalization and internationalization of banking services (18 times out of 40 interviews**)

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
	internationalization of banking services	
Q4b. Can you attribute competitive success of your bank to its brand positioning and adoption of quality &, reliability of services, and correlating value for money (QRSV)?	Have enhanced technological change adaptation through process improvement and process innovations, have improved its competitive scope and reinforced its market penetration strategies Have improved its brand recognition and brand positioning Have enhanced its new product development, unique differentiation, and diversification. Have enhanced its Unique Selling Proposition (USPs) of banking services. Have enhanced its market development and virtual marketing inclusive of spurring renewed growth and profitability Have spurred reverse and break-away innovations towards new product development and diversification. Have deepened financial inclusion in remote areas. Have enhanced Quality & Reliability of Services and correlating Value for Money (QRSV) Have enhanced its market leadership in the international competitive banking market**.**	Have enhanced technological change adaptation through process improvement and process innovations (35 times out of 40 interviews), Have improved its competitive scope and reinforced its market penetration strategies (34 times out of 40 interviews) Have improved its brand recognition and brand positioning (33 times out of 40 interviews) Have enhanced its new product development, unique differentiation, and diversification (34 times out of 40 interviews) Have enhanced its Unique Selling Proposition (USPs) of banking services (34 times out of 40 interviews) Have enhanced its market development and virtual marketing inclusive of spurring renewed growth and profitability (33 times out of 40 interviews) Have spurred reverse and break-away innovations towards new product development and globalization (34 times out of 40 interviews) Have deepened financial inclusion in remote areas (35 times out of 40 interviews) **Have enhanced Quality & Reliability Services and correlating Value for Money (QRSV) (18 times out of 40 interviews**) **Have enhanced its market leadership in the international competitive banking market (13 times out of 40 interviews**
Q4c. Have Enterprise Resource Management and value chain system improved the competitive and differential	Have improved its competitive scope and reinforced its market penetration strategies. Have enhanced efficiency and operational effectiveness Have enhanced its Unique Selling Proposition (USPs) of banking services. Have Improved vertical and	Have improved its competitive scope and reinforced its market penetration strategies (34 times out of 40 interviews) Have enhanced efficiency and operational effectiveness (35 times out of 40 interviews) Have enhanced its Unique Selling Proposition (USPs) of banking services (34 times out of 40 interviews) Have Improved vertical and horizontal integration of banking services (35 times out of 40 interviews) Have enhanced technological change adaptation through process improvement and

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
advantages of your bank?	horizontal integration of banking services Have enhanced technological change adaptation through process improvement and process innovations. Have improved cost reduction and economies of scales. Have enhanced Quality & Reliability of Services and corelating Value for Money (QRSV) Have enhanced its market leadership in the international competitive banking market**.**	process innovations (35 times out of 40 interviews) Have improved cost reductions and economies of scales (32 times out of 40 interviews) **Have enhanced Quality & Reliability of Services and correlating Value for Money (QRSV) (12 times out of 40 interviews**) **Have enhanced its market leadership in the international competitive banking market (11 times out of 40 interviews**
Q5a. Have ethical business culture and shared quality values improved the corporate governance of your bank?	Have enhanced its business opportunities for spawning new products for exportation and globalization. Have improved its business opportunities for licensing and franchising its banking services. Have increased its business opportunities for seeking joint ventures with other financial institutions Have increased its business opportunities for seeking strategic alliances Have improved market confidence and market share value of the bank Have enhanced its brand positioning and brand awareness Have spurred reverse and break-away innovations towards new product development and globalization Have enhanced its market leadership in the international competitive banking market.	Have enhanced its business opportunities for spawning new products for exportation and globalization (30 times out of 40 interviews) Have improved its business opportunities for licensing and franchising its banking services (32 times out of 40 interviews) Have increased its business opportunities for seeking joint ventures with other financial institutions (34 times out of 40 interviews) Have Increased its business opportunities for seeking strategic alliances (34 times out of 40 interviews) Have improved market confidence and market share value of the bank (33 times out of 40 interviews) Have enhanced its brand positioning and brand awareness (34 times out of 40 interviews) Have spurred reverse and break-away innovations towards new product development and globalization (34 times out of 40 interviews) **Have enhanced its market leadership in the international competitive banking market (10 times out of 40 interviews**
Q5b. Have banking regulations and learning	Have improved financial competitiveness by encouraging change and stimulating innovation in the banking	Have improved financial competitiveness by encouraging change and stimulated innovation in the banking services. (34 times out of 40 interviews) Have created conducive business environment and encouraged innovation and

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
opportunities improved the competitive advantage of your bank?	services. Have created conducive business environment and encouraged innovation and creativity. Have enhanced regulation and protection of local commercial banks from external competition. Have enhanced continuous learning and improved human development through skills training	creativity for renewed growth. (35 times out of 40 interviews) **Have enhanced regulation and protection of local commercial banks from external competition (10 times out of 40 interviews**) Have enhanced continuous learning and improved human development through skills training (34 times out of 40 interviews)
Q5c. Can you attribute competitive success of your bank to Corporate Social Responsibilities?	Have increased its business opportunities by strengthening its brand awareness. Have improved its market confidence and market share value Have enhanced its brand positioning and brand awareness. Have enhanced strong brand equity and resonance with low income-earners particularly farmers Unions	Have increased its business opportunities by strengthening its brand awareness (35 times out of 40 interviews) Have improved its market confidence and market share value (33 times out of 40 interviews) Have enhanced its brand positioning and brand awareness (33times out of 40 interviews) Have enhanced strong brand equity and resonance with low income-earners particularly farmers Unions (35 times out of 40 interviews)
Q6a. Have transformational leadership and management styles improved the overall performance of your bank?	Have enhanced its Strategic positioning and strategic significance in the competitive banking market Have driven rapid internal and external expansion and growth Have enhanced its internalization and globalization of its products and branches. Have impacted its grand and long-term strategies. Have enhanced Quality & Reliability of Services and corresponding Value for Money (QRSV**)**	Have enhanced its Strategic positioning and strategic significance in the competitive banking market (35 times out of 40 interviews) Have driven rapid internal and external expansion and growth (32 times out of 40 interviews) **Have enhanced its internalization and globalization of its products and branches (12 times out of 40 interviews**) Have impacted its grand and long-term strategies (35 times out of 40 interviews) **Have enhanced Quality & Reliability of Services, and correlating Value for Money (QRSV) (12 times out of 40 interviews**)
Q6b. Can you attribute the competitive success of your bank to quality	Have enhanced its Strategic positioning and strategic significance in the competitive market by ensuring customer attraction, retention, and	Have enhanced its Strategic positioning and strategic significance in the competitive market. by ensuring customer attraction, retention, and loyalty (35 times out of 40 interviews)

Questions	Theme Name	How many times the theme was mentioned (across all interviews). Frequency of the times themes are mentioned
customer care services?	loyalty. Have driven rapid internal and external expansion and growth Have enhanced its brand positioning and brand awareness	Have driven rapid internal and external expansion and growth (29 times out of 40 interviews) Have enhanced its brand positioning and brand awareness (33 times out of 40 interviews)
Q6c. Can you attribute the competitive success of your bank to corporate governance?	Have improved its competitive scope, and enhanced strategic significance in the banking industry Have ensured improved ethical business processes and compliance to fiscal financial regulations by the bank Have improved its financial competitiveness and unique differentiation in the banking sector Have improved its market confidence and market share value in the banking sector Have enhanced its market leadership in the international competitive banking market. Have enhanced Quality & Reliability of Services, and correlating Value for Money (QRSV)	Have improved its competitive scope, and enhanced strategic significance in the banking industry (34 times out of 40 interviews) Have ensured improved ethical business processes and compliance to fiscal financial regulations by the bank. (35 times out of 40 interviews) Have improved its financial competitiveness and unique differentiation in the banking sector (34 times out of 40 interviews) Have improved its market confidence and market share value in the banking sector (14 times out of 40 interviews) **Have enhanced its market leadership in the international competitive banking market (11 times out of 40 interviews** **Have enhanced Quality & Reliability of Services and corresponding Value for Money (QRSV) (10 times out of 40 interviews**)

Adopted from Responses to qualitative questionnaires, Field Survey 2020.

4.2.4 Evaluation of Findings

Both quantitative and qualitative findings were reviewed whilst using triangulation and member-checking strategies. Also collected, interpreted, and analyzed data, were shared with research participants within the framework of member-checking in order to clarify, and correct errors inclusive of providing missing information. The principle of transferability, confirmability and dependability in qualitative analysis were applied to enhance achievement of results of high levels of credibility, accuracy, reliability, trustworthiness, dependability, transferability, validity, and authenticity of the findings. In this research analysis, independent, dependent and control variables were adopted in quantitative research to address the research objectives, answer research questions, and to enhance trustworthiness, credibility, reliability, validity, and legitimacy of the results inclusive of validating research hypothesis. The following is the summary of research

results which addressed research questions and validated research hypotheses:

Q1. What are the competitive business models enhancing competitiveness of the bank?

4.6.1 What has over the years changed significantly in the Banking sector in Kenya?

Arguably quantitative data analysis and research results affirmed that major significant changes witnessed in the banking sector over the years were attributed to; product differentiation, adoption of technological change particularly use of e-banking, ATMS and credit and debits cards to drive growth, increased branding and brand positioning, adoption of diverse marketing strategies, development of distinctive and competitive strategies, enhancement of Unique Selling positioning of banking services, increased competitive intelligence, increased Competitiveness of location and market and improved financial inclusion with rapidly evolving ICT.

These significant changes could be attributed to increased competition in the banking sector because of the entry of more multi-national banks, renewed growth and profitability in the industry, improved adoption of technological change and enforcement of strict government regulations and fiscal policies geared towards increasing efficiency. However, in comparison to the number of banks and their liquidity ratio in the market, little progress has been observed in their pursuit to improve their competitive advantage particularly in Corporate Social Responsibility and expanding their regional leadership footprints through globalization and dispersal of banking services.

The research results in congruence with research hypotheses **H1, H2, H3, H4** and literature had confirmed that the banking sector over the years had undergone massive transformation and reforms which largely had spurred competition and competitiveness, enhanced intense competitive marketing scope, and expanded market share through aggressive marketing intelligence which resulted into achievement of growth and superior profitability in the sector.

Major transformations and reforms in the banking sector had been witnessed particularly in; product differentiation, adoption of technological change to drive growth, increased branding and brand positioning, adoption of diverse marketing strategies such as holistic and segmentation marketing approaches , development of distinctive and competitive strategies, Unique Selling positioning of banking services, adoption of National Diamond Advantages, increased competitive intelligence, increased competitiveness of location and market, and enhanced financial inclusion with rapidly evolving ICT.

Within the framework of the National Demand Advantage and Competitive advantage for gaining operational efficiency, growth and profitability and in concurrence with literature, research results and hypotheses **H1, H2, H3** which evidently reiterated that significant changes experienced over the years in the banking industry were; adaptation of technical change in the business processes, enhanced product differentiation and increased Unique Selling Propositioning (USP) and adaptation of National Diamond Advantage to enable them to outmaneuver their competitors in the market place.

Kotler and Keller (2006) in agreement with quantitative and qualitative research results, literature, and research hypothesis **H1** reiterated that to gain and sustain competitive success in any sector, the enterprise had to build strong brands by analyzing existing nature of competition as well as it needed to revitalize existing brands by leveraging strengths of megabrands and brand extensions to enhance brand relevance, expand market share and grow sales. Arguably Cooperative Bank had gained elevated competitive advantage by effectively leveraging its Unique Selling Propositioning and building strong brand awareness, which effectively enhanced its strategic positioning and brand awareness, reinforced its competitive marketing scope and strategic significance, and strengthened its competitive marketing scope and market share in the financial sector in Kenya. Arguably leveraging strong brand awareness, and intensely engaging in holistic and segmentation marketing approaches by the bank arguably had significantly enabled the bank to increasingly expand its market share and achieve profitability.

Assertively and in line with both quantitative and qualitative research results, literature and research hypotheses **H1**, **H2, H3, H4** evidently affirmed that "the financial sector in Kenya has witnessed tremendous transformations and reforms due to adaptation of innovative technology and techno-savvy financial services, pursuit of globalization and internationalization of financial products, espousal of reverse and breakaway positioning and embodiment of benchmarking and unique selling propositions (USPs)" (Bekmuradova, 2016, p. 40).

Seemingly the mergers and acquisition of cooperative savings and credit societies and commercial banks in concurrence with both quantitative and qualitative research results, literature, and research hypotheses **H1, H3** had enabled the bank to increase their capitalization and liquidity with a view to enhance their strategic positioning and improve their competitive marketing scope to achieve growth and profitability. Similar arguments had been previously advanced by Muchai et al (2015) who argued that pursuit of mergers, acquisitions, and consolidation of banks in Kenya during the period 1989 to 2010, had seemingly attained efficiency gains and enhanced

profitability growth in the banking industry.

4.6.2. What is the impact of branding?

Both quantitative and qualitative research results in alignment with literature and hypothesis- **H1** firmly asserted that the adoption of effective brand positioning and marketing strategies by the Cooperative Bank of Kenya were the key determinants critical for creating its competitive advantage in the banking industry. Effective brand positioning and marketing strategies particularly virtual and mass marketing approaches had successfully enabled Cooperative bank to realize; improved brand awareness and brand meaning, improved segmentation and niche marketing and increased sales, improved customer-focused brand equity, improved brand resonance, increased market share and market penetration and increased superior profits and growth.

From both quantitative and qualitative research results, and in concurrence with literature and hypothesis **HI H3** , it emerged that branding of the bank services had significantly improved its competitive scope and reinforced its market penetration, improved its brand recognition and brand positioning, strengthened its unique differentiation and diversification, improved its Unique Selling Proposition (USPs) of its banking services, enhanced its market penetration and competitive marketing scope, expanded its competitive marketing scope and customer base in the rural areas thus deepened its financial inclusion. Contrary to the underlying principles of hypothesis **H1** and literature review assumptions, it was established that branding and branding position of the Cooperative Bank had little or no impact in enhancing its competitive positioning and strategic significance in the international competitive banking market**.**

To test and evaluate hypothesis **H1** on the impact of increasing the competitive marketing scope and leveraging strong brand awareness in enhancing market share in the banking sector, the both quantitative and qualitative research results affirmed that establishment of a strong brand awareness through effective e-marketing approaches had the potential to increase the competitive marketing scope and market share critical for growth and profitability.

Arguably it had been reiterated that "competitive positioning of a firm will determine its profitability and growth in any given industry structure as evidenced in the exponential growth of Cooperative Bank of Kenya Limited, and to achieve sustainable competitive advantage, a firm must pursue unique differentiation of its products and cost advantages in the production, branding and branding positioning, and distribution and marketing" (Maina, 2020, P20).

Considerably and in similarity with research results, literature, and hypothesis-**HI**, it is evidently clear that brand revitalization of flagship and mega brands to enhance brand relevance and brand

resonance, as well as strengthening brand awareness by adopting integrated and holistic market strategies were found to be critical factors for increasing competitive marketing scope and expanding market share in the market.

Fittingly Hilver (2019) underscored in congruence with both quantitative and qualitative research results that "pursuit of integrated marketing strategies by mix and match together with focus on niche and segmentation marketing, differential marketing and grass root marketing, as well as pursuit of intensive marketing and promotions through TV ads, inclusive of virtual marketing are key drivers for attaining sustainable competitive advantage in any industry structure". Adoption of array of marketing strategies particularly e-marketing as espoused by Cooperative Bank, significantly had been identified as the key drivers for achieving competitive success in accordance with the principles of hypothesis **HI**.

In concurrence with the underlying principles of hypothesis **HI,** and literature, it was evidently clear that for an enterprise to enter and gain significant market-penetration, expand marketing scope and increase market share, such enterprises needed to strengthen their competitive points of differences, improve their customer value propositioning, revitalize their flagship and megabrands to enhance their brand relevance and brand resonance to drive sales, as well as such brands needed to pursue holistic and integrated marketing approaches to defend and expand their market share in the competitive market place (Hilver, 2019).

Significantly the research results in similarity with both quantitative and qualitative research results, literature and hypothesis-**HI** underscored that effective brand positioning of the market offerings of the bank by strengthening brand awareness of its flagship brands, reinforcing its brand image and leveraging brand associations to enhance brand reinforcement and revitalization in the competitive market place, as well as pursuit of holistic and integrated marketing approaches by the Cooperative Bank had been found to be essential ingredients for expanding its competitive marketing scope and strengthening its brand relevance in the market place.

Both quantitative and qualitative research results in congruence with literature and research hypothesis-**HI** affirmed that reinforced integrated marketing strategies through e-marketing and adoption of effective branding positioning of Cooperative Bank of Kenya flagship brands had significantly improved its competitive marketing scope and enhanced its market penetration, improved its brand recognition and brand relevance in both urban and rural areas, enhanced its new product development and unique differentiation of its market offerings, improved its Unique Selling Proposition (USPs) of its banking services, and deepened its financial inclusion through

mobile banking services (M-Coop-CASH), as well as spurred its growth and profitability.

Q2. Impact of the five forces of competition

4.6.3 What Cost advantage strategies have Cooperative Banking of Kenya adopted?

Both quantitative and qualitative research results in accord with literature and hypotheses-**H1, H2** and literature reviews argued that for Cooperative bank to achieve cost differentiation and cost advantage, the bank had to pursue economies of scales by establishing an integrated Supply Chain Management System, and corresponding Enterprise Resource Planning (ERP), had to embrace integrated and holistic marketing strategies and had adopted technological change by establishing internet banking, mobile banking and ATMs to enhance convenience and real time banking services.

Fittingly and in line with mixed methods research results, literature and correlating hypotheses; **H1** and **H2**, it was affirmed that for a company to achieve economies of scales and gain sustainable competitive advantage, it must "embody horizontal strategies by moving from growth to superior performance, pursue technological-change and process innovation, and increasingly adopt tangible, intangible and competitive inter-relationships of business processes to enable them gain operational efficiency and attain sustainable diversification" (Wagner & Hollenbeck, 2020). Within the framework of Value Chain Analysis (VCA), Hilver (2019) in congruence with both quantitative and qualitative research results and hypothesis-**H1** had underscored that for enterprises to increasingly realize low-cost-advantages, they needed to embody integrated and holistic marketing strategies by pursuing segmentation, niche, and virtual marketing approaches with a view to enhance market penetration and reduce over-head costs.

Wagner & Hollenbeck (2020) in agreement with literature and hypothesis-**H1** had asserted that to achieve low-cost advantages, firms must "embody market skimming and market penetration pricing strategies with a view to analyze value-chain-system and lower the costs in the chain. Secondly, pursuing unique differentiations by producing products and/or services, which are uniquely differentiated, high-end and valued. Thirdly, espousal of focus strategy by pursuing narrow product lines and narrow competitive scope in the sector, focusing on niche and narrow target markets, and embodying segmentation and /or targeted geographical markets together with either embracing low-cost leadership or differentiation to attain competitive advantage".

Hilver (2019) in accord with literature and hypothesis-**H1** and **H2** affirmed that for any firm to achieve operational efficiency and realize low-cost advantages inclusive of leveraging economies of scales of the integrated systems, then it must adopt both integrated value chain system and Enterprise Resource Planning (ERP) in its business processes.

Overall, low-cost advantages embodied by the Cooperative Bank together with product differentiation and focus, were the critical factors, which determined its comparative advantage in the banking sector, and thus had a positive knock on-effect on its growth and profitability.

4.6.4 Impact of internationalization

Largely the research results in concurrence with literature reviews and hypothesis-**H3** underscored that creating competitive advantage within the framework of globalization of competition and global strategy, the roles of competitiveness of locations, dispersed activities and global networks were fundamentally important. Arguably pursuit of internationalization and globalization of Cooperative Bank services had helped it to realize improved market share and increased shareholders' value, enhanced brand positioning and brand awareness, improved market confidence on the part of the bank, improved competitive scope, elevated strategic significance and vertical linkages of its banking services, enhanced business opportunities for spawning new products for exportation and globalisation. These factors have helped the bank to significantly achieve competitive success and competitive intelligence in the banking industry over the years. However, pursuit of globalization by Cooperative Bank had neither helped it to achieve elevated QRSV for its services nor had enabled the bank to leverage full potentials of its National Diamond Advantage to gain renewed growth and profitability, at the global levels.

In line with both quantitative and qualitative research results, literature and hypotheses-**H1, H2, H3**, most cooperatives and commercial banks have pursued internationalization of their flagship brands and products to expand their market share and increase their global business footprints, enhance their marketing intelligence and leverage economies of scales by adopting integrated Enterprise Resource Planning and Value Chain System, in an effort to gaining sustainable competitive improvement and success in the marketplace (Dess & Nystrom, 2018, p. 60).

Hilver (2019), in concurrence with literature and research hypotheses-**H1, H2, H3**, had argued that globalization has the potential to enhance strategic positioning and strategic significance of any enterprise, as well as had the potential to strengthen brand positioning and brand equity of any enterprise. Contrastingly, pursuit of globalization by the Cooperative Bank has neither enabled the bank to achieve the QRSV nor enabled it to gain strong brand positioning at the global levels, which requires further research in future.

Shrewdly, Wagner and Hollenbeck (2020) argued that globalization as a diversification strategy, could help enterprises to benefit from low-cost advantages, as well as could enhance differentiation by pursuing arbitrage opportunities by buying certain products where they are

relatively cheap and re-sell them into international markets where they could fetch better prices to enable them realize growth and superior profitability.

The quantitative and qualitative research results in affirmation with hypotheses-**H1, H3** established that the global dispersal of value creation and market offerings in the international market inevitably required; careful market analysis of the existing opportunities and risks, pursuit of reverse positioning and break away positioning of the flagship brands, research on brand positioning and brand resonance, development of new product and diversification, research on the factors affecting a Nation's competitiveness, pursuit of arbitrage opportunities, and optimization of the location of value chain activities.

Q3. Effects of long-term and grand strategies

4.6.5 What are the long term and grand strategies adopted by Cooperative Bank of Kenya?

Largely the research results and in agreement with literature, and hypotheses **H1, H2, H3** affirmed that to enhance its elevated strategic positioning and improve its competitive market scope with a view to gain competitive advantage inclusive of aligning its business process to the changing competitive scope, the Cooperative Bank had embodied grand strategies with focus on; improved product differentiation and diversification, improved overall cost advantage leadership, strengthened its branding and brand positioning, renewed focus on scanning internal and external environment, pursued Unique Selling Proposition, adopted technological change, reinforced its competitive scope and marketing penetration strategies, enhanced its concentrated growth, pursued market development and segmentation marketing, promoted new product development and differentiation, pursued technological change and innovation through process improvement and process innovations and adopted an integrated Supply Chain Management System, and corresponding Enterprise Resource Planning (ERP**).**

However, the above-adopted grand strategies had neither helped the bank to improve its market leadership in the global market nor had enabled the bank to improve its Quality and Reliability of Services and corresponding Value for Money (QRSV) for its services. Further research on the role of grand strategies and Quality, Reliability and Value for Money (QRSV) of the Cooperative bank services in improving its market leadership in the global market, needs to be undertaken in future to inform policy and management shifts.

Dess and Nystrom (2018) arguably asserted that strategies critical for enhancing competitiveness of any cooperative savings society and commercial banks; were espousal of product differentiation and diversification, adoption of technical change for enhancing convenience and efficiency, pursuit of strengthening competitive point of difference and Unique Selling

Propositioning (USP) of the market offerings, and consistent pursuit of QRSV, and adoption of holistic and target marketing approaches to enhance significant market penetration and expand market share in the marketplace. This argument is in harmony with both quantitative and qualitative research results, literature, and hypotheses **H1, H2, H3** which strongly underpinned that espousal of integrated marketing strategies, pursuit of strong brand awareness, adoption of technological change, and espousal of product differentiation and diversification, were found to be critical factors for achieving competitive advantage in banking sector.

Hilver (2019) reaffirmed in line with research results and hypotheses **H1, H2, H3** that for any enterprise to gain and sustain competitive advantage, it must consistently embrace low-cost leadership and differentiation of its leading brands, embrace turn-around, recovery and end-game strategies, foster product differentiation and unique selling propositions (USPs), and promote quality, reliability, service, and value for money (QRSV). It must also support reverse innovation, strengthen its brand positioning, and brand value, pursue economies of scale and risk management, engage in intensive research and development (R&D), espouse market segmentation and niche marketing, promote cost advantage and its sustainability, foster customer-focused value propositioning and pursue strategic positioning with a view to increasingly expanding its market share and enhance its overall performance in the competitive marketplace. (p. 100).

Gitonga et al. (2019) arguably underlined in accord with both quantitative and qualitative research results and hypotheses **H1, H2, H3** that for an enterprise to achieve sustainable growth, it must judiciously control the five forces of competitiveness by consistently pursuing reverse positioning and breakaway positioning of its leading brands and market offerings, embodying reverse innovation and process improvement, espousing re-engineering and benchmarking of its leading products, ensuring diversification of its market offerings to enable it realize superior unique selling propositions, achieve economies of scale and absolute advantage, attain cost advantage and enhance its customer-focused value propositioning and achieve sustainable competitive advantage and success within the competitive market place (p. 100).

Conclusively research results of both quantitative and qualitative analysis in line with literature reviews affirmed that adaptation of key competitive strategies, such as; pursuing product differentiation and diversification of flagship brands, embodying low-cost leadership and cost advantages, espousing Unique Selling Proposition and pursuit of new product development, adopting holistic marketing and focusing on concentrated growth, were critical factors for gaining and sustaining competitive advantage, as well as for achieving growth and profitability in the market place. Any enterprise, keen on growth and profitability, must continuously embody

product differentiation and diversification.

4.6.6 What are the key drivers of unique differentiation in the banking sector in Kenya?

The research results of both quantitative and qualitative analysis in accord with hypotheses **H1, H2, H3** revealed that the key divers of unique differentiation of Cooperative Bank services were product differentiation and diversification of banking services, technological change, branding and brand positioning, Unique Selling proposition (USPs), adoption of diverse marketing strategies and segmentation, cost differentiation and cost advantage of its market offerings, improved competitive scope and establishment of integrated value chain system to reduce overall operational costs.

However, quantitative data analysis in sharp contrast to Hypothesis **H3, H5** revealed that pursuit of internalization and globalization of Cooperative bank services in the region, as well as its inability to embody QRSV across the region, have not helped the bank much in strengthening its unique differentiation of its market offerings. Arguably it has been affirmed that technological change and enterprise resource management drive innovation, creativity, process improvement and accuracy, foster reverse innovation, spur re-engineering inclusive of benchmarking of products and services to enable products to attain differentiation and unique selling propositioning (USPs) (Porter, 2004, p. 50).

Dess and Nystrom (2018) in accord with both quantitative and qualitative results and hypotheses **H1, H2, H3, H5** affirmed that the key drivers of product differentiation were; espousal of technical change for new product development and differentiation, pursuit of brand positioning and brand revitalization of flagship brands to enhance brand relevance and brand resonance, adoption of customer-care services to improve customer satisfaction, retention and loyalty, and pursuit of Unique Selling Propositioning (USP) and strengthening market penetration by adopting intensive and holistic marketing approaches to expand market share and drive sales.

Dess and Nystrom (2018) in harmony with research results and literature reviews, had asserted that "to achieve sustainable differentiation and competitive advantage in any sector, an enterprise must embody" low-cost leadership, focus, and differentiation**".** (p. 150).

Gitonga et al. (2019) in accord with both quantitative and qualitative research results, literature and hypotheses **H1, H2, H3, H4, H6** arguably underpinned that "for any firm to gain and sustain competitive parity and competitive advantage, survive intense competition and expand its market share in the face of five competitive forces in any sector, then the firm must aggressively pursue cost advantage, embody differentiation and diversification of its market offerings, adopt

technological change and reverse innovation, reinforce and strengthen its branding positioning and brand relevance, espouse diverse marketing strategies and market segmentation approaches, pursue strategic focus and unique differentiation of its products, embody transformational leadership attributes and integrate business ethics culture in every aspect of its business model".(pp. 140-141).

Noticeably both quantitative and qualitative research results in corresponding with research objectives and literature review had evidently affirmed that pursuit of product differentiation and diversification of flagships brands of the bank was a critical factor in determining its competitive success in the banking sector. Overall, banking sector had consistently espoused Unique Selling Propositioning (USP) and holistic marketing of their flagship brands, embodied technological change, reinforced their branding and brand positioning, which largely had strengthened their strategic positioning and improved their product differentiation, and as such, enhanced their competitive advantage and achievement of growth in the marketplace.

4.6.7 What is the impact of Quality and Reliability of Services and corresponding Value for Money (QRSV)?

The mixed method research results in concurrence with literature reviews and hypotheses **H1, H2, H3, H6** had seemingly affirmed that adoption of Quality and Reliability of Services and corresponding Value for Money (QRSV) by the Cooperative Bank had significantly enabled the bank to realize; improved new product development, enhanced product differentiation and diversification, increased branding and brand positioning locally, improved adaptation of technological change, improved cost advantage and reduced cost differentiation, improved competitive marketing scope and expanded market share, enhanced strategic significance and vertical linkages of its banking services. QRSV had also helped the bank to enhance its Unique Selling Proposition (USPs) and brand awareness locally.

Gitonga et al. (2019) clearly underscored the similarities with research results and research hypothesis **H1** that for any enterprise to achieve sustainable growth and gain competitive advantage, it must embody QRSV to enhance new product development and differentiation to carefully manage the five forces of competition and improve its competitive marketing scope in the marketplace.

Dess and Nystrom (2018) are in agreement with both quantitative and qualitative research results, literature, and research hypotheses **H1, H2, H3, H5** that for cooperative savings and credit societies to achieve competitive advantages, they needed to espouse QRSV to enable them

uniquely to differentiate their products, enhance their Unique Selling Propositioning (USP) and to strengthen their competitive marketing scope and strategic positioning in the marketplace.

Even though Cooperative Bank had embodied National Diamond Advantage and Unique Selling Propositioning strategies overarchingly to achieve QRSV for its market offerings, locally and internationally, quantitative results in contrast with qualitative results evidently highlighted that there was no clear impact of National Diamond Advantage and USP in terms of significantly strengthening brand relevance and resonance of its flagship and mega brands, at the international levels, which inevitably requires further studies in future. Also, the adoption of QRSV by the bank had not helped it to gain and sustain market leadership in the international competitive banking market.

Hilver (2019) in accord with mixed method research results and research objectives, had accentuated that for any enterprise to achieve QRSV of its market offerings, it must consistently pursue Research and Development to inform new product development and differentiation, embody re-engineering and benchmarking of its products, undertake environmental scanning of similar businesses to understand evolving quality concerns in the market for improvement, and foster customer value propositioning by producing high-end products by pursuing reverse positioning and break-away innovation processes.

Concurrently quantitative results and qualitative research results in harmony with hypothesis-**H1 H3** concluded that Quality and Reliability of Services, and corresponding Value for Money (QRSV) in the banking sector was found out to be an impactful factor on branding and brand positioning, product differentiation and diversification, market penetration.

4.6.8 What do you consider as unique selling propositioning strategies?

Seemingly both quantitative and qualitative research results in concurrence with literature reviews highlighted that to enhance the bank's strategic positioning and improve its competitive marketing scope, the Cooperative Bank had arguably embodied unique selling propositioning strategies such as**;** Unique product differentiation and diversification, branding and brand positioning, low-cost leadership and focus, segmentation and niche marketing, adoption of technological change for process improvement and innovation, pursuit of new product development and differentiation, adopted diverse marketing strategies and espoused an integrated value chain system.

Even though Unique Selling Proposition strategies adopted by Cooperative Bank had been

significantly influential in increasing its market share, however, it was evidently clear from qualitative research results that USP had little or no impact in enhancing Cooperative Bank's market leadership in the regional and global market.

Hilver (2019), in accord with research results, literature and hypothesis **H1, H3**, argued that for any firm to achieve Unique Selling Propositioning (USP), it must embody low-cost leadership and unique differentiation in the design of its market offerings whilst seamlessly pursuing creativity, process improvement, process innovation, re-engineering, benchmarking and mass promotion of its leading brands. It must also strategically leverage the benefits of Diamond of national advantage —increased factor-endowments and rising demand-conditions, as well as evolving related and supportive-industries; and emerging company strategies—in every country it has established its presence with a view to enhance its strategic positioning and maintain sustainable competitive success. (pp. 40-59).

Gitonga et al. (2019) in line with research results and literature reviews affirmed that for any company to realize unique selling propositioning, it must adopt technological change by pursuing new product development and product diversification, focus on low-cost leadership and diversification of the market offerings, embody Enterprise Resource Management and integrated Value Chain system to enhance efficiency and operational effectiveness.

Parklean (2022) in agreement with mixed method research results and research objectives concluded that brand revitalization of flagship and mega brands to enhance their brand relevance and resonance, as well as adoption of holistic and integrated marketing approaches to significantly improve marketing scope and expand market share were found to be competitive factors for achieving Unique Selling Propositioning of the market offerings in the marketplace.

The Cooperative Bank of Kenya (2019) in agreement with research results and hypotheses **H1, H2, H3** argued that for Cooperative bank to achieve elevated levels of Unique Selling Proposition (USP) and expand its market share, the bank invariably "has been providing variety of banking services; personal banking, business banking, corporate banking, retail banking, agency banking (Co-op Kwa Jirani) Coop-Cash-in transit services, money transfers, custodial services, diaspora banking, as well as it has made available various types of accounts; young-children's accounts (Jumbo-junior), youths' accounts (YEA- Access Account), Salary, current, CHAMA and Club Accounts, Hekima Savings account. Increasingly, the banking had been providing numerous forms of insurance services and covers; medical, life cover, motor, agriculture, general, micro-business and MSME insurances" (CBK, 2019, p. 70).

Research results in agreement with literature and hypotheses **H1, H2, H3** affirmed that Unique Selling Propositioning of market offerings of the bank is determined by product differentiation

and diversification, branding and brand positioning, Low-cost leadership and focus, and adoption of technological change, and as such, to gain and sustain competitive success in the market, requires constant review and improvement of Unique Selling Propositioning of market offerings.

Q4. Impact of technological change on product differentiation?

4.6.9. What were the key drivers of product differentiation in Cooperative Bank of Kenya over the years?

Considerably quantitative results, and qualitative research results in accord with literature reviews accentuated that to achieve elevated product differentiation and diversity, the Cooperative Bank had embodied improved technology, espoused integrated value chain system critical for strategic linkages of Cooperative bank services, reinforced strategic interrelationships of its banking services with subsidiary business units and improved its discretionary internal policies independent of other drivers, as well as had strengthened its business environment and infrastructure. Additionally, the bank had pursued new product development and unique differentiation of its products, adopted improved technology and innovation through process improvement and process innovation, and had adopted integrated marketing strategies with focus on virtual and segmentation marketing.

Quantitative research results, and qualitative results in agreement with literature and hypothesis **H2**, **H5** evidently underlined that technological change drive innovation, creativity, process improvement and accuracy, foster reverse innovation, spur re-engineering inclusive of benchmarking of products and services to enable products to attain differentiation and unique selling propositioning (USPs). It also ensures that a company's products and services fully espouse quality, reliability inclusive of service and value-for-money (QRSV) in a bid to ensure their effective market penetration and distinctive strategic positioning (Parklean, 2022).

Mbigura (2015) and Hilver (2019) in agreement with research results and literature reviews had largely asserted that rapid evolvement of technological change in the banking sector had largely enhanced product differentiation and unique selling propositioning of the banking products. Mbogo (2017) in concurrence with both quantitative and qualitative research results, literature and hypothesis **H1, H2, H5** had emphasized that the adoption of technological change in the banking sector had enhanced product differentiation and improved diversity of the market offerings and strengthened efficiency and strategic positioning, as well as had ensured integration of Enterprise Resource Planning and Value Chain systems to enhance efficiency and operational effectiveness in the marketplace.

Quantitative research results, and qualitative results, in line with research hypotheses **H1, H2, H5** had clearly underpinned that reinforced branding and branding positioning of Cooperative Bank of Kenya flagship brands, adoption of technological change, espousal of integrated value chain system critical for strategic linkages of Cooperative Bank services, reinforcement of strategic interrelationships of its banking services with subsidiary business units and adoption of discretionary internal policies independent of other drivers, and embodiment of Unique Selling Proposition (USPs) of its banking services, were found to be impactful drivers of product differentiation at the Cooperative bank of Kenya. Arguably the adoption of technological change had not only increased growth and profitability, but also had enhanced convenience, efficiency, reliability, and data security of commercial banks in African markets.

Seemingly Karlan (2019) in agreement with both quantitative and qualitative research results and literature review had clearly underlined that the social benefits of the advancement of financial technology and digital banking was to enhance financial inclusion, increase access to credit and loan facilities to the rural population and ensure convenience banking in every part of the country.

Both quantitative research results, and qualitative results and hypothesis **H2** established that Cooperative bank had adopted technological change to remain competitive in the digital age, and had increasingly embraced e-banking, ATMs, telebanking, debit, and credit cards to improve efficiency, enhance convenience, and secure data security. As such, mobile banking had increasingly improved the operations of the bank, enhanced its efficiency and operational effectiveness, strengthened its competitiveness, and deepened its financial inclusion.

4.6.10. Key factors for differentiation

The research results in agreement with literature and hypotheses **H1, H2, H5** revealed that to realize elevated profitability growth as well as to enhance competitive intelligence in the banking sector, Cooperative Bank had to uniquely differentiate its market offerings by pursuing product differentiation and diversification, by strengthening its branding and brand positioning, by improving its Unique Selling Propositioning (USP), by promoting segmentation and holistic marketing approaches, by establishing integrated value chain system and adopting first mover-advantages to reduce overall operational costs and achieve profitability.

Both quantitative research results, and qualitative results in accord with literature reviews underscored that determining factors, which had uniquely differentiated Cooperative Bank's market offerings were:—low-cost leadership**,** unique differentiation and focus—inclusive of adoption of Unique Selling Propositioning (USP), pursuit of integrated and holistic marketing

approaches, promotion of branding and branding positioning, adoption of technological change, espousal of Enterprise Resource Planning and integrated value chain system (Dess & Nystrom, 2018).

Hilver (2019), argued in agreement with research results and literature reviews that for any enterprise to achieve and sustain unique differentiation "it must strategically embody low-cost leadership, enhance its brand positioning and brand relevance, espouse technological change and generate new product development by pursuing creativity, process improvement, process innovation, re-engineering and benchmarking of its leading brands".

Parklean (2022) arguably asserted in concurrence with both quantitative and qualitative research results that unique differentiation was a function of brand revitalization of flagship brands, improved customer value-propositioning, elevated competitive marketing scope, and new product development. Arguably Mbigura (2015) in concurrence with research results and literature reviews, had clearly underscored that unique differentiation could be achieved when an enterprise pursued low-cost pricing of its market offerings by embracing market skimming and market penetration pricing strategies, by adopting Unique Selling Propositioning and by strengthening its competitive Points-of-Difference in the marketplace.

Largely both quantitative and qualitative research results in agreement with hypotheses **H1, H2, H5** concluded that espousing product differentiation and diversification of market offerings, revitalizing branding and reinforcing brand positioning of flagship brands, developing customized competitive strategy and grand strategies for gaining and sustain competitive advantage, and espousing Unique Selling proposition (USPs), were some of the impactful factors which made services of Cooperative Bank uniquely differentiated in the banking sector.

4.6.11. Adoption of technological change

Plausibly mixed method research results in harmony with literature and hypotheses **H1, H2, H5** established that adaptation of technological change by Cooperative Bank had altered bank structure and five forces of competition and had enhanced its competitive advantage by spawning new businesses through reverse-innovation and breakaway strategies**.** Adaptation to technological change had improved new product development, enhanced product differentiation and diversification, improved competitive marketing scope, enhanced strategic significance and vertical linkages of its banking services, enhanced integration of Supply Chain System and Enterprise Resource Planning, reinforced creativity for spawning of new products/services inclusive of enhancing diversification, enhanced process innovation and process improvements for outperforming competitors and rivalries, spurred competition and rivalry. Technological

change had also helped Cooperative Bank to improve its brand recognition and brand positioning, as well as had deepen its financial inclusion in remote areas.

Saldanha (2019) in concurrence with both quantitative and qualitative research results, literature, and hypotheses **H1, H2, H5** concluded that adoption of technological change in the banking sector had altered the competitive scope, improved value chain processes, enhanced product differentiation and diversification and increased competition in the industry. Mbigura (2015) in agreement with research results and hypotheses **H1, H2, H5** had reiterated that technological change had enhanced strategic positioning and strategic significance of cooperative saving and credit societies and commercial banks in the industry by reducing the cost of production, improving differentiation, and enhancing diversification of products, reinforcing branding and brand positioning, and ensuring quality improvement of standards and production of high-end products.

However, mixed method research results in contrast to literature reviews have not clearly established the direct correlation between adoption of technological change by the Cooperative Bank, and its impact in improving quality of service delivery, which requires future research.

Mbigura (2015) in agreement with both quantitative and qualitative research results and hypothesis **H1, H2, H5** evidently underlined that increasingly technological change has the potential to generate positive customer value propositioning by enhancing unique differentiation of products with value and quality, can enable firms to strengthen their competitive positioning by performing their functions differently and efficiently within the purview of value chain. Technological change can spur diversification and lower cost of production, which make the industry attractive for new investments, can enhance market penetration and brand awareness by enabling firms to pursue virtual and niche marketing strategies which have great impact on a company's competitive scope, and market positioning. (p. 67).

Mixed method research results in congruence with research hypotheses **H1, H2, H5** assertively affirmed that the adoption of technological change in the business processes had significantly improved value chain system and Enterprise Resource Planning critical for strategic linkages of Cooperative bank services, reinforced strategic interrelationships of its banking services with subsidiary business units and increasingly improved use of internet and mobile-banking services (M-Coop-CASH), which seemingly had enhanced efficiency, convenience and real-time business transactions.

Concurrently mixed method research results in similarities with literature reviews asserted that adoption of technological change and strengthening of its Unique Selling Proposition (USPs) by embodying internet and mobile banking services (M-Coop-CASH), had enhanced its strategic

positioning and strengthened its strategic significance in improving market penetration and expanding its market share in both urban and rural areas. Largely adoption of technological change had helped the bank to deepen its financial inclusion and expand its reach to cover the unbanked population through mobile banking services (M-Coop-CASH), which resulted into the achievement of renewed growth and profitability.

Largely adoption of technological change had been found to be critical for achieving competitive advantage in both local and global markets and had potential to reduce cost, spawn new businesses and provide infrastructure for establishing an integrated Supply Chain System and Enterprise Resource Planning with a view to achieve efficiency, operational effectiveness, and economies of scale, critical for gaining growth and profitability.

Seemingly both quantitative and qualitative research results in congruence with hypotheses **H1, H2, H5** clearly reiterated that technological change had revolutionized the banking industry in Kenya by strengthening the strategic significance and competitive positioning of mobile and internet banking services of the Cooperative Bank of Kenya which largely had helped the bank to deepen financial inclusion by reaching the unbanked population, ensured real-time access to credit facilities through digital financial services such as M-Coop-Cash, reduced cost of transaction and improved its profitability.

Q5. Impact of government banking policies

4.6.12 Crucial factors to consider when planning to choose Cooperative Bank services.

Research results in harmony with literature and hypotheses **H1, H5, H6** strikingly underscored that unique differentiation and Unique Selling Proposition (USPs) adopted by Cooperative Bank over the years had inherently influenced customers' preferences and choices of the market offerings of the bank. Following determinants had increasingly influenced customers' preferences; Price levels, product quality /conditions, Ethical business practices, Re-Payment terms for loans, after sale services of the banking products, Customer care services, and Individual attention.

Evidently Hilver (2019) in agreement with mixed method research results and research objectives underscored that the key determining factors for choosing one enterprise over the others were prices (price discounts and promotional pricing), customer-centric services, quality and efficient diversification of flagship brands, reinforced competitive marketing scope and co-creation of niche markets, increased brand resonance and brand equity, improved product quality, and after sales services.(p. 40).

Parklean (2022) in concurrence with research results and hypotheses **H1, H2, H3, H5, H6**

obviously affirmed that pricing, Quality and Reliability of Services and corresponding Value for money (QRSV), Unique Selling Propositioning, Customer Value Propositioning, after sale services, Customer Care services, ethical decision-making processes were found to be key determining factors for choosing one enterprise over others.

Contrastingly delivery time of banking services, technical support and competence which were found in the literature review as the key determining factors for choosing Cooperative Bank, were however not found in the research results as impactful factors, which inevitably require further research in future.

4.6.13 Role of Government Regulations

Both quantitative and qualitative research results in agreement with hypothesis **H4, H6** affirmed that enhancement of regulatory framework and fiscal policies were critical for creating enabling and ethical environment for financial institutions. The government through Central Bank had critical role in formulating and enforcing regulations, particularly policy formulation and issuance of regulatory framework, formulation of fiscal policies for self-regulation, controlling liquidity and inter-bank exchange rates, regulation of interest rates charged by banks, improving financial competitiveness by encouraging change and stimulating innovation in the banking sector.

Central Bank (2018) in agreement with both quantitative and qualitative with research results and literature reviews affirmed that "progressively, banking regulations and policies inclusive of guidelines to enhance transparency, confidentiality of data, protection of depositors, control fraud and fraudulence transactions have been have adopted; Central Bank of Kenya Act 2015, Regulations and Guidelines Pursuant to the Banking Act Cap 488, Banking Act 2015, Kenya Deposit Insurance Act 2012, The National Payment System Act 2011 and Microfinance Act 2006", which largely had enhanced effective fiscal policy regulation and control of the commercial banks in Kenya.

The Central Bank (2019) in concurrence with research results and hypothesis **H3, H4** clearly reiterated that fiscal policy regulations were overarchingly aimed at ensuring "Prudential—to reduce the level of risk to which bank creditors are exposed (that is, to protect depositors). Systemic risk reduction—to reduce the risk of disruption resulting from adverse trading conditions for banks causing multiple or major bank failures. Avoid misuse of banks—to reduce the risk of banks being used for criminal purposes, for example, laundering the proceeds of crime. To protect banking confidentiality, credit allocation—to direct credit to favored sectors to provide the best customer service in this competitive age". (p. 20).

Both quantitative and qualitative research results and literature review information, clearly

affirmed that the government through the Central-Bank of Kenya was responsible for the formulation of fiscal policies, regulation, and control of commercial banks, albeit due to the nature of liberalized economy, the government had limitations in protecting local banks from external competition and/or enhancing equitable playing level field between local banks and international banks.

Q6. Impact of Customer Care Services

4.6.14. What do you consider as important aspects of customer care services in the Cooperative Bank?

Mixed method research results in agreement with research hypothesis **H1, H2, H5, H6** clearly affirmed that customer value propositioning by reinforcing customer care and after sale services were essential pillars for enhancing customer satisfaction, retention, and loyalty. Overall, speed of reaction to inquiry, processing, and conclusion of banking services, providing concise information on offered products, communication levels and methods as well as speed of reaction to complaints and claims, were identified as key determining factors for gaining and sustaining competitive advantage.

Dess and Lumpkin (2020) in agreement with literature review information and research results underscored that determining factors critical for improving better customer services in the banking sector were speed of reaction to complaints, provision of high-end after sale services, establishment of enduring customer-relationships, speed of reaction to inquiry, consistent application of QRSV. Arguably Parklean (2022) in agreement with both quantitative and qualitative research results and hypotheses **H1, H5** affirmed that customer value propositioning, adoption of Quality and Reliability of Services and correlating Value for Money and provision of consistent and reliable information and feedback were identified as the key driving factors for improved customer-satisfaction, retention, and loyalty in the financial sector.

Reassuringly Parklean (2022) in agreement with research results and hypotheses **H1 H5** argued that customer satisfaction and loyalty is a function of a combination of processes, principles and practices which coherently could improve Customer Relationship Management (CRM) such as; positive customer value propositioning, effective communication and quality management, provision of customer -oriented selling and relationship marketing, differentiated pricing and provision of quality after-sale services etc.

The quantitative and qualitative research results in harmony with hypotheses **H1 H3, H5**

explicitly underscored that customer satisfaction, retention and loyalty within the framework of Customer Relationship Management (CRM), required adoption of strategic marketing communication mix, espousal of total quality management, identification and satisfaction of customer needs, offering high-end after sale services, maintaining product quality leadership, and pursuing market skimming pricing as reflected by Cooperative Bank marketing strategies.

4.6.15. Role of Leadership and Management Styles

Significantly mixed method research results in agreement with hypotheses **H3, H6** clearly underpinned that leadership and management styles were critical corporate systems for developing a compelling vision and strategic roadmap for enhancing competition and setting targets for achieving superior profitability. Cooperative Bank had embodied transformational leadership and Management styles, which largely supported the bank to realize enhanced strategic positioning and strategic significance in the competitive market, as well as guided the bank to pursue internalisation and globalisation of its products and branches.

Mbigura (2015) in agreement with literature review information and hypotheses **H1, H3, H6** concluded that transformative, transactional and situational leadership behaviors were essential leadership styles critical for spurring any enterprise to gain competitive advantage, and hence such effective leaders who spur companies in the financial sector to gain competitive and differential advantages and who promote unique differentiation and cost advantages largely enabled their firms to achieve sustained growth and superior profitability, have certain unique attributes, which set them apart. Such leaders consistently provide compelling vision and direction, invariably stimulate, and inspire employees, strictly embody ethical business practices, increasingly reward employees for excellent performances and progressively pursue employee-development programmes to enhance their competitive advantages and creativity. (p. 140).

Parklean (2022) in agreement with research results and hypotheses **H3, H5, H6** underscored that those effective leaders who bring transformative changes informed by rigorous analysis using SWOT analysis and MOA, and who seamlessly motivate staff and consistently promote ethical business processes, have the potential to spur any enterprise into achieving competitive success in the marketplace.

The transformative, and situational leadership inclusive of managerial styles adopted by the Cooperative Bank of Kenya had largely influenced its strategic positioning and competitive scope, enhanced its Unique Selling Propositioning (USP) and stimulated product differentiation, and spurred its market penetration through diversification, technological change, branding and internationalization of its flagship market offerings.

Considerably research results in congruence with hypotheses **H3, H5, H6** emphasized that adoption of transformational and situational leadership attributes by Cooperative Bank had enabled the bank to clearly develop a compelling vision to influence policies and strategies for strategic positioning and to rapidly pursue globalization to ensure achievement of growth and profitability.

Summary: In harmony with mixed method research results and research hypotheses **H1, H2, H3, H4, H5, H6** the Cooperative Bank of Kenya had gained and sustained competitive advantages over the years in the banking industry due to adoption of integrated market strategies, pursuit of improved Unique Selling Proposition (USPs) and establishment of strong brand positioning, espousal of technological change, promotion of product differentiation and diversification, adoption of internalization of product offerings, and carefully adopting government banking regulations. However, the bank's inability to consistently demonstrate Quality and Reliability of Services and corresponding Value for Money (QRSV) did not help the bank to gain and sustain market leadership in the international competitive banking market.

The quantitative and qualitative research results in agreement with literature reviews asserted that adoption of technological change and strengthening of its Unique Selling Proposition (USPs) by embodying internet and mobile banking services (M-Coop-CASH), had enhanced its strategic positioning and strengthened its strategic significance in improving market penetration and expanding its market share in both urban and rural areas. Largely adoption of technological change had helped the bank to deepen its financial inclusion and expand its reach to cover the unbanked population through mobile banking services (M-Coop-CASH), which resulted into the achievement of renewed growth and profitability.

Overall both quantitative and qualitative research results in agreement with literature reviews underpinned that adaptation of key competitive strategies, such as pursuing product differentiation and diversification of flagship brands, embodying low-cost leadership and cost advantages, espousing unique selling proposition and new product development, adopting holistic marketing, and focusing on concentrated growth, were found to be impactful factors for gaining and sustaining competitive advantage in the marketplace. Any enterprise, keen on growth and profitability, must continuously embody product differentiation and diversification.

The next chapter will focus on implications, recommendations, and conclusion.

CHAPTER 5: THE IMPLICATIONS, RECOMMENDATIONS, AND CONCLUSIONS

5.1 Introduction

This research was unique given that it had sought to analyze the underlying competitive business factors enhancing the competitiveness of the Cooperative Bank of Kenya by examining how the adoption of various integrated marketing strategies, espousal of technological change, embracing globalization and diversification of market offerings, and embodying government banking regulations had impacted on renewed growth and profitability of the bank. The research study also examined how the adoption of cutting-edge technological change, low-cost leadership, internationalisation, and globalisation of its financial services, branding and brand positioning and unique differentiation of its services, had increasingly improved the Cooperative Bank's business environment, enhanced its competitiveness, and spurred its competitive advantage and growth in the sector.

Following were the strategic-objectives of the mixed-methods-research study:

- To analyse the existing competitive marketing strategies adopted by the Cooperative bank to enhance its market share in the banking sector.
- To evaluate how the adoption of information technology has enabled the bank to achieve competitive advantage in the banking industry.
- To analyze how the internationalization and diversification of its financial services have enabled the bank to achieve sustainable competitive advantage.
- To determine how the existing government banking policies and regulations have enabled the bank to achieve competitive success in the banking industry.
- To determine how branding and brand positioning of the Cooperative bank services had impacted its growth and profitability.
- To examine how the leadership styles and customer care services adopted by the bank had contributed to its competitive advantage.

The following are the highlights of the key findings per each research objective. For research objective-1 and in agreement with Hypothesis-1, the findings concluded that effective brand positioning and marketing strategies particularly virtual and mass marketing approaches had successfully enabled Cooperative bank to realize; improved brand awareness and brand meaning, elevated marketing and increased sales, improved customer-focused brand equity and enhanced brand resonance, expanded scope of market penetration and increased market share, and improved growth and profitability.

For research objective-2 in agreement with Hypothesis-2, the findings concluded that the adoption of technological change in the banking sector had enhanced product differentiation and improved diversity of the market offerings, strengthened efficiency and strategic positioning, as well as had ensured integration of Enterprise Resource Planning and Value Chain systems to enhance efficiency and operational effectiveness in the marketplace.

For research objective-3 in accord with Hypothesis-3, the results concluded that pursuit of internationalization and globalization of Cooperative Bank services had helped the bank to significantly realize improved market share and increased shareholders' value, achieve enhanced brand positioning and brand awareness, gain improved market confidence and attain elevated competitive scope, pursue strategic business opportunities for spawning new products for exportation and globalisation. These factors had helped Cooperative bank to significantly achieve competitive success and competitive intelligence in the banking industry over the years.

For research objective-4 in harmony with Hypothesi-4, the findings established that the Central-Bank of Kenya was responsible for the formulation of fiscal policies, regulation, and control of commercial banks, albeit due to the nature of liberalized economy, the government had limitations in protecting local banks from external competition and/or enhancing equitable playing level field between local banks and international banks. Overall, the government policies and regulations provided enabling fiscal environment and reforms critical for growth of the banking industry.

For research objective-5 in harmony with Hypothesi-5, concluded that branding of the bank services had significantly improved its competitive scope and reinforced its market penetration, improved its brand recognition and brand positioning, strengthened its unique differentiation and diversification, improved its Unique Selling Proposition (USPs) of its banking services, enhanced its market penetration and competitive marketing scope, expanded its competitive marketing scope and customer base in the rural areas thus deepened its financial inclusion.

For research objective-6 in harmony with Hypothesis-6, the findings established that leadership and management styles were critical corporate systems for developing a compelling vision and strategic roadmap for enhancing competition and setting targets for achieving superior profitability. Cooperative Bank had embodied transformational leadership and Management styles, which largely supported the bank to realize enhanced strategic positioning and strategic significance in the competitive financial market. Also, the findings concluded that determining factors critical for improving better customer services in the banking sector were speed of reaction to complaints, provision of high-end after sale services, establishment of enduring customer-relationships, speed of reaction to inquiry, consistent application of QRSV.

5.2 Research Implications

Following are the research implications for policy adaptation and practical applications, and which were strategically aligned to the research results, and research hypotheses.

Marketing strategies: Research results in congruence with research hypotheses evidently underpinned that within the framework of expanding competitive marketing scope to sustainably gain competitive success in the financial sector, it was evidently understood that there was no correlation that a large market share could cause profitability. This has both policy and practical implications for the banks in accordance with research objective-1 to ensure that they continuously innovate by benchmarking and re-engineering as well as consistently pursue break-away and reverse-innovation processes in new product development and branding to allow them to price their products and services at levels which they can sell more to achieve growth and profitability.

Explicitly Porter (2008) had asserted that "in the diamond theory of national advantage features of a home country are crucial for the success of an organization in the international markets. It describes the key underpinning factors that productively contribute to the success of organizations in global industries, which are called the determinants of the national advantage, namely factor-conditions, demand-conditions, firm strategy, and rivalry, and related supportive industries. The National Diamond explains the factors that can drive competitive advantage for one national market or economy over others. It can be used both to describe the sources of a nation's competitive advantage and path to obtaining such advantage", as reflected in the figure below.

Figure 31: National Diamond theory

Adopted from National Diamond theory; Four Determinants of National Advantage, Porter, 2006, p. 100.

Within the framework of the influence of location on competition, the four determinants of national advantage in accordance with research findings, alongside enabling technology, quality

of business environment, regulatory framework and clusters of competitive industries, had signficantly enhanced productivity growth and spurred improved business envovironment for gaining sustainable competitive advantage by the Cooperative Bank of Kenya.

Assertively, Hilver (2019) reiterated that the cardinal role of National Diamond Advantage was to strengthen and renforce strategic positioning and strategic significance of any enterprise by leaveraging increased factor-endowments and rapidly expanding demand-conditions, as well as thoroughly evaluated related supportive industries, and company grand strategies. As such, the four determinants of National Diamond Advantage had not only spurred gowth for the Cooperative Bank of Kenya in the country, but also had failed the bank in strengethening its competitive marketing scope and enhancing its strategic positioning into the global market, which inevitably requires further research in future.

Cooperative Bank has aggressively adopted diverse marketing strategies with focus on holistic marketing approaches; integrated marketing, relationship marketing, target, and virtual marketing approaches overarchingly to improve its competitive marketing scope and enhance its market share, as well as to drive sales and profitability in line with research objective 1. The bank also had established strong brands to improve its brand positioning and brand awareness of its products to enhance integrative and diversification growths in the marketplace. This has both policy and practical implications for the banking industry in the sense that commercial banks need to adopt diverse marketing strategies and establish strong brands to enhance their brand awareness and brand resonance to drive sales and profitability in line with research objective 1.

Adopting diverse marketing strategies and strengthening customer value positioning through pursuit of market-penetration strategies by embodying holistic and integrated market approaches as well as intense pursuit of new product development and diversification approaches were found to be impactful business factors for improving competitive marketing scope, increasing market share, and enhancing brand resonance. This has both policy and practical implications for the banking sector in the sense that adoption of diverse marketing strategies and establishment of flagship brands were found to be critical business factors for any bank to grow and achieve profitability. As such, there is need for banks to increase their investments on marketing and branding to improve their competitive marketing scope and enhance their Unique Selling Propositioning in order to achieve growth and profitability in line with research objective 1. Building strong brands and fostering brand resonance like the brand for Cooperative Bank of Kenya requires deeper understanding of the depth and breadth of competition in any given sector, as well as needs better insights of the comparative strengths of such megabrands and their brand

extensions, which are critical determinants for strengthening brand equity and reinforcing brand resonance to enhance growth and profitability in the marketplace**.**

Five forces of competition were identified as critical business factors which determine an industry's growth and profitability, and they have the potential to push enterprises to think strategically by scanning their business environment internally and externally and would also influence firms to adopt technological change to gain and sustain strategic positioning in the competitive marketplace. This has policy implication for the banking sector in the sense that for any bank to successfully outperform their rivals to achieve competitive success, it must consistently analyze the five forces of competition, alongside, establishing strong brands, and adopting diverse marketing strategies.

Progressively the Cooperative Bank has adopted various grand strategies such as pursuit of Unique Selling Proposition (USPs) of its banking products, espousal of improved technological change, and promotion of Quality, Reliability, Service and Value for money through business process reengineering and process innovations to enhance its strategic positioning in the marketplace. This has both policy and practical implications for the banking sector in the sense that enhancing strategic positioning and improving market penetration, expanding competitive marketing scope and enhancing market share, reducing risks and safeguarding depositors' funds, ensuring transparency and prudent financial management, and sustaining competitive advantage of any bank, require formulation of well-researched grand strategies aligned to Central Bank fiscal policies which are grounded on effective evaluation of the business environment both internally and externally, and anchored on effective benchmarking and business process reengineering and in line with research objective 1.

Overall, developing and communicating a distinctive market positioning strategy and establishing strong brands, which resonate with a target market as well as strengthening Point-of-difference and differentiation of market offerings are critical business factors for improving customer-focused value propositioning and enhancing brand resonance to drive up sales in the marketplace.

Chiefly the competitive success of Cooperative Bank was largely attributed to its strong brand positioning, efficient integrated value chain system and adoption of Enterprise Resource Management, efficient customer care services, and to a small extent, attributed to quality and reliability of services, and corresponding value for money (QRSV), as such, adoption of cutting-edge brand revitalization approaches and espousing unrivaled marketing strategies were found to be key determinants for creating competitive advantage in the banking industry. Fittingly, research results in harmony with research hypothesis, underpinned that that effective brand

positioning and holistic marketing strategies had increasingly spurred the Cooperative bank to realize; improved brand awareness and brand relevance, enhanced customer-focused value propositioning to drive up sales, elevated marketing scope and expanded market share. This has both policy and practical implications, and inevitably requires increased investments on branding and branding positioning to enhance its strategic significance in the competitive marketplace.

Technological change: Cooperative bank has adopted technological change to remain competitive in the digital age, and had increasingly embraced e-banking, ATMs, telebanking, debit, and credit cards to improve efficiency, enhance convenience, and secure data security. As such, mobile banking had increasingly improved its operations, enhanced efficiency, and operational effectiveness, and strengthened its competitiveness. Largely adoption of technological change has helped the bank to deepen its financial inclusion and expand its reach to cover the unbanked population through mobile banking services (M-Coop-CASH), which resulted into the achievement of renewed growth and profitability in line with research objective-2. This has both policy and practical implications for the banking industry in the sense that there is need for increased investment and human development in digital technology to ensure the establishment of appropriate ICT infrastructure to improve efficiency and enhance convenience banking services.

The adoption of technological change is critical for enhancing strategic positioning and improving competitive scope of any bank. However, it can also increase the depth and breadth of competition and rivalry in an industry which has both policy and practical implications in the sense that it may reduce profitability by increasing investments in technology infrastructure development, as well as it may, also create structural barrier to entry into a given sector, due to high capital requirement for technology development. For any bank keen to succeed in the banking sector must continuously invest on relevant digital technology.

Adoption of technological change by the bank has resulted in improved brand recognition and brand positioning of its market offerings, improved economies of scales by embodying integrated Supply Chain Management System, and corresponding Enterprise Resource Planning (ERP) and enhanced Unique Selling Proposition (USPs) of banking services through mobile banking and ATMs. Even though technological change had spurred many transformations of Cooperative Bank's services, it had no major impact on improving Quality, Reliability, Service and Value for Money of its market offerings globally, and an area which requires further research in line with research objective 2.

Porter (2008) argued that "Technology can boost an industry's efficiency by expanding its market size, can provide buyers with access to information about the products and suppliers, and it can also expand the market, which may increase profitability". Achieving operational effectiveness and efficiency advantages by the bank because of adoption of technological change, had significantly improved its effective management structure, strengthened its strategic positioning and significance in the banking sector, spurred new product development and product differentiation, lowered its operational costs, and strengthened its competitive edge, reinforced its attractiveness, enhanced its growth and profitability. This has both policy and practical implications, which calls for increased investment in technological change in the banking sector.

Globalization: Pursuit of globalization and internationalization by Cooperative Bank has neither helped the bank to achieve Quality and Reliability of Services and corresponding Value for money (QRSV) for its services nor had enabled the bank to leverage full potential of its National Diamond Advantage to gain renewed growth and profitability globally. Its books of accounts had over the years experienced declined profitability and growth in the neighboring countries of Uganda, Tanzania, Rwanda, and South Sudan. This has both policy and practical implications in the sense that within the framework of competitive strategy and five forces of competition, the Cooperative Bank of Kenya urgently needs to explore both short-term and long-term strategies critical to enable it to achieve QRSV for its services, as well as needs to come up with clear roadmap to support the bank to leverage full potential of its National Diamond Advantage to gain profitability in the international markets in line with research objective 3.

The Cooperative bank had rigorously pursued internalization and globalization of its banking services to enhance its competitive marketing scope and improve its strategic significance in the global market, which largely had not resulted in profitability, but losses. This has both policy and practical implications in the sense that gaining and sustaining competitive advantage in the international market is not only a function of adopting Unique Selling Propositioning and promoting product differentiation, but rather, it requires a combination of many business factors such as encouraging consolidation, mergers, and acquisition of small banks in foreign countries, as well as improving on the quality of the marketing offerings in order to reinforce and increasingly strengthen its footprint in the international market in line with research objective 3.

The increasing adoption of modest Quality and Reliability of Services and correlating Value for Money by the bank had enabled it to realize; improved New Product Development, Product differentiation and Diversification, Increased branding and brand positioning, enhanced technological change for expanding convenience banking services, lowered operational costs and

reduced cost differentiation, improved competitive marketing scope and expanded market share, enhanced strategic significance and efficient vertical linkages of its banking services, locally.

This has both policy and practical implications in the sense that to achieve and sustain strategic significance and operational effectiveness of any bank in the industry requires that every bank to fully embody QRSV which is a critical determinant for enhancing product differentiation and improving brand positioning, achieving customer satisfaction, retention, and loyalty, and thus is impactful on growth and profitability.

Government regulations: **Policies, ethics, customer care**: Affirmingly the government through Central bank has critical role in formulating and enforcing regulations, particularly Policy formulation and issuance of regulatory framework, formulation of fiscal policies for self-regulation, controlling liquidity and inter-bank exchange rates, regulation of interest rates charged by banks, improving financial competitiveness by encouraging change and stimulating innovation in the banking sector in line with research objective 4.

The responsibility and accountability of the Central Bank in formulation of fiscal policies for self-regulation of banks in an open market and liberalised economy like in Kenya is limiting, thus exposing small local banks to intense competition from international banks. This has both policy and practical implications in the sense that the government needs to systematically come up with clear policy framework critical for the protection of local commercial banks from external competition to create conducive business environment for growth and profitability.

Adoption of ethical business processes, continuous promotion of integrity-based ethics programmes and provision of ethical orientation to bank employees alongside, hiring of leaders and managers who exhibit high ethical standards in the bank, are critical ethical behaviors and standards to inspire market confidence and improve trustworthiness of the bank to achieve growth and profitability. This has policy and practical implications for managers to ensure that ethical business practices and standards are reflected in the organizational core values and practices and in line with research objective 4.

Seemingly the research results underpinned that the top leadership of the Cooperative Bank had promoted transformational and ethical business processes to ensure efficient governance, prudent fiscal management, and operational effectiveness. It also provided employees with ethical business tools to ensure effective governance and compliance with international financial rules. It had promoted participative decision-making systems, which fully empowered employees to uniquely make strategic and ethical decisions to spur the bank into high levels of performance,

growth, profitability, and competitiveness.

Consistent pursuit by Cooperative Bank to create integrity-based ethics programs and to inspire ethical business culture and shared quality values across all its enterprises as critical ethical behaviors for enhancing market confidence, improving accountability and trust, had significantly spurred its business portfolios into profitability and growth. This has both policy and practical implications in the sense that notwithstanding all the gains realized because of embodying ethical business culture, the adoption of ethical business processes by the Cooperative bank had not really helped the bank to enhance its market leadership in the international market, and an area which requires future research.

Shared vision, promotion of collaborative learning culture, and empowering employees by accumulating and sharing knowledge were found to be Critical Success Factors (CSFs) of a learning organisation necessary for attracting high-end human-capital, developing, and retaining them. Cooperative Bank had invariably empowered its employees by sharing knowledge and motivating staff as well as promoted creativity and process innovation, which are grounded on Key Performance Indicators (KPIs) to enable the bank to gain competitive advantage in the marketplace.

Principally attracting, developing, and retaining human capital and creating a learning culture in an organisation were identified as the determining factors for reinforcing strategic positioning and improving competitive scope, adapting to dynamic capabilities to pursue innovation and process improvements, fostering process innovation and creativity to succeed in a highly competitive marketplace. This has both policy and practical implications in the sense that for any bank focused on growth and profitability must consistently engage in attracting highly competent employees as well as continuously offer learning opportunities to the employees to enhance their competitive advantages to enable them to perform to their best and in line with research objective 4.

Leadership and Customer care services: Effective and resonant transformative leadership and management styles were identified as the critical corporate systems for developing compelling vision and for setting targets to achieve competitive advantage. This has both policy and practical implications in the sense that such leadership styles had significantly helped the bank to improve its competitive marketing scope in order to achieve strategic positioning and gain competitive advantage in the financial market, and this requires increased investments in capacity development of managers on leadership skills.

leadership that recognises strategic significance of interdependent activities, determines direction, nurtures a culture committed to elevated levels of excellence and ethical behaviour, has the potential to move an enterprise from good to great by inspiring and motivating employees to achieve sustainable growth and profitability. This has policy and practical implications in the sense that when hiring managers to accelerate the competitiveness of any enterprise, carefully identify candidates who pride a blend of both transformational and situational behaviours.

Quality, convenience, reliability had been identified to be the critical and unique business factors which Cooperative Bank had espoused to enhance customer value propositioning. Reinforcing customer care and after-sale services, developing uniquely differentiated new products, lowering costs, and increasing financial inclusivity by extending real-time financial services through mobile banking, ATMs were found to be essential pillars for enhancing customer satisfaction, retention, and loyalty. Overall, the speed of reaction to inquiry, processing, and conclusion of banking services, providing concise information on offered products, efficient communication levels as well as speed of reaction to complaints and claims, were found to be key factors for attraction and retention of most customers of the Cooperative Bank. This has both policy and practical implications in the sense that quality, convenience, and reliability of banking services had huge effect and influence on customer satisfaction, retention, and loyalty within the banking sector. This inevitably requires that every manager should take cognizance of the need to put in place appropriate and globally aligned customer relationship management practices in the organization and accordance with research objective 4.

Favourably **c**ustomer satisfaction, retention and loyalty were found to be the key customer relationship factors for improving competitive marketing scope and expanding market share, and for strengthening strategic positioning and enhancing strategic significance of the bank to achieve competitive advantage in the marketplace. As such, any commercial bank focused on growth and profitability, must invest on efficient customer relationship management (CRM) practices and initiatives.

5.3 Recommendations

This study contributes to new body of evidence and knowledge by examining how the adoption of various integrated marketing strategies, espousal of technological change, embracing globalization and diversification of market offerings, espousing high quality customer care services, adopting transformative and situational leadership styles and embodying government banking regulations have impacted the competitiveness of the Cooperative Bank.

Both quantitative and qualitative research results presumed that every single enterprise in any

industry must carefully review and analyze the determinants of the National Diamond advantage namely, factor-conditions, demand-conditions, firm strategy and rivalry, and related supportive industries, with a view to leverage them purposefully to enhance their strategic positioning and improve their competitive marketing scope in the marketplace. Adoption of strong brand equity and brand positioning of the flagship brands and pursuit of holistic marketing strategies by the bank to deepen competitive marketing scope and increase customer base were found to be key drivers for achieving competitive advantage in the marketplace**.**

The research results established that the Cooperative Bank had adopted technological change to remain competitive in the digital age, and had increasingly embraced e-banking, ATMs, telebanking, debit, and credit cards to improve efficiency, enhance convenience, and secure data security. As such, mobile banking had increasingly improved the operations of the bank, enhanced its efficiency and operational effectiveness, strengthened its competitiveness, and deepened its financial inclusion. It's evidently clear that adoption of technological change had revolutionized the banking industry in Kenya by strengthening the strategic significance and competitive positioning of mobile and internet banking services of the Cooperative Bank of Kenya which largely had helped the bank to deepen its financial inclusion by reaching the unbanked population, ensured real-time access to credit facilities through digital financial services such as M-Coop-Cash, reduced cost of transaction and improved its profitability.

Progressively it has been reiterated that globalization helps firms to gain economies of scale through global dispersal of value chains and acquisition of small firms in foreign countries largely to give them strategic footprints and market confidence in the global market. To gain better understanding of the benefits of globalization in the banking sector, it therefore requires further research on the global market trends to gain better insights of the benefits, risks, and challenges of internationalization within the framework of four strategies: global, international, multi-domestic and transitional and in order to make an informed selection of the appropriate strategy to enter the global market. Adopting effective ethical business strategies, ensuring compliance with government banking regulations and promoting prudent financial management practices were identified as the critical factors for improving market confidence and gaining competitive advantage in the global marketplace.

5.3.1 Following are the key strategic recommendations guided by research results, literature reviews and hypotheses to inform policy and strategy changes in the banking sector

- Certainly 13% of the respondents indicated that Unique Selling Propositioning strategies adopted by Cooperative Bank had not helped the bank in improving its competitive

marketing scope and expanding its market share. As such to improve marketing scope and expand market share of commercial banks requires that such banks to adopt holistic marketing approaches by embracing integrated marketing and mass promotion, relationship marketing, target marketing and virtual marketing approaches overarchingly to improve their competitive marketing scope to drive sales and profitability. Marketing offers commercial banks a set of tools (such as branding, segmentation and niche marketing, marketing communication, new product development) which can significantly give substance to the targeted approach for specific customer groups in order to increase market share and gain competitive advantage. Adopting competitive techno-savvy digital marketing strategies by espousing social media marketing, content marketing, affiliate marketing, mobile marketing, Search Engine Optimization (SEO), email marketing, marketing analytics, Pay-per-Click (PPC) in any commercial bank are key determining factors for expanding market share, and shareholders' value to gain growth and achieve profitability.

- New product development and product differentiation of banking products as well as low-cost leadership are enabling determinants critical for achieving internal growth and globalization of leading products, gaining competitive and differential advantages, realizing superior performance, and attaining high profitability in the banking sector. Increasingly integrating product differentiation and low-cost leadership in business processes makes it hard for competitors to enter new markets and/or duplicate the products or services, and as such, for commercial banks to gain competitive success, they must focus on new product development, pursue product differentiation, adopt variety of channel differentiation of distribution approaches, embody variety of marketing strategies, espouse differential pricing of the market offerings to enable them to increase their competitive marketing scope, expand market share, and defend market share in order to achieve successful growth and superior profitability in the market place.
- Achieving efficient Unique Selling Proposition and effective brand positioning of the banking services and products in the global markets, inevitably requires that banks must consistently offer variety of quality and convenience e-banking services such as e-personal banking, e-business banking, e-corporate banking, e-retail banking, e-agency banking, and e-money transfers which have the potential to deepen financial inclusion and enhance their strategic significance to achieve growth and profitability.

- Local brand positioning of Cooperative Bank, and its flagship brands did not impact its global market leadership. The implication is that branding is culture and context sensitive, and as such, careful analysis of the business environment, social norms, and cultures inclusive of review of existing high-end brands in those countries where Cooperative Bank had globalized its business footprints was required to inform the design of appropriate brands, which would make greater brand resonance and brand equity in those countries to enhance its market penetration and market leadership globally. The Cooperative bank needs to aggressively undertake marketing research with focus on the impact of digital marketing, holistic and integrated marketing approaches in enhancing its competitiveness together with building strong global brands and image differentiation to help improve its competitive marketing scope, strengthen its customer-based brand equity, and increase its market share globally.

- Notably 70% of the respondents strongly affirmed the critical role of technological change in enhancing efficiency and convenience banking in the banking sector. Inevitably, technological change is thus required by commercial banks to remain competitive in the digital age by establishing an ICT infrastructure to enhance equitable access to internet banking services, ATMs, telebanking, debit, and credit cards in order to improve efficiency, enhance convenience, and secure data security. Technological change also supports the establishment of integrated Supply Chain Management Systems, and corresponding Enterprise Resource Planning (ERP) to achieve efficiency and operational effectiveness. To achieve improved efficiency, enhanced convenience, and secured data security, every commercial bank needs to adopt technological change in their business operations.

- Information technology has gained strategic significance in altering the scope of competitiveness, spurring value chain processes, and lowering cost of production, enhancing differentiation and diversification, and defining investments priorities to make an industry attractive, profitable, and competitive. For commercial banks to gain and sustain competitive advantages, they must adopt technological change and enterprise resource management within the purview of an organization’s value chain system to enable them to improve their competitive scope.
- Affirmingly technological change drives innovation, creativity, process improvement and accuracy, fosters reverse innovation, spurs re-engineering, and promotes benchmarking of products and services to enable products to attain product differentiation and unique

selling propositioning (USPs). It also ensures that a company's products and services fully espouse quality and reliability of service and value-for-money (QRSV) to ensure achievement of effective market penetration and distinctive strategic positioning. For commercial banks inclusive of Cooperative bank to achieve unique differentiation and improve their customer value satisfaction, retention, and loyalty, they must invest in technological change and pursue value creation activities aimed at creating quality and reliability of services and value-for-money (QRSV).

- Digitalization of the banking services by adopting cutting edge technologies remains a top business priority concern for the financial institutions and commercial banks in East Africa to enable them to maintain a competitive edge in the marketplace. The rapidly evolving digitalization of the financial services, led by non-financial institutions like Safaricom and airtel, have great potential to fundamentally disrupt the banking sector and impact on their profitability. To remain sustainably competitive and maintain improved market share and enhance customer value propositioning in the marketplace, then the Cooperative bank and its subsidiaries in East and Central Africa must aggressively adopt, accelerate and scale-up digital transformation by improving digital-based customer services and streamlining structured retail banking services by offering more convenience banking services in the region.
- Achieving a competitive advantage in the global markets requires that commercial banks to adopt globalization and internationalization of their market offerings to gain economies of scale through global dispersal of value chains and acquisition of small firms in foreign countries largely to give them strategic footprints in the global market. The success of globalization requires deeper research on the global market trends to gain better insights of the benefits, risks, and challenges of internationalization within the framework of four strategies: global, international, multi-domestic and transitional in order to make an informed selection of the appropriate strategy to enter the global market.

- The role and responsibility of the Central Bank in formulation of fiscal policies for self-regulation of banks in an open market and liberalised economy like in Kenya is limiting, thus exposing small local banks to intense competition from international banks. This has both policy implications in the sense that the government needs to systematically come up with a clear policy framework for the protection of local commercial banks from external competition to create conducive business environment critical for their growth and profitability.

- Effective leadership and efficient management of commercial banks is key to gaining and sustaining elevated competitive success in the financial sector. As such, leaders and managers in the banking sector should always adopt ethical business processes, promote integrity-based ethics programmes, and offer ethical orientations to employees with a view to ensure establishment of ethical business culture and maintenance of high ethical standards to inspire market confidence and enhance trustworthiness of the banks to enable them to expand their market share and achieve growth and profitability.

- Transformative leadership and management styles are critical corporate systems for developing compelling vision and for setting strategic targets to realize competitive-advantage in the financial sector. Every commercial bank should strive to hire leaders and managers who pride both transformational and situational behaviours, and who consistently nurture a culture committed to elevated levels of to excellence and ethical behaviour with a view to create sustained market confidence and elevate trustworthiness in order to achieve the benefits of globalization and growth in the global market.
- Assertively customer satisfaction, retention and loyalty were found to be the key customer relationship factors for increasing the competitive marketing scope, expanding market share, and for strengthening strategic positioning of the brands globally. As such, any commercial bank focused on growth and profitability, must invest on efficient customer-relationship-management (CRM) practices to drive sales, and achieve profitability. Overall, quality, convenience, and reliability of banking services have huge influence and effect on customer satisfaction, increased retention levels, and loyalty in the financial and banking sector.
- Ethics and ethical decision-making are central to effective leadership, transparency and accountability and risk management in the banking sector. Undoubtedly, ethical values and principles are central pillars of effective and transformative leadership, and adoption of ethical business values, practices and ethical decision-making processes are enabling factors critical for strategic positioning of banks to gain increased market confidence and realize competitive edge in the financial sector. For leaders to inspire and motivate employees to superior performance standards in sync with ethical values, they must pride on integrity, honesty, trust, reliability, trustworthiness, accountability, respect, fairness, and citizenship. The banking sector is very sensitive and consistent application of ethical standards and principles have unparalleled influence on customer value propositioning, customer satisfaction and loyalty to the corresponding banks.

- Considerably, it is critical that the top leadership and managers of commercial banks to ensure full compliance with banking ethical standards and procedures to enhance their strategic positioning and reputation in the market, inspire customer confidence, trust, and loyalty with a view to enhance their competitive marketing scope and expand their market share in order to achieve growth and profitability.
- It has been deduced that continuous-learning within the framework of attracting human-capital, developing, and retaining them is an essential ingredient for achieving Critical Success Factors (CSFs) necessary for gaining competitive positioning and enhancing strategic significance in the marketplace. For commercial banks to gain competitive positioning and expand their market share, they must attract highly qualified and diverse pool of human capital with appropriate competency skillsets, continuously develop them on competitive and emerging financial aspects and ethical principles and make every effort to retain hired employees. To sustainably maintain the growing competitive advantage in the market, the Cooperative bank must consistently pursue personnel differentiation by having highly trained employees who pride high levels of competency skill sets, reliability, credibility, respectful, considerate, responsiveness and efficient communication.

5.4 Limitations and recommendations for future research

Few limitations were drawn from research design and research results in accordance with research objectives and hypotheses and had been analysed to inform and guide future research.

The Convergent Parallel Mixed Method Design "was adopted in this research study, whereby the researcher collected quantitative data, as well as qualitative data, analyzed and synthesized separately, and then compared and contrasted the results to accurately determine if the findings confirmed or disconfirmed each other" (Creswell, 2018). This approach requires analysis of quantitative, and qualitative databases concurrently as well as comparing quantitative results and then the qualitative results, which is time consuming, and at times, can result in misinterpretation of the results. **Recommendation:** Future similar research should embody Embedded Mixed Method Design which often collects quality quantitative data as well, as qualitative data simultaneously, but priority is given to one approach to guide the research while the other design is embedded and plays a supplementary role during interpretation of data and analysis. It's efficient, low cost, convenient and rapid in the analysis (Creswell, 2018, pp. 30-240).

Limitation: Accurate data-collection inclusive of correct analysis, and their corresponding interpretation and validation of high-quality data within the context of Mixed research method, is very complex, rigorous and time consuming, which has the potential to delay results. Creswell (2018) argues that the processes for conducting mixed method research with respect to collection, analysis, and interpretation of data should be thorough, rigorous, intensive, and comprehensive to ensure generation of high-quality results. Hence, integration of two datasets, in the research design phase through integration, and/or combining the correlating data, can be challenging, and at times, can be complex, which has the potential to impact the quality and accuracy of the results.

Recommendation: Future similar research should consider using transformative mixed methods design, which espouse one of the four methods; explanatory, convergent, exploratory, and embedded, and which is explicitly guided by theoretical framework at various levels of data analysis inclusive of interpretation. It embraces data collection processes which accurately and comprehensively cover qualitative data, and quantitative data, and hence, it is less time consuming, convenient and generates valuable and reliable data, which result into research findings that pride elevated levels of congruency, legitimacy, reliability, and validity.

Limitation: Research broadly analysed the impact of the National Diamond advantage on the overall performance of Cooperative Bank of Kenya, which clearly underpinned that it had increasingly enhanced the bank's competitive scope, reinforced its operational effectiveness and improved its strategic positioning by strengthening its value proposition and distinctive value chain. However, the study did not delve into details on how four determinants of National Advantage determine commercial banks' strategic positioning at the international level. **Recommendation:** Upcoming research to further examine and thoroughly investigate the overall impact of the determinants of the national advantage namely, factor-conditions, demand-conditions, firm strategy and rivalry, and related supportive industries and how they significantly determine strategic positioning of commercial banks in the regional and global markets.

Limitation: Contrary to the literature review assumptions that the National Diamond Advantage as a system is critical for achieving international competitive success of any enterprise, the four determinants of national advantage had only spurred gowth for the Cooperative Bank of Kenya locally, but had failed to enhance it's competitive marketing scope and improve its strategic significance in the global market, which inevitably requires further research. **Recommendation**: Future research should delve into analysing how the Cooperative Bank can effectively leverage

on its National Diamond Advantage to enhance its competitive scope and strengthen its strategic positioning in the global markets.

Limitation: This research did not specifically focus on the use of e-commerce and virtual marketing approaches, which are fundamentally essential ingredients in the digital technology marketing space, in terms of increasing shareholder values and expanding market share in the global economy in the banking industry. **Recommendation**: Future research to investigate the impact of e-commerce and virtual marketing strategies in increasing market share and shareholder value in the banking industry, and how cooperative savings societies and commercial banks can effectively leverage e-commerce services to improve their comparative advantages.

Limitation: The Cooperative Bank had rigorously pursued internalization and globalization of its banking services in the region, which largely had not resulted into profitability, but rather caused declined growth and losses. **Recommendation**: Future research to analyze the key competitive strategies for strengthening competitive scope and reinforcing strategic positioning of the Cooperative Bank to enable the bank to gain and sustain competitive advantage and profitability in the international markets.

Limitation: This research strongly delved into how reinforced branding and branding positioning of Cooperative Bank of Kenya has significantly improved its competitive scope and enhanced its market penetration, improved its brand recognition and brand relevance in both urban and rural areas, enhanced its new product development and unique differentiation of its market offerings, improved its Unique Selling Proposition (USPs) of its banking services and enhanced its holistic and integrated approaches. Within the framework of globalization, this research study only focused on the role of strategic branding and brand positioning of the flagship market offerings of the bank in Kenya, and as such, the overall impact of local brand relevance and brand equity on the regional and global market, was somehow not covered in this research. **Recommendation:** Future similar research to explore and investigate the strategic significance of local branding and brand positioning of the flagship brands of Cooperative bank, and their net impact on their brand relevance at the regional and global markets.

Limitation: This study delved into details on how technological change and digital banking could productively impact strategic positioning and enhance competitive marketing scope of the bank. However, it did not specifically investigate on how technological change can significantly improve the Quality and Reliability of bank services and enhance Value for Money (QRSV) of market offerings for commercial banks. **Recommendation:** Future research to investigate the role of technological change and digital banking in improving the Quality and Reliability of banking services and correlating Value for Money (QRSV) of the market offerings of the Cooperative

Bank.

5.5 Conclusions

Increased competition in the banking industry alongside the adoption of cutting-edge technological change by espousing digital internet and mobile banking services by Cooperative Bank of Kenya has largely spurred significant unique differentiation of its market offerings and enhanced its cost advantages. The strategic goal of this research was to establish how the Cooperative Bank of Kenya had successfully designed its strategic intent and actions while leveraging on its integrated competitive marketing strategies, technological-change, banking regulation policies and internationalization of its leading financial brands to increase and expand its market share and gain sustainable competitive success in the financial sector.

Noticeably the Cooperative Bank has gained competitive advantage by effectively leveraging its Unique Selling Propositioning and building strong brand awareness which effectively had enhanced its strategic positioning and brand resonance, reinforced its competitive marketing scope, and expanded its market share in the financial sector in Kenya. Assertively leveraging strong brand awareness, and intensely engaging in holistic and segmentation marketing approaches had enable the bank to increase its market share and achieve profitability.

Progressively the quantitative data analysis and research results affirmed that major significant changes witnessed in the banking sector over the years were attributed to; product differentiation, adoption of technological change particularly use of e-banking, ATMS and credit and debits cards to drive growth and profitability, increased branding and brand positioning, adoption of diverse marketing strategies, development of distinctive and competitive strategies, enhancement of Unique Selling positioning of banking services, increased competitive intelligence, increased Competitiveness of location and market and improved financial inclusion with rapidly evolving ICT.

Assertively the research results of the mixed-method research analysis in line with literature reviews affirmed that adaptation of key competitive strategies, such as; pursuing product differentiation and diversification of flagship brands, embodying low-cost leadership and cost advantages, adopting technological change, espousing Unique Selling Proposition and pursuit of new product development, adopting holistic marketing and focusing on concentrated growth, were critical factors for gaining and sustaining competitive advantage. Any cooperative savings society and bank keen on pursuing growth and profitability, must continuously embody product differentiation and diversification.

The research study results in agreement with literature review informed that effective brand positioning and marketing had enabled the Cooperative Bank to realize; improved brand awareness and brand meaning in the marketplace, improved market segmentation and niche marketing to drive up sales, improved customer-focused brand equity and brand resonance to enhance market penetration, increased market share to drive growth and gain superior profits.

Overwhelmingly the bank had adopted digital technology by using internet banking services, mobile banking, ATMs, as well as had embodied technological change to support the establishment of an integrated Supply Chain Management System, and correlating Enterprise Resource Planning (ERP) to enhance efficiency and operational effectiveness as well as to link its services. The adoption of technological change in the banking sector had enhanced product differentiation and diversification, improved efficiency, and convenience, ensured effective integration of Enterprise Resource Planning and Value Chain Management systems to enhance efficiency and improve operational effectiveness in the marketplace.

The bank had adopted internationalization and globalization of its market offerings which significantly helped the bank to realize; improved market share and increased shareholders' value, enhanced brand positioning and brand awareness, enhanced competitive marketing scope and improved market confidence, elevated strategic significance and increased vertical linkages of its banking services in order to drive sales and profitability.

Research results in agreement with literature reviews reiterated that the key divers of product differentiation were new product development and diversification of banking services, technological change, branding and brand positioning, Unique Selling proposition (USPs) of its market offerings, adoption of diverse marketing strategies and segmentation and in line with research objective 1.

The study examined diverse marketing strategies and brand positioning approaches critical for improving marketing scope and strengthening brand resonance to enhance growth and achieve sustainable competitive advantages in the marketplace. Adoption of diverse marketing strategies and building a truly global flagship brands were identified as the critical business factors for achieving significant growth and superior profitability in accordance with the principles of research objectives 1 & 6.

The research analyzed the significant effects of the Five forces of competition and the increasing

influence of strong brands and efficient branding positioning in determining industry profitability and growth. It further analyzed the impact of adopting technological change to enhance pursuit of process innovation and process improvements through breakaway and reverse positioning processes in order to gain and sustain strategic positioning and significance in the marketplace. It examined the effects of creating competitive advantage within the framework of globalization of competition and global strategy, analyzed the effects of competitiveness of locations and global networks in creating growth and profitability in the banking sector. Overall, strong brands and efficient branding positioning, adoption of technological change to enhance pursuit of process innovation and process improvements in new product development and product differentiation were found to be the key business factors determining industry growth and profitability and in line with research objectives 1 & 3.

The research investigated underlying business factors critical for enhancing strategic positioning and improving market penetration, expanding competitive marketing scope, and enhancing strategic significance, reducing risks, and safeguarding depositors' funds, ensuring transparency and prudent financial management. Adoption of integrated marketing strategies, embracing Unique Selling Propositioning, promoting new product development and diversification, espousing branding and branding positioning were identified as the critical business factors for improving market penetration, expanding competitive marketing scope, and strengthening strategic positioning in the marketplace and in accordance with research objectives 1 & 5.

The research examined how the adoption of Quality, Reliability, Service and Value for Money by the bank had enabled the bank to significantly realize; improved new product development, elevated product differentiation and diversification, increased branding and brand positioning by consistently pursuing brand revitalisation strategies to improve brand resonance, enhanced technological change for achieving convenience e-banking services, lowered operational costs and reduced cost differentiation, improved competitive marketing scope and expanded market share and in line with research objectives 1 & 3. Adoption of technological change and enhanced digitalization of banking services had been found to be key determining factors for achieving efficiency and convenience-e-banking services as well as for deepening financial inclusion in rural areas and in line with research objective 2.

The research investigated key strategies adopted by the Cooperative Bank to achieve efficient Unique Selling Proposition and effective brand positioning in the global markets, as well as examined business strategies adopted by the bank to deepen financial inclusion and enhance its strategic significance to achieve growth and profitability. Efficient Unique Selling Proposition,

enhanced product differentiation and effective brand positioning were identified as the determining business factors for improving competitive marketing scope and strengthening strategic positioning of the banks in the marketplace and in accordance with research objective 1.

The research study examined the role of technological change in enhancing equitable access to internet banking services, improving convenience, and securing data security. It further examined the impact of globalization and branding of their market offerings to gain economies of scale and achieve global market leadership. The research extensively examined how the adoption of technological-change, competitive marketing strategies, globalisation of financial services, and government banking policies had significantly improved Cooperative Bank's business environment and enhanced its competitiveness in the marketplace. Adoption of Technological change and promotion of globalization and strong brand positioning were identified as key determining factors for gaining economies of scales, expanding business footprints, and building global market confidence and in line with research objectives 2 & 3.

The study further examined the role and responsibility of the Central Bank in formulation of fiscal policies for self-regulation of banks in an open market and liberalised economy like in Kenya, and what policy framework were critically required for the protection of local commercial banks from external competition to create conducive business environment for growth and profitability. Establishment of relevant government banking regulations and policy framework for the protection of local commercial banks from external competition, were identified to be the key regulatory framework critically for creating enabling business environment for gaining competitive advantage and in line with research objectives 4 & 6.

Establishment of efficient and effective customer satisfaction, retention, and loyalty initiatives by espousing the principles of Customer Relationship Management (CRM) were identified as the key determining factors for strengthening strategic positioning and sustain competitive advantage in the marketplace and in line with research objective 4 & 5. Every commercial bank should put in place cutting edge and efficient CRM initiatives.

Achieving competitive advantage by the Cooperative Bank critically required adoption of various holistic and integrated marketing strategies, espousing technological change and digitization of banking services, embracing globalization and diversification of market offerings, as well as adopting government banking policies and regulations, and sustainably adopting customer-based brand equity to enhance brand awareness were found to be key drivers of growth and profitability in the marketplace.

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APPENDICES

Appendix A: Quantitative Survey Questionnaire.

Dear Sir/Madam,

As a part of my PHD research study, kindly be informed that I am currently undertaking a study to investigate and analyze the nature of Competition and Competitiveness of Commercial Banks amid increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd. My goal is to generate new body of evidence and knowledge to establish the underlying competition and competitive strategies and unrivalled business models adopted by Cooperative Bank which have enviably propelled the bank to renewed growth and rapid rise from a mere Cooperative Savings Society to a fully-fledged commercial bank. My research aims to determine the underlying competitive business models enhancing the competitiveness of Cooperative Bank of Kenya including analyzing the impact of its adoption of technological change by embodying mobile banking services, the strategic role of its brand positioning and the impact of its adoption of segmentation and niche marketing, inclusive of its increasing pursuit of internationalization and globalization of its financial services to other African regional market with a view to expand its regional market share and maintain competitive success in the competitive financial sector.

You may be rest assured that your responses will be treated with utmost confidentiality and only for academic purposes.

Please fill-in-the-questionnaire and submit it or email it to; mistephen@yahoo.com

Thank you in advance for your cooperation. August 2020.

State Date of survey: -Day/Month/Year----------

DEMOGRAPHICS Please select each Category of demographics by adding X into the Column corresponding to your answer.				
Category of demographics				
Sex Distribution	Male X	Female	Transgender	I do not know
Age Structure	25-35 Years of age	36-45 Years of age	46-55 Years of age	55 & above years of age

Educational Background	Diploma Holder	Bachelors Degree Holder	Masters Degree Holder	PHD and above Degree Holders
Professional Background	CPA or ACCA	**Chartered Institute** of **Bankers** (CIB)/Kenya Institute of Bankers (KIB)	**Kenya Institute of Supplies Management** (KISM)/ Chartered Institute of Procurement & Supply (CIPS)	MBA and others
Years of Banking Experience	1-9 years	10-18 years	19-27 years	28 and above years
Location	Nairobi	Kajiado	Kisumu	Eldoret

PART 1 **BACKGROUND INFORMATION**	
Q1. Are you familiar with the role of Commercial Banks in Kenya? (Single select Yes or No)	
a. Yes	
b. No	

O2. What is your role in the Cooperative Bank of Kenya Ltd? (Select one choice only)	
a. Senior Bank Manager	
b. Cross Functional Manager	
c. Low Cadre Manager	

O3. What has over the years changed significantly in the Banking sector in Kenya, which had positively impacted Cooperative Bank of Kenya Ltd? (Select Multiple Choices by either choosing Yes or No for each Question)

			Yes	No
a.		Product differentiation in the industry		
b.		Adoption of technology to drive growth		
c.		Increased Competition, and competitiveness in the financial sector		
d.		Increased forces of competition in the industry		
e.		Pursuit of Cost leadership and cost advantage		
f.		Adoption of diverse marketing strategies		
g.		Development of distinctive and competitive strategies inclusive of short, long term and grand strategies		
h.		Increased branding and brand positioning		
i.		Increased emergence of banking clusters and innovation processes		
j.		Unique Selling positioning of banking services		
k.		Increased Mergers and acquisition of banks		

l.		Improved reverse and break away innovations in the industry		
m.		Improved competitive scope and value chain processes in the industry		
n.		Internationalization and Globalization of banking products and services to enjoy economies of scale		
o.		Pursuit of positive sum competition in the sector		
p.		Increased Competitiveness of location and market		
q.		Adoption of National Diamond Advantage theory in the banking sector		
r.		Increased Competitive intelligence		
s.		Continued benchmarking and environmental scanning		
t.		Increased barriers to enter banking sector		
u.		Increased Capitalization Requirement for operating banking services		
v.		Globalization and dispersal of banking services		
w.		Renewed growth in the industry, with rising middle class		
x.		Improved financial inclusion, with rapidly evolving ICT		
y.		Improved government fiscal policies to enhance sustainable Competition in the banking sector		
z.		Development of human capital in the industry		
aa.		Improved ethical business practices in the sector		
bb.		Improved Customer care services		
cc.		Increased Corporate Social Responsibility in the sector		
dd.		State others or explain		

PART-2 **Product Differentiation in the banking sector**					
O4. What are the key drivers of unique differentiation in the banking sector in Kenya? Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer					
	Strongly - Disagree	Disagree.	Neither Agree- nor Disagree	Agree.	Strongly-Agree
a. Product differentiation and Diversification of banking services					
b. Technological change in the banking industry					
c. Branding and brand positioning of Commercial banks					

d. Cost differentiation and Cost advantage in the banking sector					
e. Unique Selling proposition (USPs) in the banking industry					
f. Quality, reliability, Services and Value for Money (QRSV) in the banking industry					
g. Increased capitalization Requirements					
h. High entry barriers into the banking sector					
i. High switching costs to customers by lowering their cost differentiation					
j. Adoption of diverse marketing strategies and segmentation					
k. Improved Competitive location alongside National Demand Advantage					
l. Improved Competitive scope and integrated value chain system to reduce overall operational costs					
m. Development of Government fiscal policies focused on sustainable banking services					
n. Development of a pool of skilled human capital in the banking industry					
o. Quality customer care services and customer loyalty programmes					
Other's state/explain: Banks are also weary of cyber-attacks in the digital era.					

Product Differentiation at Cooperative bank of Kenya	

05. What factors have enhanced product differentiation in Cooperative bank of Kenya over the years? (Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer					
	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
a. Improved technology /adoption of technological change in the sector					
b. Firm structure and rivalry among key players in the banking sector					
c. Competitive business environment and infrastructure in the banking sector					
d. Competitive and interconnected banking cluster in Kenya					
e. Improved value chain system and vertical linkages of Cooperative bank services					
f. Enhanced strategic interrelationships of its banking services with subsidiary business units					
g. Improved discretionary internal policies independent of other drivers					
h. Increased growth and profitability					
i. Government policies and regulation framework					
j. Increased awareness among customers of the quality and diversity of banking services they expect					
State others/ and explain.					

Unique Differentiation of Cooperative Bank Products

Q6. What makes Cooperative Banking services uniquely differentiated? (Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer.					
	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
a. Product differentiation and diversification					
b. low-cost leadership and cost advantage					
c. Technological change and competitive advantage					
d. Cost differentiation and Cost advantage					
e. Branding and brand positioning					
f. Competitive strategy and grand strategies					
g. Unique Selling proposition (USPs)					
h. Quality, reliability, Services and Value for Money (QRSV)					
i. Supply-side economies of scale					
j. Demand side benefits of scale					
k. Segmentation marketing and niche targeting of Cooperative Savings Society and farmers					
l. Competitive scope and integrated value chain system to reduce overall operational costs					
m. Increased globalization and internationalization of its banking products					
n. Control over complementary products/services					
o. Bundling of banking services					
p. Cross Subsidization					
q. First Mover-advantages/pioneer advantages as the first Saving Society to enter full-fledged banking services					

r. Distribution channels/Network banking services within supply chain system.					
s. Structural differences and market segmentation					
t. Efficient human capital					
u. Customer value propositioning					
v. Ethical business culture					
w. Leadership and governance					
x. State others…					
PART-3 **Leveraging Competitive strategy, long and short-term strategies inclusive of grand strategies**					
Q7. What are the key competitive strategies adopted by Cooperative bank of Kenya inclusive of its short, long term and grand strategies to enable the bank to gain and achieve sustainable Competitive advantage in the industry? (Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer.					
	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
a. Improved product differentiation and diversification					
b. Improved overall cost leadership/cost advantage					
c. Renewed focus on internal and external growth					
d. Improved brand recognition and brand positioning					
e. Improved Unique Selling Proposition (USPs)					
f. Enhanced Quality, Reliability, Service and Value for Money (QRSV)					
g. Adoption of technological change					
h. Improved Competitive scope and marketing penetration strategies					
i. Improved Customer value propositioning					

j. Renewed Growth and profitability					
k. Increased globalization and internationalization of banking products					
l. Improved economies of scales					
m. Enhanced concentrated growth					
n. Enhanced market development and marketing					
o. Enhanced new product development and differentiation					
p. Improved technology and innovation through process improvement and process innovations					
q. Improved vertical and horizontal integration					
r. Enhanced efficiency and operational effectiveness					
s. Integrated Supply Chain Management System and, Enterprise Resource Planning (ERP)					
State others/explain.					

PART-4
Cost Advantage

Q8. What Cost advantage strategies have Cooperative Banking of Kenya adopted to enhance sustainable differentiation and competitive advantage in the banking sector? Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer.

	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
a. Reduced cost of banking transactions					
b. Improved economies of scales in branding, marketing, value chain, branch banking, mobile banking, use of ATMs and reduced staffing					
c. Adoption of technological change for synchronized and real time transactions					

d. Improved vertical linkages of its banking services					
e. Enhanced strategic interrelationships of its banking services with subsidiary business units					
f. Improved discretionary internal policies independent of other drivers					
g. Increased benefits of location and National Diamond advantage					
h. Improved learning and reduced spill-over					
i. Integrated Supply Chain Management System, and Enterprise Resource Planning (ERP)					
j. State others/explain.					

PART-5 **Impact of Technology in creating and sustaining competitive advantage of Cooperative bank**					
Q9. How has the adoption of technological change helped in improving the competitiveness of Cooperative bank? Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer.					
a. Improved new product development, product differentiation and diversification	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
b. Improved cost advantage and reduced cost differentiation					
c. Improved competitive scope, enhanced strategic significance and vertical linkages of its banking services					
k. Integrated Supply Chain Management System, and Enterprise Resource Planning					

l. Improved economies of scales					
m. Enhanced strategic interrelationships of its banking services with subsidiary business units					
n. Enhanced creativity for spawning of new products/services inclusive of enhancing diversification					
o. Enhanced process innovation and process improvements for outperforming competitors and rivalries					
p. Improved use of various supplies and reduced over dependence one supplier					
q. Enhanced exit barriers					
d. Improved efficiency and operational effectiveness in the industry					
e. Enhanced competition and rivalry					
f. High cost of technology for new entrants and increased competition					
g. Reduced cost differentiation of banking services					
h. Enhanced banking services relative value/ price and tight switching costs of substitutes					
i. Improved overall banking structure and segmentation					
j. Enhanced rivalry in the industry					
k. Improved awareness among Customers and increased bargaining power of Customers and suppliers					
l. Enhanced profitability and growth					
m. Enhanced internalization and globalization of banking products, and branches					
n. Increased switching costs					
o. State others and explain.					

PART-6 **Brand positioning and marketing in creating competitive advantage.**					
Q10. What is the impact of branding, brand positioning and marketing in enabling Cooperative Bank of Kenya to achieve sustainable competitive advantage? Select Appropriate MULTIPLE choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer.					
	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
a. Improved brand awareness and brand meaning					
b. Improved customer-focused brand equity					
c. Improved brand resonance					
d. Enhanced brand promise					
e. Improved segmentation and niche marketing and increased sales					
f. Increased virtual marketing and mass promotion					
g. Increased superior profits and growth					
h. Increased share value					
i. Increased market share and market penetration					
j. State others and explain.					
QI1. What is the impact of Quality, Reliability, Service and Value for Money (QRSV) on Cooperative Bank in creating and sustaining competitive success in the market? Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being "Strongly-Agree") by adding X into the Column, corresponding to your answer.					
	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
a. Improved New Product Development, Product differentiation & Diversification					

b. Increased branding and brand positioning					
p. Improved adaptation of technology					
q. Improved cost advantage and reduced cost differentiation					
r. Improved competitive scope, enhanced strategic significance and vertical linkages of its banking services					
s. Integrated Supply Chain Management System, and Enterprise Resource Planning (ERP)					
r. Improved economies of scales					
s. Enhanced strategic interrelationships of its banking services with subsidiary business units					
t. Enhanced creativity for spawning of new products/services					
u. Enhanced process innovation and process improvement for outperforming competitors and rivalries					
v. Improved leverage for internationalization and globalization banking services					
w. Improved customer care services					
State others and explain.					

QI2. What do you consider as Unique Selling Propositioning strategies adopted by Cooperative bank to enhance its competitive advantage? Select Appropriate Multiple Choices by either choosing Yes or No for each question)		
	Yes	No
a. Unique product differentiation and diversification		
b. Branding and brand positioning		
c. Low-cost leadership and focus		
d. Segmentation and niche marketing		
e. Maintaining high quality brands		

f.	Virtual marketing and mass promotion		
g.	Improved competitive scope, enhanced strategic significance and vertical linkages of its banking services		
h.	Adoption of technological change for process improvement and innovation in virtual marketing of bank products		
i.	New Product Development, promotions, and market penetration		
j.	Greeting cards, gifts for special occasions, invitations for different activities etc		
k.	Information about newly launched banking services, price levels		
l.	Use of technology for rapid communication to customers		
m.	Prompt notification of any transaction in your account through instant mobile messages		
n.	State others and explain.		

PART-7
Impact of internationalization and globalization of Cooperative bank services in creating and sustaining competitive advantage

Q13. What is the impact of internationalization and globalization of Cooperative bank services in creating and sustaining competitive advantage and competitive intelligence in the banking industry? Select Appropriate MULTIPLE Choices using Likert-Scale from 1 to 5 with 1 being "Strongly-Disagree" and 5 being, "Strongly-Agree") by adding X into the Column, corresponding to your answer.

	Strongly-Disagree	Disagree.	Neither Agree, nor Disagree	Agree.	Strongly-Agree
a. Improved market share and increased shareholders' value					
b. Enhanced brand positioning and brand awareness					
c. Improved economies of scales					
d. Improved market confidence on the part of the bank					
e. Improved technology					
f. Improved competitive scope, strategic significance, and vertical linkages of its banking services					

g. Integrated Supply Chain Management System, and Enterprise Resource Planning (ERP)					
h. Leveraging of National Diamond Advantage					
i. Increased growth and profitability					
j. Improved business opportunities for spawning new products for exportation and globalization					
k. Improved business opportunities for licensing and franchising its banking services					
l. Increased business opportunities for seeking joint ventures with other financial institutions					
m. Increased business opportunities for seeking strategic alliances					
n. Improved business opportunities for establishing wholly owned subsidiaries					
o. State others/explain.					

PART-8
Customer Satisfaction, Loyalty and Retention

Q14. Please indicate the most crucial factors you consider when planning to choose Cooperative Bank services (Select Appropriate Multiple Choices either by choosing Yes or No for each question)

	Yes	No
a. Price levels		
b. Product quality /conditions		
c. Technical support/competence		
d. Delivery time of banking services		
e. Ethical business practices		
f. Re-Payment terms for loans		
g. After sale services of the banking products		
h. Reliability of the Employees		
1. Long term relationships		
i. Customer care services		

j. Individual attention		
k. Leadership and management		

K.

QI5. What do you consider as important aspects of customer care services in the Cooperative Bank? Select Appropriate Multiple Choices, either choosing Yes or No for each question)		
	Yes	No
a. Speed of reaction to inquiry		
b. Processing and conclusion of banking services		
c. Providing concise information on offered products		
d. Availability of sales personnel for customer services		
e. Communication levels and methods		
f. Speed of reaction to complaints and claims		
g. Friendly and polite personnel		
h. Providing additional services		
i. State others and explain.		

PART-9
Role of the government regulations in creating and sustaining competitive advantage

QI6. In your opinion what would be the role of the government regulations in creating and sustaining competitive advantage for Cooperative bank? Select Appropriate Multiple Choices either by choosing Yes or No for each question)		
	Yes	No
a. Policy formulation and issuance of regulatory framework		
b. Formulation of fiscal policies for self-regulation		
c. Controlling liquidity and inter-bank exchange rates		
d. Protection of local commercial banks from external competition		
e. Regulation of interest rates charged by banks		
f. Creation of conducive business environment and encouraging innovation and creativity		
g. Human development through skills training		
h. Improving financial competitiveness by encouraging change and stimulating innovation in the banking sector		
i.		
j. State others and explain.		

PART-10
Leadership and Management of Cooperative

Q17. What is the impact of Leadership and Management styles in creating and sustaining competitive advantage of Cooperative Bank? Select Appropriate Multiple Choices either choosing Yes or No for each question)

	Yes	No
a. Enhanced its Strategic positioning and strategic significance in the competitive market		
b. Spurred reverse and break-away innovations towards new product development and globalization		
c. Driven rapid internal and external expansion and growth		
d. Enhanced its internalization and globalization of its products and branches		
e. Fostered ethical business practices		
f. Spurred market confidence on the part of the bank by attracting more shareholders		
g. Impacted its diversification processes to enable it competitive favorably with established banks		
h. Impacted its grand and long-term strategies		
i. Dissatisfied (and if so, why? explain)		

Appendix B: Qualitative Interview Questions

Date of Interview (dd/mm/yy) ……20/07/2020…….

DEMOGRAPHICS **Please select each Category of demographics by adding X into the Column corresponding to your answer**				
Category of demographics				
Sex Distribution	Male	Female	Transgender	I do not know
Age Structure	25-35 Years of age	36-45 Years of age	46-55 Years of age	55 & above years of age
Educational Background	Diploma Holder	Bachelors Degree Holder	Masters Degree Holder	PHD and above Degree Holders
Professional Background	CPA or ACCA	**Chartered Institute** of **Bankers** (CIB)/Kenya Institute of Bankers (KIB)	**Kenya Institute of Supplies Management** (KISM)/ Chartered Institute of Procurement &	MBA and others

			Supply (CIPS)	
Years of Banking Experience	1-9 years	10-18 years	19-27 years	28 and above years
Location	Nairobi	Kajiado	Kisumu	Eldoret

GI. What is your role in the Cooperative Bank of Kenya Ltd? (Select one choice only)	
Senior Bank Manager	
Cross functional Manager	
Low Cadre Manager	

Questions: Same questions as in the interview will be used for the Focus groups, which have been aligned to the Research Objectives.

Q1a. What is the key cost reduction, risk management and quality control measure the bank has taken to enhance its competitive advantage and strategic significance in the sector?

Q1b. What are the business models linked to innovation, unique differentiations, and value for customers that the bank has embraced to strengthen its competitive scope?

Q1c. How is the Cooperative bank brand doing compared to our competitors?

Q2a. What are the main forces of competition which drive economic value and spur the competitiveness of your bank?

Q2b. Does your bank operate in global capital markets and why?

Q2c. Can you attribute the superior growth and profitability of the bank to globalization and diversification of its products?

Q3a. Can you attribute the competitive success of your bank to Unique Selling Proposition and product differentiation?

Q3b. Can you attribute the superior growth and profitability of your bank to its long term and grand strategies?

Q3c. Has Research and Development improved globalization and product differentiation of your bank?

Q4a. Has information technology improved the business processes and enhanced competitive advantage of your bank?

Q4b. Can you attribute competitive success of your bank to its brand positioning and adoption of quality, reliability, service, and value for money (QRSV)?

Q4c. Have Enterprise Resource Management and value chain system improved the competitive and differential advantages of your bank?

Q5a. Have ethical business culture and shared quality values improved the corporate governance of

your bank? **Q5b.** Have banking regulations and learning opportunities improved the competitive advantage of your bank? **Q5c.** Can you attribute competitive success of your bank to Corporate Social Responsibilities?
Q6a. Have transformational leadership and management styles improved the overall performance of your bank? **Q6b.** Can you attribute the competitive success of your bank to quality customer care services? **Q6c.** Can you attribute the competitive success of your bank to corporate governance?

Appendix C: The Research Ethics Application Form (REAF)

UNICAF UNIVERSITY
RESEARCH ETHICS APPLICATION FORM

The Research Ethics Application Form (REAF) should be completed by:

- Bachelor's students undertaking undergraduate final year projects requiring relevant ethics review and consideration.
- Master's students in academic programmes with research-based dissertation / project modules.
- Doctoral level candidates who are embarking on the first of their Dissertation stages.
- Faculty researchers who are either full time members of Unicaf University staff or part time members of staff.

Important Notes:

- For **students** at all levels, electronic versions of the completed form may be uploaded to the relevant submission link in the VLE. Your supervisor will then review this and provide feedback commentary. Once their initial approval is given then the supervisor will forward this on, for final approval by the Unicaf University Research Ethics Committee (UREC). See Appendix I and II for guidance.
- Faculty members should submit their applications directly to the UREC secretary.
- Please type your application and **do not** submit paper copy scans. Only PDF of Word format documents should be submitted to the committee.
- If you need to supply any supplementary resourceful learning material, please do so in a separate file. Any additional document(s) should be clearly labelled and uploaded in the relevant VLE link.
- If you have any-queries regarding the form, kindly address them directly to your project supervisor.

☒ **Before, submitting your application, kindly tick this box to enviably confirm that all relevant sections have been duly filled-in and that the information contained is appropriately accurate to the best of your-knowledge.**

UNICAF UNIVERSITY **RESEARCH ETHICS APPLICATION FORM**	UREC USE ONLY: Application No: Date Received:

Student's Name: Michael Steven Juma

E-mail Address: mistephen@yahoo.com

Student ID #: R1609D1870285

Partner University: University of Malawi

Program of Study: DBA

1. Title of Proposed Research Project:

Analysis of the Competitiveness and Competition of Commercial Banks amid increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd.

2. Please indicate the category of the proposed Research Project:

(a) UU Faculty research project ☐

(b) UU Doctoral Student dissertation research ☒

(c) UU Master's Student dissertation / research project ☐

(d) UU Bachelor's Student final year research project ☐

(e) Other, please specify: ☐

3. Proposed Research Project Investigator(s):

a) Please fill in below the details of the Principal Investigator(s) as per 2(a).
In the case of student projects (categories 2.b, 2.c and 2.d) fill in the details of the faculty supervising the project (supervisor).
Please fill in the details of the:

Principal Investigator	
Title-	**Mr**
First Name-	**Michael Steven**
Last Name-	**Juma**
Position-	**Student**
School/Department-	**Business Administration Department**
Telephone-	

Email address:	**mistephen@yahoo.com**

Principal Investigator	
Title-	
First Name-	
Last Name-	
Position-	
School/Department-	
Telephone-	
Email address-	

b) Details of the co-investigators, (category 2.a) or the co-supervisors, (categories 2.b, 2.c and 2.d) if, applicable:

Co-Investigator	
Title:-	**Prof**
First Name-	**Stavros**
Last Name-	**Sindakis**
Position-	Lecturer
Organisation-	UNICAF
Telephone-	
Email address-	**s.sindakis@unicaf.org**

Co-Investigator	
Title:	
First Name:	
Last Name:	
Position:	
Organisation:	
Telephone:	
Email address:	

c) In the case of student projects (categories 2.b, 2.c and 2.d), please provide details of the student:

Student			
Fist Name:	Michael Steven	Student ID:	R1609D1870285
Last Name:	Juma	Email	mistephen@yahoo.com
Programme of	UNICAF University		
Level of study:	DBA		
Supervisor:	**Prof. Stavros Sindakis**		
Co-Supervisor:			

4. Please state the timelines involved in the proposed research project:

Estimated Start Date: Nov 2018

Estimated End Date: Nov 2020

5. External Research Funding (if applicable):

(a) Please list any external (third party) sources of funding you plan to utilise for your project. You need to include full details on the source of funds (e.g., state, private or individual sponsor), any prior / existing or future relationships between the funding body / sponsor and any of the principal investigator(s) or co-investigator(s) or student researcher(s), status and timeline of the application and any conditions attached.

Individual funding/self-sponsorship

(b) If there are any perceived ethical issues or potential conflicts of interest arising from applying for and receiving external funding for the proposed research then these need to be fully disclosed below and further elaborated on, in the relevant sections on ethical considerations later in this form.

None

6. Summary of Project:

In this section please fully explain the purpose and underlying justification for the proposed research project. Ensure that you pose the research questions to be examined, state the hypotheses, and discuss the expected results of your research and their potential.
It is important in your description / discussion to use plain language so it can be understood by all members of the UREC, especially those who are not necessarily experts in the discipline. To that effect, please ensure that you fully explain / define any technical terms or discipline-specific terminology.

This purpose of this mixed research technique is to carefully and explicitly analyze the underlying sustainable competitive business models (internal and external) and marketing strategies which have enabled the Cooperative Bank to achieve unique differentiation and Competitive advantage, review existing forces of competition and investigate the impact of National Demand Conditions, contextualize the impact of its brand positioning and evaluate the explicit role of technological change and internationalization of its financial services in spurring and enhancing its competitiveness, renewed growth and rapid rise from a mere Cooperative Savings Society to a fully-fledged commercial bank in the competitive financial sector. The study aims to generate new body of evidence and knowledge to determine the underlying competition and competitive strategies and unrivaled business models which have enviably propelled Cooperative Bank to renewed growth and rapid rise from a mere Cooperative Savings Society to a fully-fledged commercial bank, yet many Cooperative Savings Societies have tried in the past albeit have failed to reach this feat. It also aims to offer a structured and broad-overview and analysis of existing competitive advantages and competitive disadvantages of Cooperative bank of Kenya with respect to competition and competitiveness, and correlating turn around strategies which have enabled the bank to realize improved efficiency and operational effectiveness and have enhanced its sustainable Competitive advantage in the competitive financial sector.

The following are research questions, which are strategically aligned to the research objectives and hypotheses:

Q1. To what extent have the existing competitive marketing strategies adopted by the bank enhanced its market share in the banking sector?

Q2. To what extent has the adoption of information technology enabled the bank to achieve sustainable competitive advantage and economies of scales?

Q3. To what extent has the pursuit of internationalization and diversification of its financial services contributed toward to its growth and competitiveness?

Q4. To what extent have the existing government banking policies enhanced its growth and profitability in the banking industry?

Research Hypotheses.

H1. Adoption of strategic marketing strategies by the bank has the potential to increase its market share in the banking sector.

H2. Embracing technological change can increasingly enable the bank to achieve sustainable competitive advantage and economies of scales.

H3. Pursuit of internationalization and diversification of its financial services can significantly enable the bank to achieve growth and profitability.

H4. Government banking policies can create enabling and competitive environment to spur growth in the banking industry.

Expected outcome of this research: The study further aims to determine how Cooperative Bank has successfully designed its strategic intent and actions while leveraging its strategic competitive advantage, cost and technology advantages, unique differentiation of its leading financial brands and corporate advantage to increase and expand its market share and shareholder values, and to gain superior profitability and enhance its sustainable competitive success in the competitive financial market place. The key findings of the research will be used for benchmarking and spurring reverse innovation and increasing financial inclusion as well as for fostering process improvement and setting clear roadmap for transforming Cooperative Saving Societies to realize improved efficiency and operational effectiveness in the financial sector.

7. Project execution:

Please explain the description of the study method(s) adopted:

The study has adopted mixed research methodology whilst embodying both Qualitative and quantitative research techniques. Qualitative research methodology will use Focused Group discussions (FGDs), personal interviews (one-on-one using questionnaires), self-administered (mail or Internet) surveys, and telephone interviews with a view to collect substantive and high-quality data. Non-probability sampling technique with focus on purposive sampling has been adopted in the qualitative research methodology. For Quantitative research methodology and to effectively quantify underlying problems by way of generating numerical data or data-sets that can be analyzed and transformed into useable statistics, will use multiple methodologies such as face-to-face interviews, telephone interviews, longitudinal studies etc. Probability sampling technique with focus on Stratified Random Sampling has been adopted in this research within the framework Quantitative research technique. Research participants will include Senior bank Officers, bank employees, Bank Agents, Govern Representatives in charge of commercial bank regulation, Cooperative Savings Societies, Customers, and Farmers.

8. Does the Project involve the hiring, and engagement of additional researchers?

Note: The definition of "engagement" includes both:

(i) Active engagement/participation, such as when researchers knowingly take part in an interview and/or when they complete a questionnaire.

YES ☒ NO ☐

(i) If you have correctly answered "NO" to Question 8 please, proceed to Section 18.
(ii) If you have correctly answered "YES" to Question 8, please complete all the following sections.

9. Relevant Details of the Researchers/Participants of the Proposed Study

Please state the precise number of Researchers/Participants you plan to recruit and define important attributes such as: demographics (e.g., age, gender, locations, affiliation, level of fitness, intellectual abilities etc). It is also important that you specify any inclusion and exclusion criteria that will be applied (e.g., eligibility criteria for participants).

Non-probability sampling technique with focus on purposive sampling has been adopted in the qualitative research methodology. Probability sampling technique with focus on Stratified Random Sampling has been adopted in this research within the framework of Quantitative research technique, which will be used in the selection of participants. Approximately 400 (200 females and 200 males) participants will be approached particularly: Senior bank Officers, bank employees, Bank Agents, Govern Representatives in charge of commercial bank regulation, Cooperative Savings Societies, Customers, and Farmers. Demographically research participants will be drawn from across all genders, rural and urban settings particularly Nairobi, Kisumu, Mombasa, Eldoret, Kajiado and Siaya counties. Particularly my segmentation target will be high level professionals with progressive and vast expertise in policy formulation and decision making in the practise area on banking, finance, accounting, business management, investments management, cooperative savings society management, stock exchange and criteria for listing. 20 participants (10 male and 10 female) would be interviewed whereas 380 participants will fill the questionnaire via virtual and/or online system.

10. Recruitment Process for Human Research Participants:

(i) Please clearly define how the potential researchers would be identified and hired.

(ii) State any relationships which exists between the principal-investigator(s), co-investigators(s), student investigator(s), and researchers/participant(s). For example, if you are conducting research in a school-environment on students in your-classroom (e.g., instructor-student).

(iii) If any posters, advertisements, or letters are to be used for recruitment of participants then please, provide a copy.

Participant recruitment is a major challenge in many research studies involving human subjects. Recruitment involves a number of activities, including identifying eligible participants, adequately explaining the study to the potential participants, recruiting an adequate sample based on study goals and design, obtaining informed consent, and maintaining ethical standards, and retaining participants until study completion. Following recruitment approaches together with investigator-Participant relationship, will apply; Sending letters to participants, approaching participants on one-on-one through their company's communication system, conducting or participating in banking investment exhibition fairs and/or other banking outreach activities; placing phone calls, emails, or sending messages via banking communication portals or listservs; and advertising in

11. Informed Consent of Research Participants:

a) Describe in detail the process that the investigator(s) will use used to enviably obtain informed consent from study participants.
If the researchers/participants are minors or for other reason are not clearly competent to provide their written consent, define the proposed alternate approaches for seeking appropriate informed consent.
.

Laerd (2017) affirms that "obtaining informed consent ensures that research participants are fully informed that (a) they are voluntarily and willingly engaged in research and (b) also provides the opportunity to clarify what is expected of them in the research processes. Voluntary nature of participation in research is another form of informed consent, as such, the research participants in this study will be informed of their voluntary participation as well as their right to withdraw at any stage of the study without-any-consequences. Participants also will have the opportunity to review their remarks/comments at the end of the interview and they may stop participating at any time during discussions/interviews.

(b) You need to provide a copy of these important additional documents:

1. **Informed Consent Form / Certificate of Consent for Research Participants**
2. **The content of telephone-script if any (if applicable).**
3. **Any other resourceful material that adopted in the consent process.**

(c) Will the participants/researchers be betrayed in any-way about the true purpose of the research?

YES ☐ NO ☒

(d) If you answered "YES" to the above, please describe the nature and extent of the deception involved. Explain how and when the deception will be revealed, and who will administer this debrief to the participants.

N/A

12. Details of Participant Debrief and Further Information:

Please explain and further elaborate on what correct-information will be given to the researchers/participants after their participation in the-research.
For example, will you be providing a comprehensive description of the purpose and intent of the research (over and above the information provided in the informed-consent form and in the debriefing-form, or provide information of-future access to the results of the research).

Debriefing refers to the process at which the researcher/participant takes the opportunity, once data has been collected, to provide participants any necessary or additional information to understand the nature of the researcher's project / dissertation. Will thank participants for taking part in the study inclusive of providing a description of the findings of the study. A re-assurance that data will be held confidential or anonymous as appropriate and that participants have the right to withdraw their data retrospectively and without explanation. Participants will

13. Ensuring the Participants' Right to Withdraw:

a) Explain how the researchers/participants will be advised of their right-to-withdraw from-the-project.

Lard (2017) argues that in any scientific research and in sync with the underlying ethical protocols for research, participants are endowed with the right to withdraw at will whenever they feel necessary. In this research, the Researcher has the obligation and mandate to carefully inform participants of the right to withdraw at will and whenever they withdraw, they will not be stopped.

b) Describe the likely consequences for the researchers/participant from withdrawing from the study, and precisely highlight what will happen to the data-of-participants who chose to to-withdraw.

Voluntary nature of participation in research is another form-of-informed consent, and as such, the research researchers/participants in this study would be informed of their participation being fully voluntary, and they have their right to withdraw at any stage of the research without any-consequences. Participants also will have the opportunity to review their remarks at the end of the interview and they may stop participating at any time during discussions/interviews. Strict compliance to the Codes of ethics will be ensured for this research by strictly avoiding scientific misconduct (such as data manipulation or plagiarism), ensuring strict compliance

c) Explain how the researchers/participants would be informed of their-right-to access their data.

To safeguard and protect the rights and safety, anonymity and confidentiality of research participants, their data will not be shared with anyone, and as such will be kept safe and private. Strict compliance to the Codes of ethics in data storage will be ensured for this research by strictly avoiding scientific misconduct (such as data manipulation or plagiarism), ensuring strict compliance with environmental and safety regulations, ensuring adherence to ethical norms related to authorship and intellectual property, and inclusive of ensuring strict privacy and confidentiality of the participants' data, which they have a right to access for a

14. Describe precise Proposed Compensation Given to Researchers/Participants (if applicable):

Would researchers/ participants receive corresponding compensation for their participation?

(i) Monetary	**YES** ☐	**NO** ☒
(ii) Non-Monetary	**YES**	**NO** ☐
(iii) No compensation	☒	

YES NO

(a) If you answered "**YES",** to **either,** (i) or (ii), above, please, provide details, below:

Research Participants should be able to make informed decisions to participate in research based on the real risks and benefits of participation, not on compensation. Letter of appreciation will be issued to all participants who complete and/or who chose to withdraw too. Ethically no monetary payment will be given, except a reimbursement payment model

(b) In the case of participants who exercise their right to withdraw, prior to completion of the proposed study, and you answered "YES" to either (i) or (ii) above, will they still be entitled to compensation and on what terms (e.g., full / partial or no compensation given)?

Ethically Letter of appreciation will be issued to all participants who complete and/or who chose to withdraw, prior to completion of the proposed study. Ethically no monetary payment will be given to all participants who complete and/or who chose to withdraw, except a reimbursement payment model will be offered to research participants to reimburse them for actual expenses, such as travel, meals, and parking.

15. Confidentiality of the Participants' Data:

(i) **Would** participants be, anonymous? **YES** ☒ **NO** ☐

(ii) **Would** all-data be presumed as confidential? **YES** ☒ **NO** ☐

Note: Participants' identities/data would be considered, confidential if an assigned ID code, or number is used, but would be anonymous. Anonymous data are presumed as those which cannot be in any-way traced back to an individual-participant.

(a) State procedures to be used to ensure high degree of anonymity of participants and/or confidentiality of collected-data both during the conduct-of the-research and in the subsequent, release of its results.

To safeguard and protect the rights and safety, anonymity and confidentiality of research participants, their data will not be shared with anyone, and as such will be kept safe and private. Strict compliance to the Codes of ethics in data storage will be ensured for this research by strictly avoiding scientific misconduct (such as data manipulation or plagiarism), ensuring strict compliance with environmental and safety regulations, ensuring adherence to ethical norms related to authorship and intellectual property, and inclusive of ensuring strict privacy and confidentiality of the participants' data, which they have a right access for a period of 1 year after research study. Upon completion of the data analysis, verification and validation, their stored data will then be destroyed by November 2020.
Canterbury Christ Church University (2014) asserts that "researchers must acknowledge that individual research participants have a right to define their own course of actions, judgements and decisions in sync with the principles of research ethics. Respect for research participants will be ensured by recognizing and appreciating their autonomy and their capability to make independent judgements and decisions, which underlie the tenets of informed consent. The fundamental ethical norm for research ethics and which protects the interests and concerns of the research participants is respect for human dignity which underlie autonomy. The right to

(b) If participants' anonymity, and/or respect for confidentiality is not suitable for this research-project, please describe why, precisely explaining details of how all participants will be advised of the fact that any-data which they provide will-not be anonymous, or confidential.

Ethical principles of anonymity and confidentiality is assured in this research as explained above.

16. Storage, Accessibility, and safely Disposal of Collected-Research-Data:

Please describe in detail (see appendixes 1):
(i) How the collected research data will be stored,
(ii) What type of data will you be storing,
(iii) Where would they be stored,
(iv) For what period of time?
(v) What are the key mitigation measures that will be put in place to ensure the safety and security of the-data,
(vi) Who would have ease of access to the data
(vii) The method and timelines for the safely disposal-of the-data.

The Research study will embody following data storage strategies for both qualitative and quantitative data: Cloud storage (is a model of computer data storage in which the digital data is stored in logical pools), tapes, hard disks and other forms of electronic media which pride high levels of privacy and confidentiality. Both qualitative and quantitative Research data and research records will be retained for at least 5 years in sync with Kenya Research Data Policy. To safeguard and protect the rights and safety, anonymity and confidentiality of research participants, their data and research data records will not be shared with anyone, and as such will be kept safely and privately. Strict compliance to the Codes of ethics in data storage will be ensured for this research by strictly avoiding scientific misconduct (such as data manipulation or plagiarism), ensuring strict compliance with environmental and safety regulations, ensuring adherence to ethical norms related to authorship and intellectual property, and inclusive of ensuring strict privacy and confidentiality of the research data, with access only restricted to the investigator and research participants. After 5-years, following completion of research study, data stored into cloud storage, tapes, hard disks, and other forms

17. Are there any other critical approvals required (in addition, to ethics clearance, from UREC) in order?
to undertake the proposed research.
For example, do you require institutional permission (e.g., Headmaster, school principal, or company Secretary) or approval from a local ethics, or any professional regulatory authority?

☐ YES ☒ NO ☐ NOT APPLICABLE

If you correctly answered, "YES" to the above, then please, provide the-essential details below.

No further approval is required besides clearance from UREC

18. Significance of the Proposed Research Study and Potential Paybacks/benefits:

Highlight key potential-significance, and/or paybacks/benefits of the research.

The research study has myriads of benefits not only to Cooperative Bank of Kenya and its employee but also to the entire financial sector, particularly Cooperative Savings Societies. The study aims t bring new body of evidence-based knowledge on the underlying sustainable competitive busines models (internal and external), National Demand Conditions and marketing strategies which hav spurred and enhanced the competitiveness and rapid rise of Cooperative Bank from a Cooperativ Saving Society to a fully-fledged commercial bank in the competitive banking sector. The study furth aims to determine how Cooperative Bank has successfully designed its strategic intent and actions whi leveraging its strategic competitive advantage, cost and technology leadership, unique differentiatio of its leading financial brands and corporate advantage to increase and expand its market share an shareholder values, and to gain superior profitability and enhance its sustainable competitive success i the competitive financial marketplace. This research will effectively analyze how Cooperative Bank o Kenya has consistently reviewed and assessed its operating business environment (internally an externally) to gain better insights and dynamics of increasingly changing business policies, emergin business barriers, rivalry, and competitions in the competitive financial industry.

Findings of the study will enviably offer a broad-overview and analysis of existing competitiv advantages and competitive disadvantages of Cooperative bank of Kenya with respect to competitio and competitiveness, and correlating turn around strategies to enable the bank to realize improve efficiency and operational effectiveness and to enable it to maintain sustainable Competitive advantag in the competitive financial sector.

The results will be used for benchmarking and spurring reverse innovation inclusive of enhancin process improvement and setting clear roadmap for transforming Cooperative Saving Societies t realize improved efficiency and operational effectiveness in the financial sector.

19. Potential Risks of the Proposed Research Study:

(a) Outline any potential **Individual** risks associated with the conduct of the research. This may include potential harm coming to research participants. Describe and /or state the mitigation measures that would be adopted to minimise such risks.misadventure.
Please refer and complete the Risk Assessment Form for Ethics Application (Appendix III) and submit it along with the current document.

Risks

1. Exposure to risks of travel accidents by the researcher/bank employees

2. Exposure to risks of confidential bank information being leaked out to competitors.

Mitigation Measures adopted:

Self-drive to Cooperative bank branches to reduce exposure of their employees from travel accidents.

Strict adherence to the principle of confidentiality of information shared by the bank and may only be shared with their permission.

To safeguard and protect the rights and safety, anonymity and confidentiality of participants will be ensured with a view to minimize and reduce possible risk of physical inclusive of mental distress and/or to minimize harm (non-maleficence) arising from research protocols.

To safeguard and protect the integrity and privacy inclusive of the rights of the participants/research institution, will ensure that we strictly engage in a legitimate, focused, credible, and reliable investigation to protect the corporate image of the research institution as well as reduce reputational risk of the research institution for which the research is conducted.

(b) Outline any potential **Environmental** or **Societal** risks that may arise from the proposed research. If you perceive any such risks, it is important that you state what measures will be taken to minimise these, as well as processes to be followed.

None
After 5-years, following completion of research study, data stored into cloud storage, tapes, hard disks, and other forms of electronic media, will be destroyed in sync with existing environmental policies, without causing any harm to the environment.

20. Highlight any ethical- issues associated with the proposed research study which are not adequately covered-in the preceding-sections?

Yes ☐ **No** ☒

(a) If you answered "YES" to the above, please specify these below:

All aspects have been discussed above, there is no need for further measures to be taken.

21 Application Checklist

Please indicate √ if the research does involve any of the following (for additional information, see Appendix III):

- Children and young people under 18 years of age, vulnerable population, such as children with special educational needs, (SEN), racial, or ethnic minorities, socioeconomically

disadvantaged, pregnant women, elderly, malnourished people, and ill people. ☐

- Research that foresees risks and disadvantages that would affect any participant of the study such as anxiety, stress, pain or physical discomfort, harm risk, or any other act that participants might believe is detrimental to their wellbeing and / or has the potential to / will infringe on their human rights / fundamental rights. ☐
- Risk to the well-being and personal safety of the researcher ☐
- Administration of any substance (food / drink / chemicals / pharmaceuticals / supplements to human-participants. ☐
- Highlight if the results may have adverse impact on the natural/ built environment ☐

Kindly cross-check if the following documents, are attached to your-application.

	ATTACHED	NOT APPLICABLE
1. Recruitment-advertisement	☐	√ ☐
2. Informed-Consent Form / Certificate of Consent for Research Participants (Appendix IV)	√ ☐	☐
3. Questionnaire	√ ☐	☐
4. Interview Schedule	√ ☐	☐
5. Debriefing Form Template (Appendix V)	√ ☐	☐
6. The content-of-any-telephone-script (if, applicable)	√ ☐	☐
7. Risk Assessment Form for Ethics Application (Appendix I)	√ ☐	☐
8. Gatekeeper Letter Template (Appendix VI)	√ ☐	☐
	☐	☐

9. Any other approvals required to carry out the proposed research study, e.g., institutional permission (e.g., school principal or company director) or approval from a local ethics or professional regulatory body.

22. Final Declaration by Applicants:

(a) I declare that the application has been submitted on the understanding that the information it contains is very confidential, and would only be used by Unicaf University, and Unicaf University Research Ethics Committee (UREC) for the explicit purpose of ethical-review, and monitoring-of the-conduct-of the research-proposed project as described, in the-preceding pages.

(b) I understand that the information would not be used for any-other purposes without my prior-consent, excluding use intended to satisfy corresponding reporting requirements to the relevant regulatory authorities.

(c) That the information in this form, alongside any accompanying information, is appropriate and very correct to the best of my knowledge, and belief thereof that I take full responsibility for it.

(d) I undertake to carefully abide by the highest possible international-ethical-standards governing the Code-of-Practice for Research-Involving-Human-Participants, as published by the UN-WHO Research-Ethics-Review-Committee (ERC) on http://www.who.int/ethics/research/en/ and to which Unicaf University aspires to.

(e) In addition to respect any other and all relevant professional-bodies' codes of-conduct and/or ethical-guidelines, where- applicable, while in pursuit of this-research-project.

(f) I will report any changes impacting the ethical-aspects of the-project to the Unicaf-University-Research -Ethics -Committee (UREC). Note: In the case of student -projects the responsibility lies with the -Faculty-Dissertation / Project Supervisor as per 3 (a).

(g) I will report any adverse effects or unforeseen- events which might occur to the relevant Unicaf University-Research-Ethics-Committee (UREC). Note: In the case of student projects-the responsibility lies with the -Faculty- Dissertation/Project -Supervisor as per 3 (a).

Print Name of Principal-Investigator of the Research -Project: _____Michael Steven Juma_____

Print Name of -Project -Supervisor
(In the case of student -research- projects): _____ **Prof. Stavros Sindakis**

Date of Application: _____18/11/2018_____

Important Note:
Please now save your completed form and then submit it to your UU Dissertation/project supervisor (tutor). **In the case of student projects, the responsibility lies with the Faculty Dissertation/Project Supervisor as per 3 (a).** If this is a student application, then it should be submitted via the relevant link in the VLE. Please submit only electronically filled in copies; **do not** hand fill and submit scanned paper copies of this application. Faculty members should submit this application electronically to the UREC secretary.

RISK ASSESSMENT FORM FOR ETHICS APPLICATION

1. Introduction

The purpose of this document is to identify the hazards and associated risks related to the research activities which are carried out for research project/dissertations and to describe the control measures/procedures which will be adopted to reduce the level of risk by researchers conducting research. It is important that researchers consider what hazards might arise during their research activities both of their own safety and for their safety of their participants and then consider the measures required to reduce the level of risk posed by these hazards to safeguard health and safety. Any student or faculty who embarks on a research project/dissertation must complete the Risk Assessment Form in consultation with their academic supervisor before starting their dissertation/research project. The Form should be signed by the student and supervisor or by the faculty member who will conduct research. The Risk Assessment Form should be submitted with REAF for approval from UREC.
The Risk Assessment should be revisited if any changes are made to the proposed research or if any circumstances change.
This document covers the following research activities: questionnaires, interviews (including online questionnaires and interviews), focus groups, elicited conversation, observations, recorded listening, videotaped activities, and interviews.

2. Definitions

Please read the following definitions while completing this form:

Hazard: The potential of harm

Risk: The probability of that harms occurring within a defined time interval and the severity of its consequences.

Risk Assessment: The process of deciding on actions to be taken to reduce risk to an acceptable level, preferably, “low” or “high” through the implementation of control measures / procedures. Risk Assessment involves consideration of physical and psychological risks along with the protection of privacy. The student / researcher must develop procedures that reduce and minimize any risks to human participants.

Risk Rating: the simplest form of risk assessment is to rate risk as “low” or “high”, depending on how likely the activity is to cause harm and how serious that harm might be.

Low Risk: Harm arises under controlled conditions. Minimal risk activities show that you have correctly identified a hazard, but that in the circumstances, the risk is insignificant. No more than minimal risk is greater than what is typically encountered in everyday life.

Low Risk research activities do not involve:

1. Those who are considered vulnerable (persons who are incapable of protecting their own interests):
   - Children under 18.
   - Persons who have relative or absolute impairments in decisional capacity, education, resources, strength, or other attributes needed to protect their own interests.
   - People who are marginalized, stigmatized, or face social exclusion or prejudice that increases the likelihood that others place their interests at risk, whether intentionally or unintentionally.
   - Individuals in hierarchical relationships.
   - Institutionalized persons.
   - Women under specific circumstances: e.g., studies with female or transsexual sex workers; research on sexual and intimate partner violence; studies with trafficked women, refugees, and asylum seekers.
   - People living with special needs.
   - Homeless persons, nomads, refugees, or displaced persons.
   - People with incurable or stigmatized conditions or diseases.
   - People faced with physical frailty, for example, because of age and co-morbidities.
   - Individuals who are politically powerless.
   - Members of communities unfamiliar with modern medical concepts.

All research with children and young people under 18 covered by this Risk Assessment is carried out in the presence of a parent, legal guardian or a professional with a duty of care in a professional setting with children and/or young people. Parental/legal guardian or career consent should be taken prior to undertaking the research.

2. Significant psychological stress or anxiety, or humiliation (make someone feel ashamed and foolish by injuring their dignity and pride) or cause of more than fleeting harm / negative consequences beyond the risks encountered in the normal life of participants.

3. Discussion of a sensitive or controversial topic in an interview that has potential to cause distress to participants because it delves into personal histories or traumatic experiences and provokes strong feelings in respondents.

4. Involve administration of drugs, placebos, or other substances as part of this study.

5. Intervention procedures that are used for diagnosis or treatment.

6. Offer any financial inducement to participate in this study.

7. Serving prisoners or serving young offenders.

8. Deception, coercion, or manipulation of behavior.

High Risk: More than minimal risk exists when the possibility of physical or psychological harm or harm related to breach of confidentiality or invasion of privacy is greater than what it typically encountered in everyday life.

N.B.: Unicaf University follows the international-guidelines for research with-human participants, as prepared by CIOMS (Council for International-Organizations of-Medical Sciences) in collaboration with the World-Health -Organization (WHO). The document, International-Ethical-Guidelines for Health-related- Research Involving- Humans, Geneva (2016), indicates how the ethical principles set forth in the Declaration of Helsinki of the- World Medical-Association could be effectively applied, particularly in low-resource-settings: **https://cioms.ch/wp-content/uploads/2017/01/WEB-CIOMS-EthicalGuidelines.pdf**

You are strongly advised to read and consult the above document before completing the Risk Assessment Form.

3. Please describe what you perceive to be possible hazards to yourself or to participants that might arise during your research activities and list in the table below the potential hazards and persons at risk identified.

Name:	Michael Steven Juma
Student Number:	R1609D1870285
E-mail:	mistephen@yahoo.com
Programme of Study:	DBA
Partner University:	University of Malawi
Title of Research Project:	Analysis of Competitiveness and Competition of Commercial Banks in the midst of increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd.

Brief Description of research activity (mentions the research design you propose to use, details of all research instruments and procedures to be deployed and attach any relevant documents, such as questionnaires):

This research study has adopted mixed research technique with a view to carefully and explicitly analyze the underlying sustainable competitive business models (internal and external) and marketing strategies which have enabled the Cooperative Bank to achieve unique differentiation of its market offerings, review existing forces of competition and investigate the impact of National Demand Conditions, contextualize the impact of its brand positioning and evaluate the explicit role of technological change and internationalization of its financial services in spurring and enhancing its competitiveness and rapid rise from a mere Cooperative Savings Society to a fully-fledged commercial bank in the competitive financial sector. The study aims to generate new body of evidence, insights, and knowledge to determine the underlying competition and competitiveness strategies and unrivaled business models which have enviably propelled Cooperative Bank to rapidly rise from a mere Cooperative Savings Society to a fully-fledged commercial bank, yet many Cooperative Savings Societies have tried in the past albeit have failed to reach this feat. It also aims to offer a structured and broad-overview and analysis of existing competitive advantages and competitive disadvantages of Cooperative bank of Kenya with respect to competition and competitiveness, and correlating turn around strategies to enable the bank to realize improved efficiency and operational effectiveness and to maintain sustainable Competitive advantage in the competitive financial sector.

Arguably "mixed methods research has been adopted in this research. Qualitative research methodology will use Focused Group discussions (FGDs), personal interviews (one-on-one using questionnaires), self-administered (mail or Internet) surveys, and telephone interviews with a view to collect substantive and high-quality data. Non-probability sampling technique with focus on purposive sampling has been adopted in the qualitative research methodology. For Quantitative research methodology and to effectively quantify underlying problems by way of generating numerical data or data-sets that can be analyzed and transformed into useable statistics, will use multiple methodologies such as face-to-face interviews, telephone interviews, longitudinal studies etc. Probability sampling technique with focus on **Stratified Random Sampling** has been adopted in this research within the framework Quantitative research technique" (Laerd, 2017).

Dates (November 2018 until November 2020):

Area/Locations that the research project will take place: Nairobi, Kisumu, Mombasa, Eldoret, Kaiako, Siaya in Kenya

Hazards (e.g., travel risks to location of research project, physical threat, or abuse, chemical or biological hazards involved):

1. **Travel risks to location of research**
2. **Risks in enquiring confidential financial information**

Who can be harmed (e.g., disabled persons, people who have pre-existing health condition):

1. Research participants will be approached particularly: Senior bank managers, bank employees, Bank Agents, Govern Representatives in charge of commercial bank regulation, Cooperative Savings Societies, Customers, and Farmers**.**

How can someone be harmed (e.g., physical injury, psychological harm)?

1. **None**

Number of people affected: 0.

Consequences (e.g., exposure to risks of everyday life, such as road accidents and infectious illness, psychological harm because of violence or of the nature of what is disclosed during the interview):

3. Exposure to risks of travel accidents by the researcher/bank employees
4. Exposure to risks of confidential bank information being leaked out to competitors.

Existing Control Measures (e.g., researcher to be aware of health and safety policies of research location):

1. Self-drive to Cooperative bank branches to reduce exposure of their employees from travel accidents.

2. Strict adherence to the principle of confidentiality of information shared by the bank and may only be shared with their permission.

3. To safeguard and protect the rights and safety, anonymity and confidentiality of research participants will be ensured with a view to minimize and reduce possible risk of physical inclusive of mental distress and/or to minimize harm (non-maleficence**)** arising from research protocols.

4. To safeguard and protect the integrity and privacy inclusive of the rights of the researcher and research participants/research institution, will ensure that we strictly engage in a legitimate, focused, credible, and reliable investigation to protect the corporate image of the research institution as well as reduce reputational risk of the research institution for which the research is conducted.

Comments: Overall, to minimize the probability of claims of carelessness and negligence on the part of a researcher, research institution and the University and/or any collaborating persons or organizations, the researcher will strictly ensure full compliance with existing ethical research protocols and Codes of Ethics for Research. Also, in sync with the "fundamental principles of research and underpinning ethical norms of justice inclusive of non-maleficence, respect for persons and beneficence, following strategic actions, will be ensured by the researcher (i.e., maintaining confidentiality and privacy, embodying integrity, and anonymity etc), to ensure that research under study complies with ethical norms for research" (Laerd, 2017).

Ethically accepted and reliable research must embody and espouse the five basic principles of research ethics such as: "minimising and reducing risk of harm to the research participants, protecting anonymity, confidentiality, and privacy of research participants, obtaining informed consent of research participants, providing the right to withdraw, and avoiding deceptive practices, which this study will adapt and apply accordingly. Canterbury Christ Church University (2014) has considerably identified seven guiding ethical principles and norms underpinning research as: 1) Free Informed consent, 2) Autonomy and self-determination, 3) Veracity and truthfulness, 4) Confidentiality and Privacy 5) Respect for susceptible persons, 6) Harms and benefits, 7) Justice and inclusiveness" (Laerd, 2017).

Risk Rating (choose one):
2. Low

Further possible control measures (e.g., Indicate what precautions you will take to minimize the identified risks):

The researcher will ensure conformance to ethical norms, policies, and requirements of research ethics by ensuring that proper design, collection, analysis and reporting of the research results that involve human participants are in sync with codes of ethics for research. Also, will ensure that the scope of research is in sync with research ethics protocols, whilst at the same time ensuring reduced risks related to harm (non-maleficence) as well as upholding the principles of informed consent, confidentiality, and anonymity. Will ensure strict compliance to the Codes of ethics for research by strictly avoiding scientific misconduct (such as data manipulation or plagiarism), ensuring strict compliance with environmental and safety regulations, ensuring adherence to ethical norms related to authorship and intellectual property, and ensure strict privacy and confidentiality of the participants

A) Further actions required (e.g., Mention the person responsible, description of hazard, details of action taken, date completed):

To Minimize the "risk of doing harm (Non-maleficence) to the research participants, the researcher will engage research participants in (1) strategic planning and priority setting to demonstrate how participants' harm (or distress and anxiety) will be lessen (2) seek informed consent of the participants and (3) and a comprehensive debriefing of the nature of harm they are likely to encounter, particularly, Psychological anxiety, Physical harm, social disadvantage, monetary loss, loss of privacy and anonymity, will be explained in advance to all research participants" (Laerd, 2017).

Obtaining informed consent from potential research participants.

Laerd (2017) affirms that "obtaining informed consent within the framework of ethical norms perfectly resonates with the underlying principles of research ethics. He further asserts that obtaining informed consent ensures that research participants are fully informed that (a) they are voluntarily and willingly engaged in research and (b) also provides the opportunity to clarify what is expected of them in the research processes. Voluntary nature of participation in research is another form of informed consent, as such, the research participants will be duly informed that they are volunteers who are taking part in research voluntarily and willingly without being forced to do so".

Protecting anonymity and confidentiality Canterbury Christ Church University (2014) argues that "ethical norms demand that research participants are ensured of their privacy, confidentiality and anonymity with a view to protect their rights and integrity. Canterbury Christ Church University (2014) further underscores that "standards of privacy and confidentiality protect the access, control and dissemination of personal information; such standards also help to protect mental or psychological integrity. The researcher will ensure that the principles of Protecting **anonymity and confidentiality of research participants is strictly adhered to and the** procedure for data storage and retention is strictly complied with. In every aspect, the researcher will take conscious effort to safeguard and protect the right, privacy and integrity of research participants and the confidentiality and anonymity their individual information". Laerd (2017)

affirms that "safeguarding anonymity, confidentiality, privacy and integrity of research participants is an essential ingredient of research ethics and norms. Anonymity and confidentiality nature of research gives confidence and credence for research participants to voluntarily give private or sensitive information, and as such, researcher will agree to hold such information in confidence, both in data and storage. If the identity and views of research participants may be required, then permission will be sought from research participants in prelude to disclosing such confidential information".

Avoiding deceptive practices: Laerd (2017) accentuates that "deceptive practices undermine the underlying principles of informed consent, when research participants are deceived and/or not informed of the purpose of research. In this study, the Researcher will strictly avoid any deceiving practices in the entire process of research. Canterbury Christ Church University (2014) concurs and argues that veracity and truthfulness are essential ingredients of informed consent, without which in deception, participants may not be able to exert their rights to justice and inclusiveness, fairness and informed consent".

Providing the right to withdraw: Laerd (2017) argues that "in any scientific research and in sync with the underlying ethical protocols for research, participants are endowed with the right to withdraw at will whenever they feel necessary. In this research, the Researcher has the obligation and mandate to carefully inform participants of the right to withdraw at will and whenever they withdraw, they will not be stopped. Also, the researcher will also fill in Ethics Consent form for submission to Ethics Committee on this front".

Autonomy: Canterbury Christ Church University (2014) asserts that "researchers must acknowledge that individual research participants have a right to define their own course of actions, judgements and decisions in sync with the principles of research ethics. Respect for research participants will be ensured by recognizing and appreciating their autonomy and their capability to make independent judgements and decisions, which underlie the tenets of informed consent. The fundamental ethical norm for research ethics and which protects the interests and concerns of the research participants is respect for human dignity which underlie autonomy. The right to autonomy, will be ensured and/or reflected in the informed consent form and will be explained to research participants and its implication".

Justice and Inclusiveness: Canterbury Christ Church University (2014) argues that "justice largely means fairness and equity for all research participants irrespective of their professional background to meaningfully participate in research. In this study, the Researcher will ensure that research protocols and ethics review processes are fair and transparent as well as will ensure that conventional procedures and standards for reviewing research protocols are fair and inclusive. The principle of justice and inclusiveness also ensures equitable distribution of harms, risks, and benefits of research to all research participants without necessarily over-burdening others. It also ensures that no particular section of the select group of people is unethically over-burdened with the risks of research and/or ensures that no individual or group is ignored or isolated from the research".

Respect for vulnerable Persons: In accordance with "the principles regarding human dignity, equity and human rights, caring, and fairness inclusive of ensuring special protection against abuse, discrimination and exploitation, the most deprived population and/or vulnerable such as the old, sick, the young, or differentially abled. In this research, the researcher will embody extraordinary measures and actions to protect their interests; where appropriate, with a view to protect their integrity as well as ensure respect for human dignity" (Canterbury Christ Church University, 2014). In situations where informed consent is not possible to be obtained from participants, then the researcher will provide explanations and justification.

The signatures below confirm that the hazard, risks, and appropriate control measures / procedures outlined above have been read and understood.
We the undersigned have assessed the activity and the associated risks and declare that the risks will be controlled by the methods listed.

Researcher's signature: Michael Steven Juma

Supervisor's signature: Stavros Sindakis

Date: 18/11/2018

Informed Consent Form / Certificate of Consent for Research Participants

This document consists of two parts: the **Informed Consent Form** (to share-information regarding research study) and the **Certificate of Consent** (for signatures). You will be given a copy of the full Informed Consent Form.
This Form is for research interventions that cover the following research activities: questionnaires, in-depth interviews, focus groups discussions, elicited conversation, observations, recorded listening, videotaped activities, and interviews.
[**NB**: Please use simple language and local and simplified words rather than scientific terms and professional jargon. In your explanation, consider local beliefs and knowledge when deciding how best to provide the information.]

Informed Consent Form for:	[Bank Employees/Senior Managers of the Bank/Bank Agents/Bank Customers/Government Representatives/Farmers
Researcher's Name:	Michael Steven Juma
E-mail:	mistephen@yahoo.com
Programme of Study:	DBA
Partner University:	University of Malawi
Project / Dissertation Title:	Analysis of Competitiveness and Competition of Commercial Banks in the midst of increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd.

Supervisor's name: Prof. Stavros Sindakis

Supervisor's e-mail: s.sindakis@unicaf.org

Part 1: Informed Consent Form

1. **Introduction**

My names are Michael Steven Juma, I am a doctoral student at Unicaf University [Malawi University]. I am currently undertaking research study to investigate and analyze the nature of Competition and Competitiveness of Commercial Banks during increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd.

Am inviting research participant(s) to take part in this research voluntarily and willingly. Would therefore like to inform research participants that they can take time to reflect on whether they want to participate or not and that they may talk to anyone they feel comfortable talking with about the research. In case any of the research participants do not understand some of the words or concepts, I will be available to explain them as you go along and that they are free to ask questions at any time during their participation in the research study.

2. The purpose / aims of the research

This research study has adopted mixed research technique with a view to carefully and explicitly analyze the underlying sustainable competitive business models (internal and external) and marketing strategies which have enabled the Cooperative Bank to achieve unique differentiation and competitive advantage, review existing forces of competition and investigate the impact of National Demand Conditions, contextualize the impact of its brand positioning and evaluate the explicit role of technological change and internationalization of its financial services in spurring and enhancing its competitiveness and rapid rise from a mere Cooperative Savings Society to a fully-fledged commercial bank in the competitive financial sector. The study aims to generate new body of evidence and knowledge to determine the underlying competition and competitive strategies and unrivaled business models which have enviably propelled Cooperative Bank to rapidly rise from a mere Cooperative Savings Society to a fully-fledged commercial bank, yet many Cooperative Savings Societies have tried in the past albeit have failed to reach this feat. It also aims to offer a structured and broad-overview and analysis of existing competitive advantages and competitive disadvantages of Cooperative bank of Kenya with respect to competition and competitiveness, and correlating turn around strategies to enable the bank to realize improved efficiency and operational effectiveness and to maintain sustainable Competitive advantage in the competitive financial sector. Following questions, may be asked from research participants.

Q1. What has over the years changed significantly in the financial sector in Kenya?

Q2. What are the main drivers of unique differentiation in the financial sector in Kenya and/or how has Kenya strategically positioned itself to be a financial hub in East Africa?

Q3. What factors have enhanced product differentiation in Cooperative bank?

Q4. What makes Cooperative Banking services uniquely differentiated?

Q5. What is the impact of existing competitive strategy of Cooperative bank inclusive of its short, long term and grand strategies in enhancing its competitiveness in the industry?

Q6. What Cost advantage strategies have Cooperative Banking adopted to enhance sustainable differentiation and competitive success in the financial sector?

Q7. How has the adoption of technological change helped in improving the competitiveness of Cooperative bank?

Q8. What is the impact of branding, brand positioning and marketing in enabling the bank to achieve sustainable competitive advantage?

Q9. How important is Quality, reliability, service, and value for money (QRSV) in creating and sustaining competitive success of the Cooperative bank?

Q10. What do you consider as Unique Selling Propositioning strategies adopted by Cooperative bank to enhance its competitive advantage?

Q11. What is the impact of internationalization and globalization of Cooperative bank services in creating and sustaining competitive advantage and competitive intelligence in the banking industry?

Q12. Please indicate the most principal factors you consider when deciding to choose Cooperative Bank services?

Q13. What do you consider as important aspects of customer care services in the Cooperative Bank?

Q14. In your opinion what would be the role of the government regulations in creating and sustaining competitive advantage for Cooperative bank?

3. Participation in the research

This research study has adopted mixed research methodology (Quantitative and Qualitative Research techniques), and as such, research participants will be required to engage in constructive discussions either through Qualitative research methodology, particularly in Focused Group discussions (FGDs), personal interviews (one-on-one using questionnaires), self-administered (mail or Internet) surveys, and telephone interviews or through Quantitative research methodology particularly in face-to-face interviews, telephone interviews, longitudinal studies etc. Each discussion will take approximately 30 minutes at your offices. Notably, research participants may choose not to respond to questions they do not want wish to respond to.

4. Participant selection

The research has adopted non-probability sampling technique with focus on purposive sampling within the framework of qualitative research methodology, whilst Probability sampling technique with focus on **Stratified Random Sampling** has been adopted in this research within the framework Quantitative research technique. As such, you have been duly selected through purposive sampling and stratified Random Sampling to generate useful information for this research**.** Research participants will include Senior bank Officers, bank employees, Bank Agents, Govern Representatives in charge of commercial bank regulation, Cooperative Savings Societies, Customers and Farmers.

5. Voluntary participation

Participation in this research is entirely voluntary and includes the right to withdraw. Participants have the freedom/right to withdraw at any stage of the study without any consequences. Participants also can review their remarks at the end of the interview, and they may stop participating at any time during discussions/interviews. Participants can request a printed copy of the interview transcripts and request

amendments out of the final copy of the transcript.

6. Risks and benefits to participants

The research study has myriads of benefits not only to Cooperative Bank of Kenya and its employees, but also to the entire financial sector. The study will bring new body of evidence-based knowledge on the underlying sustainable competitive business models (internal and external), National Demand Conditions and marketing strategies which have spurred and enhanced the competitiveness and rapid rise of Cooperative Bank from a Cooperative Saving Society to a fully-fledged commercial bank in the competitive banking sector. The study also aims to offer a structured and broad-overview and analysis of existing competitive advantages and competitive disadvantages of Cooperative bank of Kenya with respect to competition and competitiveness, and correlating turn around strategies to enable the bank to realize improved efficiency and operational effectiveness and to enable it to maintain sustainable Competitive advantage in the competitive financial sector. The results would be used for benchmarking and spurring reverse innovation and increasing financial inclusion as well as for fostering process improvement and setting clear roadmap for transforming Cooperative Saving Societies to realize improved efficiency and operational effectiveness in the financial sector.

7. Confidentiality

To safeguard and protect the rights and safety, anonymity, and confidentiality of research participants, will not be sharing or giving participant's information to anyone and that this will be kept safe and private. Any information about the participant will have a number on it instead of the participant's name. Only the researcher(s) will know the participant's name, therefore participant's information would not be potentially identifiable, for example, in any published material. You may be rest assured that your responses and personal data will be used only for academic and statistical analysis purposes, and all the information will be treated with utmost confidentiality. Upon completion of the data analysis, verification, and validation, stored will then be destroyed by November 2020.

8. Sharing the results

Research findings will be shared with the participants through a debriefing session.

9. Contact details

s.sindakis@unicaf.org

Part 2: Certificate of Consent
This section is mandatory and should be signed by the participant(s)

I have fully read the information regarding the study, and/or it has been read to me. I have had enough opportunity to ask pertinent questions as well as comprehensively discuss about it. I have received satisfactory answers to all my questions, and I have received enough information about this study. I understand that I have the right and will voluntarily withdraw from this study at any-time without giving a reason for withdrawing, and without negative consequences. I consent to the use of multimedia for the purposes of my participation to this study. I understand that my data, will remain anonymous, and confidential. I consent-voluntarily to be a participant in the study.

Print name of-Participant:

Signature of-Participant:

Date:

If, illiterate:
I have clearly witnessed the accurate-reading of the consent-form to the potential-participant, and the individual has had the opportunity to ask critical questions for clarification. I confirm that the individual has-given consent freely.

Print name-of witness:

Signature-of witness:

Date:

Debriefing Form Template

Debriefing refers to the process by which the researcher takes the opportunity, once data has been collected and verified, to clearly provide participants any necessary or additional information to enable them clearly to understand the nature-of the researcher's project / dissertation.

A Debrief Form should, include the following:

- The title of the study
- Thank the participant for taking part in the study.
- Provide a description on the nature of the investigation. Ensure that the language used to describe the study is appropriate to the participant population i.e., a psychology student will have a much greater understanding of the terminology or jargon than a member of the public. The Form should also include the aim of the research, details of the task's participants were asked to undertake, how each task is measured and the researcher's hypothesis (if appropriate).
- Provide us assurance that data will be held confidential or anonymous as appropriate and that participants have the right to withdraw their data retrospectively and without explanation.
- Provide contact details of the researcher (and supervisor in the case of dissertation):

Name of researcher	**Name of Supervisor**
Unicaf contact details	Unicaf Supervisor Contact details
DBA-X001	**DBA-Y001**
Title of the study	Analysis of Competitiveness and Competition of Commercial Banks amid increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd.
Thank you to participants	Thanking all participants for taking part in the study
Description of study	The study has adapted mixed research methodology whilst embodying both Qualitative and quantitative research techniques. Qualitative research methodology will use Focused Group discussions (FGDs), personal interviews (one-on-one using questionnaires), self-administered (mail or Internet) surveys, and telephone interviews with a view to collect substantive and high-quality data. For Quantitative research methodology and to effectively quantify underlying problems by way of generating numerical data or data-sets that can be analyzed and transformed into useable

	statistics, will use multiple methodologies such as face-to-face interviews, telephone interviews, longitudinal studies etc. The purpose of this mixed research study is to carefully and explicitly analyse the underlying sustainable competitive business models (internal and external) and marketing strategies which have enabled the Cooperative Bank to achieve unique differentiation and competitive advantage, review existing forces of competition and investigate the impact of National Demand Conditions, contextualize the impact of its brand positioning and evaluate the explicit role of technological change and internationalization of its financial services in spurring and enhancing its competitiveness, renewed growth and rapid rise from a mere Cooperative Savings Society to a fully-fledged commercial bank in the competitive financial sector.
Confidentiality of the study	To safeguard and protect the rights and safety, anonymity, and confidentiality of research participants, will not be sharing or giving participant's information to anyone and that this will be kept safe and private. Any information about the participant will have a number on it instead of the participant's name. Only the researcher(s) will know the participant's name, therefore participant's information would not be potentially identifiable, for example, in any published material. You may be rest assured that your responses and personal data will be used only for academic and statistical analysis purposes, and all the information will be treated with utmost confidentiality.

Gatekeeper Letter Template

Address:

Date:

Subject: Request for participation in research

Dear XXX,

I am a doctoral student at Unicaf University [Malawi University]. As part of my degree, I am carrying out a study on **Analysis of Competitiveness and Competition of Commercial Banks amid increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd.** Writing to enquire whether you would be interested to participate in this research.

Subject to approval by Unicaf Research Ethics Committee (UREC) this study will be using mixed research methodology whilst embodying both Qualitative and quantitative research techniques. Qualitative research methodology will use Focused Group discussions (FGDs), personal interviews (one-on-one using questionnaires), self-administered (mail or Internet) surveys, and telephone interviews with a view to collect substantive and high-quality data. Non-probability sampling technique with focus on purposive sampling has been adopted in the qualitative research methodology. For Quantitative research methodology and to effectively quantify underlying problems by way of generating numerical data or data-sets that can be analyzed and transformed into useable statistics, will use multiple methodologies such as face-to-face interviews, telephone interviews, longitudinal studies etc. Probability sampling technique with focus on Stratified Random Sampling has been adopted in this research within the framework Quantitative research technique. Research participants will include Senior bank Officers, bank employees, Bank Agents, Govern Representatives in charge of commercial bank regulation, Cooperative Savings Societies, Customers, and Farmers.

The title of this research: Analysis of Competitiveness and Competition of Commercial Banks during increasingly expanding mobile banking services in Kenya: Case study of Cooperative Bank of Kenya Ltd.

Purpose: The overall purpose of this mixed method research study is to carefully and explicitly analyze the underlying sustainable competitive business models (internal and external) and marketing strategies which have enabled the Cooperative Bank to achieve unique differentiation and competitive advantage, review existing forces of competition and investigate the impact of National Demand Conditions, contextualize the impact of its brand positioning and evaluate the explicit role of technological change and internationalization of its financial services in spurring and enhancing its competitiveness, renewed growth and rapid rise from a mere Cooperative Savings Society to a fully-fledged commercial bank in the competitive financial sector.
Name of supervisor: **Prof. Stavros Sindakis**

You may be rest assured that your responses and personal data will be used only for academic and statistical analysis purposes, and all of the information will be treated with utmost confidentiality. This process takes approximately 40 minutes. **Please-fill-in the-attached questionnaire, and submit it or email it to; mistephen@yahoo.com**

Thank you in advance for your time and for your consideration of this project. Kindly please let me know if you require any further information or need any further clarifications.

Yours Sincerely,

Michael Steven Juma

Student Name: Michael Steven Juma
Position:
Address: India
Telephone Number: +919755552404
E-mail: mistephen@yahoo.com

Supervisor's name: **Prof. Stavros Sindakis**
Position: Lecturer
Address: UNICAF
E-mail: s.sindakis@unicaf.org