

Analysis of Generic Strategies' Influence on Competitiveness of Equity Bank Limited in Kenya

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Abstract

Commercial Banks are encountering enormous competition from their rival financial firms.. To avoid death of commercial bank due to lack market, logical application of generic strategies is a must so that they remain competitive in the market. This research project has sought to analyze the influence of generic strategies on the competitiveness of Equity Bank Ltd, Kenya. The results from data analysed depicts that cost leadership strategy influence on competitiveness of Equity Bank Ltd in Kenya is reducing . Similarly, the influence of market segmentation strategy on competitiveness of Equity Bank Ltd is giving the Bank a good status towards winning it's business rivals. Moreover , the influence of focus strategy on the competitiveness of Equity Bank Ltd in Kenya is low . To conclude, the Equity bank Ltd in Kenya should incorporate thoroughly the sub- variables of cost leadership, differentiation and focus strategy as indicated by the conceptual framework of this researched project so as to gain more competitiveness. I recommend Equity Bank Ltd, Kenya to strengthen cost leadership and focus strategies' formulation and implementation process. Meanwhile , Equity bank Ltd should revise generic strategies so as to be more competitive globally. Meanwhile the government of Kenya should revise its policies to give longer working hours in the banking hall to reduce effects of long wait time,. Further research is needed in future on this same topic but on a global scale amidst worst scenarios like covid19 restrictions.

Keywords: Energy, Combative, Deligence, Drive and Capitalistic.

Introduction

1 . Background to the Study

Commercial bank worldwide are encountering stiff competition from amongst themselves, new firms entering financial sector and substitute commodities in the banking sector and unless they revise their generic strategies continuously, they will collapse. Generic strategy is the starting point for any firm pursuing competitiveness in the market place. In the Kenyan context, commercial banks are also undergoing strenuous job of trying to outdo their competitors who include mobile phone operators, industrial rivals and so on. Wesulah (2016) did a study to find out strategies for winning over competition being by practiced by Barclay's bank Ltd, Kenya and discovered that cost leadership, differentiation and diversification were being applied at the time the study was done.

At a local context, Equity Bank Ltd in Kenya just like any other commercial bank in the World is facing stiff competition from other commercial banks, non-banking financial institutions, savings and investment banks as well as competition from telecommunications industry. In the mobile phone money transfer Equitel of Equity Bank competes with Mpesa of safaricom, Orange Money, Airtel money. In the financial year ended 31/12/2017 Equity Bank Ltd, Kenya realized a 13.9% increase in net profit up to 18.9 billion brown from 16.6 billion shillings in the financial year ended 31/12/2016 as other Banks got a drop in their profit margins (Patrick, 2018).

In the same year, Equity Bank saw a decrease in total costs by 2% to 65.2 billion shillings to high level of digitization, loan loss provisions went down by 48% (3.2 billion). On the same note, The said Bank realized a decline in the net interest income from 41.8 billion in the year ended 2016 to 37.6 billion shillings in the year ended 31/12/2017 (Patrick, 2018). According to Charles (2019), Equity Bank Ltd in the year 2018 experienced a growth in its total loans lend from 279 billion shillings to 279 billion of the previous year 2017 that is 7% growth. The Bank also received an increase in total deposits from 373 billion shillings to 423 billion. The interest income rose from 48 billion shillings in year 2017 to Sh 53 billion in year 2018 which converts to 10% increase. Being the Bank with largest customer base, the Bank need to draw generic strategies that will keep its products attractive to the customers sustainably.

Competitiveness

Kimberly (2017) asserts that a competitiveness refers to what makes a firm to operate in a better way than its competitors in the market. The competitiveness can be achieved by adopting generic strategies. Three things need be considered by Bank manager before engaging into battle for being the best of all in the market. These include: benefits of a product, target market and the competition. Firstly, the benefits of product needed by the customers and its real value must be planned for so that the customers will prefer that product instead of products from competitors. The cost of producing the product must be calculated so that firm can price the product considerably for the level best for the customer and business unit.

Secondly, the firm must contemplate on the target market i.e. those who need the product because without this section of competitiveness the product is a dead project. Lastly but not the least, the firm, should consider the competition aspects of the market attractiveness. In this case competition refers to a customer will use to meet needs instead of buying your product e.g. a commercial bank should not only consider competition from another commercial bank but also competition from mobile phone operators like Safaricom's Mpesa services (Esther, 2014). Accordingly, the firm seeking competitiveness must calculate long lasting benefits from a product which are not easily duplicated by competitors by ensuring the company's values and the culture corresponds to the company's goals. In this case employees of the firm must work as per company's goals (Kimberly, 2017).

Similarly according to Capozzi (2017), a competitiveness refers to capability in a firm to outdo the other market rivalry businesses which may be due to natural resources like strategic geographical location, high value raw materials, high entry barriers, alliances and so on. Value proposition of a firm when planning for its competitiveness very important so as to increase expectations of buyers and also make customers be loyal to firm's product.

Bitok (2015) defines competitiveness as ability of firm to produce items at the lowest price and or products more superior than those of its rivals leading to profits margin or sales volume

higher than those of its competitors. In this dimension, the competitive advantage maybe derived from the firm's cost structure, brand, quality, customer service, intellectual property etc. The stronger the competitive market advantage the more difficult it is for competitors to imitate. Competitiveness can be approached as in Table 1.

Table 1

Source and Scope of competition

Source and Scope of Competitiveness		
scope:	Broad scope	Narrow scope
Source		
Costs Advantage	Cost leadership strategy	Cost focus strategy
Differentiation Advantage	Differentiation leadership strategy	Differentiation focus strategy

Statement of the Problem

Equity Bank like other commercial bankers in Kenya encountering tough competition in the financial industry from other financial service providers such as microfinance institutions, mobile money service providers (Mpesa, Airtel). Ideally, Equity Bank Ltd, being the Bank with the largest customer base ought to be earning the highest profit. However, other financial institutions like Safaricom company Ltd in the financial year 2017/18 scooped a pre-tax profit of Shs 55.3 billion higher than Equity Bank's Shs 15.8 billion of the same year. This means there's need to analyze this situation. Many studies have been done to find out how generic strategies do influence profitability of Banks. However, little documented studies exist about outcome of generic strategies on competitiveness of Equity company Ltd as a Bank. Bitok (2015) of the University of Nairobi did a study to find out strategies practiced by Equity Bank Ltd, Kenyanwide to achieve a competitive advantage but the study does not show a conceptual framework. Kung'u (2015) of the University of Nairobi did a study to find out highly competing strategies put in by Equity Bank Ltd countrywide in order to stomach technological changes yet the paper contains no conceptual framework. Similarly Nyaga (2016) of University of Nairobi conducted a study to establish competitive strategies put in place by Equity Company Ltd as commercial Bank to influence its performance in the eyes of customer but the researcher displayed not the conceptual therefore this is the main thrust of this research project.

Significance from the Study

Regoniel (2015) points that "significance of the study includes the main beneficiaries of the research findings "which in this case will include the following: The knowledge generated from this study will be used to expand content taught in the Universities, colleges and schools and therefore offer relevant courses that match with the changing Learners' needs. Moreover strategy formulators and implementers will use the knowledge generated to formulate properly generic strategies to improve the profitability levels in the business firms. Likewise Researchers will use the knowledge generated from this research study as a stepping stone for next generations' researches. In the same note various commercial Banks and other companies can apply findings from this research to boost their strategic management

process and be sustainable firms in the marketplace amidst stiff competition from their business rivals .

Similarly Equity Bank is going to adapt information so identified in this study to strengthen its weak areas and aim higher than the current goals in the run for its customers and be a company of choice in the eyes of its customers. Moreover the MKU will use findings from this research exercise to improve its competitiveness against it's business rivals . Similarly, the government of Kenya will use this research's findings to improve its policy and decision making making process in order to be competitive in its service provision to it's citizens amidst competition from foreign countries' products

The Objectives of the Study

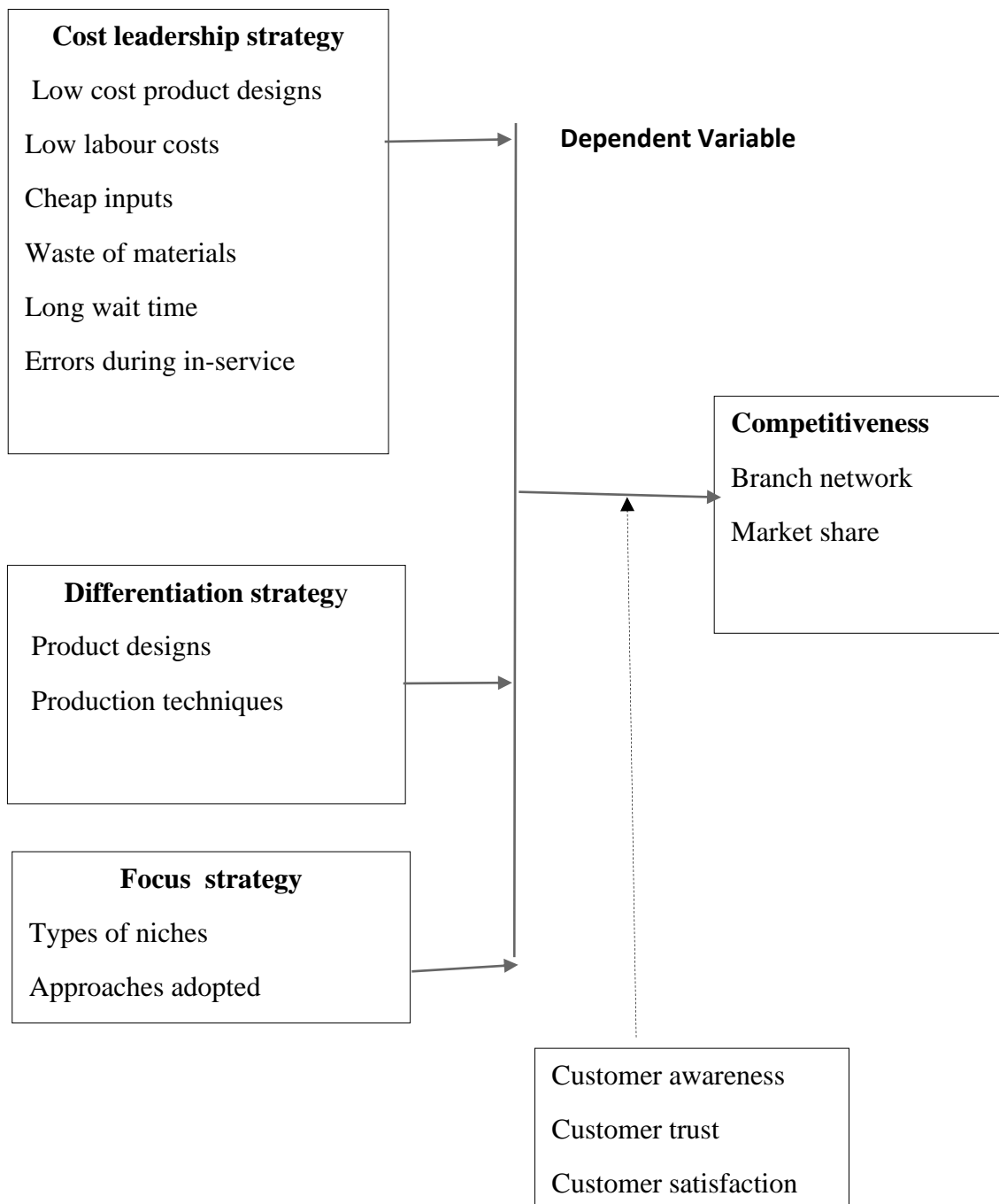
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- a) To analyze influence of cost leadership strategy on competitive power of Equity Bank Ltd, Kenyanwide.
- b) To establish the influence of differentiation strategy on competitive ability of Equity Bank Ltd, Nationwide in Kenya
- c) To determine the influence of focus strategy on competitive possibility of Equity Bank Ltd, across it's branch network in Kenya
- d) To show the influence of generic strategies on the competitive strength of Equity Bank Ltd, Countrywide within Kenya

Conceptual Framework

its graphical presentation of major concepts in a research study as shown below

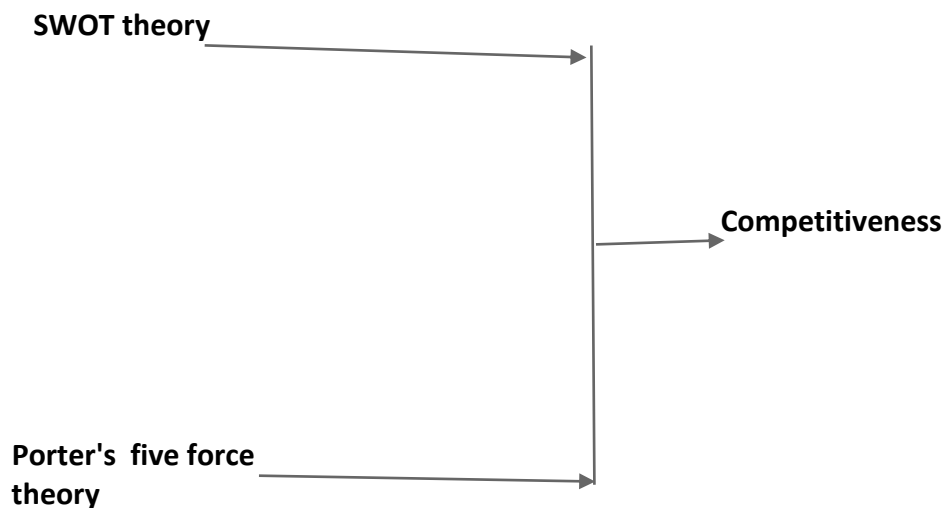
Independent variables



Intervening Variables

Theoretical framework

its graphical representation of major theories underpinning the whole research exercise as shown in below chart



Research Design and Methodolog

Introduction

This slot of research proposal gives information on which method of research to be applied, steps of doing research exercise, the research subject, where the research will be conducted, sampling method and steps, sample population, data collection and analysis techniques and and steps. It also gives ethical considerations to governing the researcher.

Research Methodology

According to Labaree (2016) research methodology answers why a particular method of research was applied to gather and analyse facts. This project project underpins interpretive and numeric research methods in gathering and generalizing data about how Kenyan commercial banks are adopting generic strategies to gain and maintain their competitive advantage because its more informative method as there are many commercial banks in Kenya. Likewise its worthy because it gives a relatively true picture of what the researcher wishes to get.

Research Design

Labaare (2014)calls research design as a plan to chosen to combine many parts of the study in a coherent manner to ensure that a research problem is well addressed. As for this project, descriptive research design has been applicable where generic strategies form the independent variables while competitive advantage is the dependent variables.

Location of the Study

This outlines actual geographical place where the data collection exercise will take place. For this study, facts and figures will be collected at the Equity bank's headquarters located in Nairobi. The questionnaires were issued to the management staff at the headquarters of

Equity Bank in Nairobi to fill in the responses needed for the research study in the data collection exercise to make valuable generalization on the application of generic strategies by the Equity Bank to be marketable (Frank & Lindsay, 2012).

Target Population

This relates to the whole category of people in which the researchers are concerned so as to draw general conclusions. Target population is also called theoretical population (DJS, 2017). The theoretical population in this project was 50 managers in the headquarters of equity Bank which is located in Nairobi.

Table 2

Target Population

<u>Level of Management</u>	<u>Number of Managers</u>	<u>% of Target Population</u>
Middle Management	17	42.5
Lower Management	23	57.5
Total	40.0	

Source: Equity Bank Ltd. Newsletter (2018)

Census Method

Katrina (2012) explains the sampling procedure as steps undertaken to choose a sample from the whole population. A sample size was determined using census. In this research study, census was used where all respondents in the target audience were involved in the study. Census was used where all features per group for instance lower level, middle level and higher level management staff at the Equity Bank's headquarters in Nairobi were involved (U.s Census Bureau, 2018). Every manager in each strata/level was given a questionnaire to fill in, and return to the researcher.

Table 3

Sampling Grid

<u>Level of Management</u>	<u>Target Population</u>	<u>No. of Managers</u>	<u>% of Sample</u>
Middle management	17	17	42.5
Lower Management	23	23	57.5
Total	40	40	100.0

Source: Researcher(2019)

Assembly of Research Instruments

Godfred (2015) defines research apparatus as tools selected to be used to collect data during research study. These research tools need to be selected wisely since reliability and validity of data collected largely depends on the tools used during the research study. Data collection instruments during the study included questionnaire containing open and closed questions that is questions involving background information of the respondents, cost leadership stratagem, differentiation stratagem, focus stratagem and competitive strength..

Reliability of Instruments

Christopher (2016) explains that test reliability means that test will give same results if conducted more than one time to the same or different group of respondents. Thus reliability of questionnaires was fostered through test- retest method. The Coefficient of Cronbach Alpha was used as a measure of consistency inside test items that is how consistent do the respondent answer to a given set of items.

$$\alpha = \frac{N * \acute{c}}{\bar{u} + (N - 1) * \acute{c}}$$

α = Cronbach alpha's coefficient

N = Total of test items

\acute{c} = Mean of inter-item covariance

\bar{u} = Mean variance

Techniques and Steps of Data Collection

Unreserved and reserved inquiries in the examination were used (Labaree, 2014). Procedures for data collection was firstly lacquired a permit from government of Kenya and from the Mount Kenya University. Then i hired a third party to issue questionnaires to respondents to fill by use of stratified random sampling .

Data Analysis, Results and Findings

Introduction

This chapter presents the research findings and discusses the results of the analysis with reference to the specific objectives. The chapter entails questionnaire response rate, demographic statistics, Cronbach's reliability test, cost leadership strategy statistics, differentiation strategy statistics, focus strategy statistics, competitiveness of Equity bank statistics and multiple regression analysis. The purpose of this study was to analyze the influence of generic strategies on the competitiveness of Equity Bank Ltd, Kenya.

Response Rate

The questionnaires were distributed to the sampled employees of Equity bank headquarters, Nairobi region. Out of the 50 Questionnaires, only 40 questionnaires were well completed and returned to the researcher. The unsuccessful questionnaires were insignificant and could not interfere with the credibility and reliability of the final results of the study and its extrapolation to the entire section of the business. The successful respondents also produced consistent results.

Table 4

Response Rate

	f	Percent
Successful	40	80.0
Unsuccessful	10	20.0
Total	50	100.0

Source: Data (2021)

2(a) Demographic Statistics

Demographics are characteristics of a population. Demographics considered in this study included gender, age, academic management level and generic strategies opinion of the respondents. These factors were arrived at after assessment of the groups of respondents.

3(b) Respondents' gender statistics

The study sought to establish the gender distribution of the respondents who participated in the study. The results are presented in Table 5 .below

Table 5

Gender statistics

	f	Percent
Male	22	55.0
Female	18	45.0
Total	40	100.0

Source: Data (2021).

2(c) Respondents age statistics

Information on the age bracket of the respondents was analyzed and presented in the Table 6 below.

Table 6

Age statistics

	f	Percent
30 years and below	18	45.0
31 – 40 years	8	20.0
41 – 60 years	11	27.5
Above 60 years	3	7.5
Total	40	100.0

Source: Data (2021)

2(d). Level of management statistics

The respondents were requested to indicate their level of management at Equity bank limited. The analyzed results are presented in Table 7 below.

Table 7

Management level statistics

	f	Percent
Middle Level	17	42.5

Lower Level	23	57.5
Total	40	100.0

Source: Data (2021).

Adoption of generic strategies' statistics

The study sought to establish the respondents' opinion on the Equity bank adoption of generic strategies to gaining competitiveness. The results of the analysis are presented in the Table 8 below.

Table 8

Adoption of generic strategies analysis

	f	Percent
Yes	27	67.5
No	13	32.5
Total	40	100.0

Source: Data (2021).

Cronbach's Reliability Test

Table 9 given below is the reliability statistics table which provides the value for Cronbach alpha which in this case is .968 and reflects high reliability of the measuring instrument. In addition it shows that the items have relatively high internal consistency.

Table 9

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Based on N of Items
.968	.974	8

Source: Data (2021)

Table 10 Item Total Statistics presents the results for Cronbach Alpha if Item Deleted. It is the measure of Reliability to determine the "Item" which when deleted would enhance the overall reliability of the measuring instrument.

Table 10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Low cost design statistics	15.6750	26.533	.909	.906	.962
Wastes of materials	14.9250	22.584	.920	.954	.965
Modular design to serve all customers	15.4750	23.487	.926	.934	.961
Batch production	15.7500	25.987	.939	.949	.960
Adopting cost focus strategy	15.8000	26.215	.928	.921	.961
Serving customers of specific cultural background	15.2000	26.472	.848	.924	.965
Bank's total sales	15.1500	28.951	.793	.751	.970
Financial year by more revenue	14.8750	25.497	.907	.892	.961

Source: Data (2021)

As Table 10 shows, other than bank's total sales last financial year positive influence by new customers that joined it, if one delete any other question then the reliability will result to lower Cronbach Alpha. However the Corrected Item-Total Correlation value (which denotes the correlation between each item or question within the questionnaire and total reliability score of the questionnaire) for the bank total sales is very low i.e. .793 and therefore low correlation indicates that we should consider removing the item from the overall questionnaire.

Analysis of Cost Leadership strategy versus competitive effectiveness of Equity Bank Ltd Kenya

Low Cost Product Designs Analysis

The study sought to find out the respondents' response on the bank usage of low cost product designs always to maximize its revenue. The results are as presented in the Table 11 below.

Table 11

Low cost product design analysis

	f	Percent
Strongly Agree	12	30.0
Agree	21	52.5
Not Sure	7	17.5
Total	40	100.0

Source: Data (2021).

Low Labour Costs Analysis

The researcher sought to find out the respondents' response on bank experiencing low labour costs optimally. The results are presented in the Table 12 below.

Table 12

Low labour costs

	f	Percent
Strongly Agree	17	42.5
Agree	7	17.5
Not Sure	13	32.5
Disagree	3	7.5
Total	40	100.0

Source: Data (2021).

Cheap input analysis

The researcher sought to find out whether the bank is always seeking to buy cheap inputs. The analysis of the results are presented in the Table 13 below.

Table 13

Buying Cheap Inputs

	f	Percent	Mean	Std. Deviation
Agree	10	25.0		
Not Sure	17	42.5		
Disagree	13	32.5	3.0750	.76418
Total	40	100.0		

Source: Data (2021)

Waste of Materials Statistics

The study sought to find out the respondents' response on the bank experiencing much wastes of materials in its service provision regularly. The results are as shown in Table 14 below.

Table 14

Wastes of materials

	f	Percent
Strongly Agree	7	17.5
Agree	13	32.5
Not Sure	8	20.0
Disagree	12	30.0
Total	40	100.0

Source: Data (2021)

Long wait time at the banking hall statistics

The researcher sought to find out the respondents' response on the bank customers experiencing long wait time at the banking hall. The results are as shown in table 15 below.

Table 15

Long wait time at the banking hall

	f	Percent
Agree	22	55.0
Disagree	6	15.0
Strongly Disagree	12	30.0
Total	40	100.0

Source: Data (2021).

Errors during in-service training statistics

The researcher sought to find out the respondents' response on the variable statement that the bank's new recruits oftenly makes many errors during their in – service training. The results are as shown in Table 16 below.

Table 16

Errors during the in-service training

	f	Percent
Agree	20	50.0
Not Sure	5	12.5
Disagree	15	37.5
Total	40	100.0

Analysis of Differentiation strategy on competitive attractiveness of Equity Bank Ltd Kenya

Table 17

Differentiation strategy analysis

	S A (%)	A (%)	NS (%)	D (%)	SD (%)	Mean (%)	Std. Deviation (%)
The bank uses modular design to serve all customers in the market satisfactory	32.5	40.0	15.0	12.5		2.0750	.99711
The Bank uses mass customization to serve all customers promptly as their needs change.	10.0	40.0	37.5	12.5		2.5250	.84694

The Bank is using robust design to achieve differentiation strategy optimally	10.0	50.0	27.5	12.5	2.5500	1.10824
The Bank has adopted batch production to balance quality and quantity of its services	37.5	45.0	17.5		1.8000	.72324
The Bank has utilized lean production to increase its efficiency	15.0	52.5	32.5		2.1750	.67511
The Bank uses Just - in -Time production to improve service delivery	17.5	57.5	2.5	22.5	2.3000	1.0779

Source: Data (2021)

Table 18

Focus Strategy Analysis

Analysis of Focus strategy and competitive success of Equity Bank Ltd Kenya

	SA (%)	A (%)	NS (%)	D (%)	SD (%)	Mean (%)	Std. Deviation (%)
The Bank has been adopting cost focus strategy in specific niches during off peak seasons.	40.0	45.0	15.0			1.7500	.70711
The Bank is adopting differentiation focus strategy in specific niches during peak seasons.		72.5	27.5			2.2750	.45220
The Bank is currently serving customers of specific cultural background reliably	15.0	35.0	50.0			2.3500	.73554
Some products offered are purely for customers of specific geographic regions		77.5			22.5	2.6750	1.26875
The Bank has products strictly meant to reach out to customers of specific demographics.	12.5	60.0	15.0	12.5		2.2750	.84694

Competitiveness Statistics

The researcher sought to find out the influence of generic strategies on the competitive strength of Equity Bank Ltd, Countrywide within Kenya. The results are presented in the Table 19 below.

Table 19

Competitiveness Statistics

	Mean	Std. Deviation
The Bank's total sales last financial year were positively influenced by new customers that joined it.	2.4000	.49614
The Bank's total sales last financial year were positively influenced by its wide product mix	1.3750	.58562

The Bank's total sales last financial year were positively influenced by increased number of calls by sales persons to the prospective buyers	3.6000	.70892
The Bank's branches country wide last financial year created more revenue through consumer cheque program	2.6750	.79703
The Bank's branches country wide last financial year increased revenue volume satisfactorily through increased business cheque program.	2.4500	.87560
The Bank's branches country wide last financial year reduced considerably of the number of fraud cases through proper screening of new accounts' opening.	1.8750	.75744

Source: Data (2021)

As shown in the Table 19, the analysis of the competitiveness variables is presented. Descriptive statistics of the responses were presented inform of mean and standard deviation.

Regression Analysis

The study sought to analyze the impacts of generic strategies on competitive capability of Equity Bank, Ltd, in Kenya. A multiple regression analysis model was used to show the relationship between dependent variable (competitiveness of Equity Bank) and the independent variables (cost leadership strategy, differentiation strategy, focus strategy and generic strategy). A correlation coefficient (R) indicates the degree of association between dependent variable and the independent variables. A coefficient of determination (R^2) that is equal to or more than 70% indicates a strong correlation between dependent and independent variables. The overall significance of the model was tested using F-test at 5% level of significance and the significance of the regression coefficients were tested using T-tests at 5% level of significance. P-values for T-test and F-test below 0.05 meant a significance relationship between the variables. The results of the analysis are presented in the following tables.

Table 20

Strength of the Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.939 ^a	.886	.875	.299	.394

Source: Data (2021)

From Table 20, the value of R is 0.939 and R^2 is 0.886. An R^2 0. 0.886 means that 88.6% of variations in competitive capability of Equity Bank are explained by changes in cost leadership strategy, differentiation strategy, focus strategy and generic strategy. The remaining 11.4% of variations in competitive capability of Equity Bank, Ltd, in Kenya is explained by other factors outside the model. This implies a moderate relationship between the variables hence

the model is fairly reliable in predicting the changes in competitive capability of Equity Bank, Ltd, in Kenya.

Regression Analysis Model

In determining the cause-effect relationship between the dependent variable and the explanatory variables, the multiple regression model analysis was used. The regression coefficients were tested using t-test at the 5% level of significance. The results are presented in Table 21 below

Table 21
Coefficient of Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.342	.110		3.104	.003	.122	.562
Cost leadership strategy	-.163	.112	-.235	-1.448	.032	-.387	.061
Differentiation strategy	.279	.082	.399	3.407	.001	.116	.443
Focus strategy	-.139	.123	-.154	-1.131	.042	-.385	.106

Source: Data (2021)

From Table 21, the constant is 0.342 implying that Competitiveness of Equity Bank, Ltd, in Kenya will increase by 0.342 units when cost leadership strategy, differentiation strategy, focus strategy and generic strategy are all held constant. The coefficients for cost leadership strategy, differentiation strategy, focus strategy and generic strategy are -0.163, 0.279, -0.139 and 0.671 respectively. Cost leadership strategies and focus strategies are less productive towards achieving competitiveness of Equity Bank Ltd in Kenya as can be seen that they carry negative coefficient respectively. Therefore the model is presented as follows

$$Y = 0.342 + (-0.163X_1) + 0.279X_2 + (-0.139X_3) + \epsilon$$

Where:

Y = Competitiveness of Equity Bank, Ltd, in Kenya

α = Correlation coefficient

β_1, β_2 and β_3, β_4 = Coefficients of determination of the independent variables

X_1 = Cost leadership strategy

X_2 = Differentiation strategy

X_3 = Focus strategy

X_4 = Generic strategy

ϵ = Error term

Table 22
Significance of the model

Model	Sum of squares	df	Mean square	F	Sig
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1	Regression	46.730	4	11.683	130.707	.00 ^b
	Residual	6.257	70	.089		
	Total	52.987	74			

Source: Data (2021)

a. Dependent Variable: Competitiveness of Equity Bank, Ltd, in Kenya

b. Predictors: (Constant), cost leadership strategy, differentiation strategy, focus strategy and generic strategy

The results in Table 22 indicates an F-test value of 130.707 with a P-value of $0.00 < 0.05$. This implies that the overall model is significant in explaining the variations in competitiveness of Equity Bank, Ltd, in Kenya

Summary, Conclusion and Recommendations

Introduction

This chapter offers information on the summary, conclusions and recommendations by the researcher on the research project.

Summary of the Research

The summary of the research involves highlighting key points in the research project.

Cost leadership strategy influence on competitiveness of Equity Bank Ltd Kenya

From the results analysed in this research project. From the research I have currently done, Low cost product design as well as cheap inputs do not seem to be achieving much cost leadership influence on the competitiveness of Equity Bank Ltd in Kenya compared to low labour costs on the same note. Errors during in - service training plus the long wait time in the banking hall contributes greatly on the Equity Bank Ltd in Kenya not achieving much competitiveness as far as cost leadership strategy is concerned. Waste of materials do not seem to be a drawback towards achieving competitiveness as can be seen from the data so analysed. In general there is but minimal influence of cost leadership be strategy on the competitiveness for Equity Bank Ltd in Kenya as shown by negative coefficient on linear regression model of the said strategy.

Differentiation strategy influence on competitiveness of Equity Bank Ltd Kenya

On the differentiation strategy, the use of modular designs, mass customization, batch production, robust design, lean production and just-in-time product designs have positively influenced the competitiveness of Equity Bank Ltd in Kenya. Thus there is a strong relationship between differentiation strategy and the competitiveness of Equity Bank Ltd in Kenya as shown by the data analysed in chapter four.

Focus strategy influence on competitiveness of Equity Bank Ltd Kenya

Under focus strategy influence on the competitiveness of Equity Bank Ltd in Kenya, use of cost focus in specific niches during off season, and serving customers of specific cultural background has not attained much competitiveness on the Bank in question. As can be seen on the data findings of this current research , use of differentiation focus strategy on the specific niches during peak seasons , offering products of pure geographical regions and also

selling products of pure demographics has enabled Equity Bank Ltd in Kenya to achieve its competitiveness

Meanwhile I can say that Equity Bank Ltd has realized some competitiveness due to application of focus strategies

Conclusions from the Research

Equity Bank Ltd in Kenya has to consider carefully the key sub -variables of cost leadership, differentiation and focus strategies as shown in the conceptual framework of this research project so as increase competitiveness in Kenya.

Recommendations from the Research

Further research is needed to establish how cost leadership, differentiation and focus strategies can be applied by a business firm to gain competitiveness in the financial sector worldwide amidst worst scenarios like covid 19 restrictions of year 2021. Nevertheless, Equity Bank Ltd managers in Kenya need to revise its usage of generic strategies to be more competitive both in Kenya and in the global market. Policy makers like the government of Kenya should devise policies that give commercial Banks longer opening hours in the banking hall to reduce effects of long wait time in the banking hall.

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APPENDICES

APPENDIX I : LETTER OF INTRODUCTION

NJUE JOHNSON NYAGA,

P.O.BOX 111,
LODWAR.

DATE.....

TO GENERAL MANAGER,
EQUITY BANK LTD
EQUITY CENTRE BRANCH,
P.O.BOX.....,
NAIROBI

DEAR SIR/MADAM,

RE:DATA COLLECTION FOR A MBA DEGREE RESEARCH PROJECT.

Kindly I wish to collect data using questionnaires, observation and management information systems records analysis from this branch of Equity Bank for the above academic purpose only. Am pursuing MBA degree course at the Mount Kenya University whose topic is "An analysis of generic strategies' influence on competitiveness of on Equity Bank, Kenya. A research project is needed as partial fulfillment for the requirements for the award of an MBA degree. Confidentiality of data so collected must be maintained. Upon completion of the course, a copy of findings will be availed to you upon request. Your acceptance is highly regarded.

Your faithfully

Njue Johnson Nyaga

Sign.....

APPENDIX II : CONSENT LETTER

NJUE JOHNSON NYAGA

P.O.BOX. 111,

LODWAR.

DATE.....

TO THE RESPONDENT,
EQUITY BANK LTD -EQUITY CENTRE BRANCH,
P.O.BOX.....
NAIROBI.

DEAR SIR/MADAM,

RE:DATA COLLECTION FOR A MBA DEGREE RESEARCH PROJECT.

Kindly fill the data into the questionnaire attached, carefully and accurately since its for academic purpose of the above listed MBA degree programme. I am a postgraduate student at Mt.Kenya University of research is "Analysis of generic strategies' influence on competitiveness of Equity Bank Ltd, Kenya".

Your cooperation will be a joy for us all. Thanks in advance. God bless you.

Yours sincerely,

Njue Johnson Nyaga.

Signature.....

APPENDIX III : CONSENT FORM

This study seeks to analyze the influence of the generic strategies on the competitiveness of Equity Bank limited in Kenya. The objectives for this study will be to determine the influence of cost leadership, differentiation and focus strategies on the competitiveness of Equity Bank limited in Kenya. Please read carefully and complete this form. If you are willing to participate in n this study, mark the appropriate responses and sign at the end of this declaration. If there's anything unclear and would like for more information, kindly ask.. Tick where appropriate.

YES. NO

- 1.) The research has been explained to me in verbally and/ or in writing by the researcher.
- 2.) I understand that I can withdraw from this study any time without giving any explanation.
- 3.) I understand that all information about me will be treated in confidence and that I will not be named in any written work arising from this study findings thereof.
- 4.) I understand that any responses and confidential information I give will be used solely for research purposes and will be destroyed on completion of this research.
- 5.) I freely give my consent to participate in this research study and have been given a copy of this form for my own information.

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

Any enquiry ? contact : MKU IERC CHAIRMAN

APPENDIX IV: QUESTIONNAIRE FOR STAFF OF EQUITY BANK LTD

Introduction

This questionnaire seeks responses from you as a manager in Equity Bank so as to enable me make useful conclusions and recommendations concerning the application of generic strategies by the Equity Bank in order to be a competitive Commercial Bank in Kenya. The academic course being undertaken is Master of Business Administration at Mount Kenya University. Kindly answer all questions below and return the questionnaire back to me.

I. Background information.

Kindly tick Where applicable

- 1).What is your gender?

Male

Female

2).What is your age:

30 yrs and below

31-40yrs

41-60yrs

Above 60 yrs

3).What level of management are you in Equity bank?

Senior

Middle

Lower

4.) In your own opinion, has the Equity Bank Kenya adopted generic strategies to gain competitiveness ?

yes

No

II. Generic strategies

a. Cost Leadership strategy

i) The following low cost advantages have greatly contributed towards Bank's Lowest costs in the service delivery.Tick where appropriate on the scale of 1-5

D =Disagree

SD =Strongly Disagree

NS= Not Sure

A. =Agree

SA=Strongly Agree

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD
The Bank uses low cost product designs always to maximize it's revenue					

The Bank experiences low labour costs optimally

The Bank is always seeking to buy cheap inputs.

ii)The following low cost disadvantages have contributed negatively towards Bank's Lowest costs in the operations.Tick where appropriate

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD
The Bank experiences much wastes of materials in it's service provision regularly					

The Bank's customers usually experiences long wait time at the banking hall.

The Bank's new recruits oftenly makes many errors during their in - service training

b. Differentiation Strategy

i) The following product designs have greatly contributed towards Bank's Uniqueness in the delivery of service to the whole market . Tick where appropriate on the scale of 1-5:

D =Disagree SD =Strongly Disagree. NS= Not Sure
A =Agree SA=Strongly Agree

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD

The bank uses modular design to serve all customers in the market satisfactory

The Bank uses mass customization to serve all customers promptly as their needs change.

The Bank is using robust design to achieve differentiation strategy optimally

ii) The following production techniques have greatly contributed towards Bank's uniqueness in its operations.Tick where appropriate.

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD

The Bank has adopted batch production to balance quality and quantity of its services

The Bank has utilized lean production to increase its efficiency

The Bank uses Just - in –Time production to improve service delivery

c. Focus Strategy

i) The following factors have enabled the Bank to deliver service for specific buyers. Tick where appropriate on the scale of 1-5:

D =Disagree SD =Strongly Disagree. NS= Not Sure
A =Agree SA=Strongly Agree

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD

The Bank has been adopting cost focus strategy in specific niches during off peak seasons.

The Bank is adopting differentiation focus strategy in specific niches during peak seasons.

ii) The following factors have greatly contributed towards Bank's achieving focus strategy. Tick where appropriate.

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD

The Bank is currently serving customers of specific cultural background reliably
Some products offered are purely for customers of specific geographic regions

The Bank has products strictly meant to reach out to customers of specific demographics.

III. Competitiveness of Equity Bank

a).The following factors of market share relates to the Equity bank. Tick where appropriate on the scale of 1-5

D =Disagree SD =Strongly Disagree. NS= Not Sure
A =Agree SA=Strongly Agree

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD

The Bank's total sales last financial year were positively influenced by new customers that joined it.

The Bank's total sales last financial year were positively influenced by its wide product mix

The Bank's total sales last financial year were positively influenced by increased number of calls by sales persons to the prospective buyers

b) The following factors of branch network relates to the Equity bank .Tick where appropriate on the scale of 1-5

Scale	5	4	3	2	1
Source of gain	SA	A	NS	D	SD
The Bank's branches country wide last financial year created more revenue through consumer cheque program					
The Bank's branches country wide last financial year increased revenue volume satisfactorily through increased business cheque program.					
The Bank's branches country wide last financial year reduced considerably the of number of fraud cases through proper screening of new accounts' opening.					
God bless you					

APPENDIX V: BUDGET

TASKS	COST IN SHS
concept note defense	9,000
Writing chapter one and its submission	2,000
Writing chapter two and its submission	2,000
Writing chapter three and it's submission	4,000
Preparing questionnaire and it's submission	6,000
Proposal defense	10,000
Data collection	20,000
Data Analysis	20,000
Writing project results	2,000
Project results defense	10,000
Graduation	<u>12,000</u>
Total	<u>97000</u>

APPENDIX VI: TIME PLAN

TASKS	PERIOD IN TIME
Concept note defense	January 2016
Writing and submission of chapter one	August 2016
Writing and submission of chapter two	December 2016
Writing and submission of chapter three	May 2017
Writing and submission of questionnaire	August 2017
First proposal defense	March 2018
Second proposal defense	November 2018
Third proposal defense	March 2019
Data collection	Jan 2021
Data analysis	May 2021
Writing project results	July 2021
Project results marking	July 2021
Graduation	August 2021

APPENDIX VII :MAP LOCATION OF STUDY

