

**AN INVESTIGATION OF MARKETING STRATEGIES ADOPTED BY BARCLAYS
BANK TO RESPOND TO COMPANY DEMAND IN NAIROBI**

BY

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DECLARATION

This research project is my original work and has not been presented for a degree in any other University.

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DEDICATION

I dedicate this work to my father who from a young age encouraged me to excel in academics and all the hard work and sacrifices he made despite his modest means to ensure my brothers, sister and I had the best education even when he couldn't afford it.

ABSTRACT

A marketing strategy often integrates an organization's marketing goals, policies, and action sequences into a cohesive whole. The various strands of the strategy , which might include advertising, channel marketing, internet marketing, promotion and public relations can be orchestrated. Many companies create strategy tactics that then become strategy goals for the next level or group. Each one group is expected to take that strategy goal and develop a set of tactics to achieve that goal.

Kenya's robust banking industry may have improved tremendously in terms of size, profitability and product offering over the last 10 years but the growth does not reflect in the country's overall development. However bank services are still limited, insufficient and inaccessible to small scale farmers in the rural areas. This spell the essence of banks to aggressively seek market penetration to assist in the growth of the economy as they themselves grows.

The general objective of this study was to investigate marketing strategies adopted by Barclays Bank to respond to company demand in Nairobi. To achieve this study used a descriptive survey design. The target population consisted of all the 44 branch managers in Nairobi regions. Primary data was collected from the 44 managers through semi-structured questionnaires, the data was then checked for completeness, coded and analyzed using descriptive statistics like mean and standard deviation. The results were presented using tables, graphs and charts for ease of understanding.

The conclusions are that Barclays bank branches located in Nairobi adopted different marketing strategies to respond to company demand. The strategies such as; product, promotion segmentation, customer relation ship, competitive advantage strategies, market target and market position strategies are extremely important while other strategies such as pricing, market warfare and market warfare are regarded as very important. The placement/distribution, process, people, market dominance, physical environment were regarded as important. To ensure that the marketing strategies are continuous they give incentives to the staff by promoting them involving them in the decision making process and provision of a standardized wear to enhance company's image. The researcher recommended that Barclays banks products are expensive and tend to target the high earning customers. They need to control the tariffs and pricing so as to integrate other income earners especially the low income ones especially those in the rural areas.

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CHAPTER ONE: INTRODUCTION

1.1 Background

The market environment refers to all the forces outside of marketing that affect marketing management's ability to build and maintain successful relationships with target customers. The market environment consists of both the macro environment and the microenvironment. The Microenvironment refers to the forces that are close to the company and affect its ability to serve its customers. It includes the company itself, its suppliers, Micromarketing intermediaries, customer markets, competitors, and publics (Berthon *et al*, 2000).

The company aspect of Microenvironment refers to the internal environment of the bank. This includes all departments, such as management, finance, research and development, purchasing, operations and accounting. Each of these departments has an impact on marketing decisions. For example, research and development have input as to the features a product can perform and accounting approves the financial side of marketing plans and budgets (Crane and Eccles, 1987).

It is important to place equal emphasis on both the macro and microenvironment and to react accordingly to changes within them (Kotler and Armstrong, 2006). Today's world businesses function in a marketing environment. The banking industry is no exception. However, the changing world situation always requires bankers to reassess their strategies in order to stay competitive. Banks, especially community banks, have found their world changing significantly and more difficult to make desired profits. Consumers are less loyal, more informed and more independent about their banking relationship. Traditional ways of communicating to customers and prospects have changed more so recently. Marketing and sales functions at banks have to change if they are to retain their best customers and capture their competitor's best customers (Kotler and Armstrong, 2006).

1.1.1 Marketing Strategies

A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. A marketing strategy should be centered around the key concept of customer satisfaction that is the main goal of marketing. A marketing strategy is most effective when it is

an integral component of a firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena. As the customer constitutes the source of a company's revenue, marketing strategy is closely linked with sales. A key component of marketing strategy is often to keep marketing in line with a company's mission statement (Achrol and Kotler, 1999).

A marketing strategy can serve as the foundation of a marketing plan. A marketing plan contains a set of specific actions required to successfully implement a marketing strategy. For example: "Use a low cost product to attract consumers. Once an organization, via a low cost product, has established a relationship with consumers, an organization will sell additional, higher-margin products and services that enhance the consumer's interaction with the low-cost product or service." A strategy consists of a well thought out series of tactics to make a marketing plan more effective. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results.

A marketing strategy often integrates an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. Similarly, the various strands of the strategy, which might include advertising, channel marketing, internet marketing, promotion and public relations can be orchestrated. Many companies create strategy tactics that then become strategy goals for the next level or group. Each one group is expected to take that strategy goal and develop a set of tactics to achieve that goal. This is why it is important to make each strategy goal measurable (Voss, C. 2000),

Marketing strategies should be dynamic and interactive. They are partially planned and partially unplanned. Marketing strategies may differ depending on the unique situation of the individual business. However, there are a number of ways of categorizing some generic strategies. The first one is strategies based on market dominance where firms are classified based on their market share or dominance of an industry. Typically there are three types of market dominance strategies namely leader, challenger and follower. Porter (1991) has described a category scheme consisting of general types of strategies that are commonly used by businesses to achieve and maintain competitive advantage. These three generic strategies are defined along two

dimensions: strategic scope and strategic strength. The other category is innovation strategies that deal with the firm's rate of the new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation. Finally, there is growth strategies category that ask the question, "How should the firm grow?" There are a number of different ways of answering that question, but the most common gives four answers: horizontal integration, vertical integration, diversification and intensification (Voss, 2000).

1.1.2 Company Demand

Company demand is the company's share of market demand (Kotler and Keller, 2006). In symbols: $Q_i = s_i Q$

Where:

Q_i = Company I's demand

s_i = Company I's market share

Q = total market demand

Company demand involves continuous adjustment and partial changes on both sides of the supply-demand relationship if optimization of learning investments and knowledge resource access and usage is to be achieved for the benefit of learners and competitive edge. It all adds some new thinking about the theory of the firm and how the organizations centre of influence and value is being repositioned (Richard, 2008).

The model provides an opportunity to start the process of thinking strategically about intellectual supply chain management, about how to critically assess the organization or institution's opportunities for demand-focused innovative program provision and where and how to form reliable strategic alliances and the building of complementary collaborative relationships. For many professionals it involves crossing the Rubicon into un-chartered territory and in the short term putting at risk the highly preserved off-balance sheet market control and learning market influencing factors. But the green shoots of change are already coming up through the boardroom floorboards, spurred on by demand-led innovations in the national and global race for economic growth and development (Richard, 2008).

One of the key attributes of a successful winner in today's highly competitive marketplace is the ability to respond rapidly to the end consumer demand. Consumer analysis methods to assess the potential of innovations often rely on explicit user requirements or user evaluations. However, recent research in cognitive and social psychology highlights the sub-conscious nature of many decisions (Dijksterhuis *et al.*, 2006). It may be useful, therefore, to look for ways of assessing the adoption of new behaviour which can take account of both explicit (conscious) factors and those which influence sub-conscious processes. Recent developments in a broad range of research fields, including cognitive neuroscience, developmental biology, evolutionary anthropology and economics, point to the role of imitation in the adoption of new behaviours. Faced with fierce competition, increasingly more organizations seek to audit demand in the marketplace.

The daily practice of the traditional retailers towards clients is basically push-oriented. The key factors behind the success of managing the demand for these retailers are competitive price, quality, and product availability, in that order. Moreover, as all clients are treated equally, there is no special treatment, or services to preferred clients. The employees are well trained, but not committed to developing bonds of friendship with clients, and companies have no room for marketing specialists. All these elements influence the scarcity and incipient information generation about clients' behaviour in these types of retailers (Sureshchandar, Rajendran, Kamalanabhan, 2001).

By contrast, the practices of the differentiated retailers are based on an interrelated web of business processes designed to understand, manage and create demand. The specific actions that are crucial to the success of their business are based on consumer satisfaction. They focus on friendship, personal relationships, and high-quality products to build trust, and consequently loyalty, among consumers. They provide better services and try to get closer to consumers – some of these retailers visit their best clients, send cards to them, and some even track customers and recommend products customized to their needs (Shapiro, Rangan, Moriarty, Ross, 1987),

In summary, then, the retailers demonstrate more interest in accessing and using consumer information to create and stimulate demand than the retailers in the traditional group. Their promotional strategy is based on personal contact and friendship, and word-of-mouth is the way

to create market awareness and desires that will translate into eventual purchases. The traditional retailers, on the other hand, use the traditional price-discount and media advertisement strategies.

1.1.3 Barclays Bank of Kenya

Barclays is an international financial services company, and its commercial and retail banking businesses are core to the Group. While the Group's headquarters remains in London, the capital of England, Barclays has now established enterprises across Europe, Africa, the Americas and the Asia-Pacific region (BBK, 2009).

Barclays is made up of two 'Clusters': Global Retail and Commercial Banking (GRCB), and Investment Banking and Investment Management (IBIM), each of which has a number of Business Units. The third major area of the business is Group Centre. From Human Resources to Corporate Affairs, this area comprises all the essential Head Office support functions that help Barclays maintain strategic momentum. Thousands of experts based all over the world provide essential support and direction to the Group, advising on smart decision-making, strategic planning, and the most efficient and effective ways of running the business (BBK, 2009)

Resilient, well-regulated financial systems are essential for macroeconomic and financial stability in a world of increased capital flows. A country's financial system includes its banks, securities exchanges, pension funds, insurers, central bank, and national regulators. The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banking sector was liberalized in 1995 and exchange controls lifted. The CBK, which falls under the Ministry of Finance docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. As at December 2008 there were 46 banking and non bank institutions, fifteen micro finance institutions and one hundred and nine foreign exchange bureaus. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banking sector's interests. The KBA serves as a forum to address issues affecting members (PWC, 2009).

Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market. Despite the challenging operating environment brought about by post election violence in the first quarter of

2008 and the global financial crisis, the banking sector remained stable with all institutions adequately capitalized during the period ending December 2008. Institutions maintained capital adequacy ratios above the minimum requirement of 12.0 percent. Total assets expanded by 24.4 percent, deposits rose by 24.9 percent while pre-tax profits increased by 17.7 percent compared with a similar period in 2007 (Kenya Monthly Economic Review, January 2009).

The aggregate balance sheet of the banking sector registered significant growth in December 2008 compared with similar period in 2007. Deposits were the major source of funding accounting for the increase in the aggregate balance sheet. The Finance Act, 2008 was assented to on 15th December 2008. The Act amends several statutes including the Banking Act and the Central Bank of Kenya Act. The commencement date of the amendments to the Banking Act and the Central Bank of Kenya Act was 1st January 2009. These amendments will see banks maintaining a reserve of 1 billion by the year 2010 (Kenya Monthly Economic Review, January 2009).

1.2 Statement of the Problem

Markets are changing all the time. It depends on the type of products the business offers to the market, however a business needs to be proactive or lose customers. Some of the main reasons why markets change rapidly are that customers develop new needs and wants, new competitors enter a market, new technologies developing meaning that new products can be made, a world or countrywide event happening for instance war, and government introducing new legislation e.g. increases in minimum wage. Strategy scholars have found that operating in a global industry context is an important element in determining the internal organizational environment. For domestic firms facing global competition, industry position imposes an additional competitive challenge that differs from purely domestic competition (Williams, 1997). According to Mester (1996) the competitive advantage of a firm draws on its internal resources and competences.

Shao *et al.* (1999) saw virtual banking as an innovative way of remaining competitive for banks. Virtual banking is the provision of banking services via means other than traditional physical branches. Currently, virtual banking exists in the forms of ATM, phone banking, home banking and Internet banking. Understanding people's adoption intention of virtual banking can help financial institutions to formulate appropriate marketing strategies for new forms of banking.

Studies on local marketing strategies and company demand tend to concentrate on microfinance institutions.

Kenya's robust banking industry may have improved tremendously in terms of size, profitability and product offering over the last 10 years but the growth does not reflect in the country's overall development. According to the Banking Survey 2007, poverty is still rampant because agriculture, the mainstay of the economy has not received adequate funding from the banks (Njenga, 2007). Studies show that bank services are still limited, insufficient and inaccessible to small scale farmers in the rural areas. This spells the essence of banks to aggressively seek market penetration to assist in the growth of the economy as they themselves grow. However, with the emergence of micro finance institutions like Equity Bank and K-Rep Bank targeting the small trader and the rural small scale farmers the trend could be reverted. That these banks have grown tremendously compared to their peers over the period they have been existence has put paid to the previous perception that there was no business in lower retail segment of the market.

However, Mwatela (2007) notes that Government's recent use of banks to channel funds to specific sectors of the economy has served to widen provision of financial services. According to Financial Sector Deepening Kenya (FSD Kenya, 2007) only 19% of adult Kenyans reported having access to a formal, regulated financial institution while over a third (38%) indicated no access to even the most rudimentary form of informal financial service. This leaves a percentage of more than 80% outside the bracket of the reach of mainstream banking.

The cost of banking inhibits their access despite the fact that the experience of rural financial institutions shows that the poor can also save, borrow and repay loans at market rates. These were the findings of three collaborative country research studies coordinated by the Institute of Policy Analysis and Research (IPAR), and the Namibian Economic Policy Research Unit, Namibia and carried out in Kenya, Botswana and Namibia in 2008 (Yang, 2008). In the three countries, the study found that the location of the banks is heavily tilted towards the urban areas with good physical infrastructure, leaving large parts of the country uncovered. It also found that numerous products and services are offered by the commercial banks and for these, various multiple banking charges are levied, which make the cost of banking services escalate to levels beyond the reach of the rural population. There is also reluctance to lend to small and medium

enterprises and low-income households due to lack of credit history, no usable collateral, and a high cost of credit that is advanced by most financial institutions. This is notwithstanding the fact that some banks also offer in micro-finance services, but they are largely in urban areas.

According to Njenga (2008) the pent up demand for an affordable and reliable way of holding funds while ensuring that risk levels are consigned to a minimum is consistently unfolding. A system with the potential to obliterate the historical hurdles of cost and free access which have for a long time stood in the way of willing partakers of banking services evokes immediate attention and interest. The unprecedented uptake of mobile phone banking services in Kenya is a testament to this fact.

Previous research studies have not concentrated on marketing strategies in relation to company demand. New studies on marketing strategies have been done, for instance Maina (2001) conducted an empirical investigation of aspects of culture and their influence on marketing strategies in the beverage industry in Kenya. Murage (2002) researched on the extent of relationship marketing strategies to enhance brand loyalty of industrial customers: The case of the paint industry. Korir (2006) conducted a survey of the adoption of relationship marketing strategies in the Co-operative Bank of Kenya. This does not respond specifically to the marketing strategies adopted by commercial banks to address company demand. There is no known study to the researcher that has sought to bridge this gap. This research study is motivated to fill this gap in knowledge, by trying to answer the following: What are the marketing strategies adopted by Barclays Bank to respond to company demand in Kenya?

1.3 Research Questions

What marketing strategies has Barclays bank adopted to respond to company demand in Nairobi?

1.4 Objectives of the Study

The general objective of this study is to investigate marketing strategies adopted by Barclays Bank to respond to company demand in Nairobi.

Specific objectives

To identify marketing strategies that Barclays bank has adopted in meeting the company demand in Nairobi

1.5 Significance of the Study

The findings of this study would be of immense importance to a variety of consumers.

- a) **Scholars:** The study will provide information on market strategies adopted to meet company demand of banks in Kenya to potential and current scholars. This will expand their knowledge on competition in banking institutions and identify areas of further study.
- b) **Policy makers:** The policy makers will obtain knowledge of the banking sector dynamics and the responses that are appropriate; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector.
- c) **Other Stakeholders:**
 - i. Identify how market factors affect the operations of Barclays Bank in Kenya as well as determining the extent to which this and other environmental factors affect company demands of commercial banks.
 - ii. Determine ways in which Barclays Banks responds to changes in marketing environment.
 - iii. Identify the impediments that face Barclays Banks in responding to company demand

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

For financial markets, there is a wealth of both theoretical and empirical literature that establishes the importance of economic stability for financial sector development; the preeminence of competitive market forces to establish interest rates and allocate credit; the critical role of supporting infrastructure (regulatory, supervisory, legal, accounting, and auditing systems); and the need for well-governed and well-managed financial institutions (Hooley and Saunders, 1993).

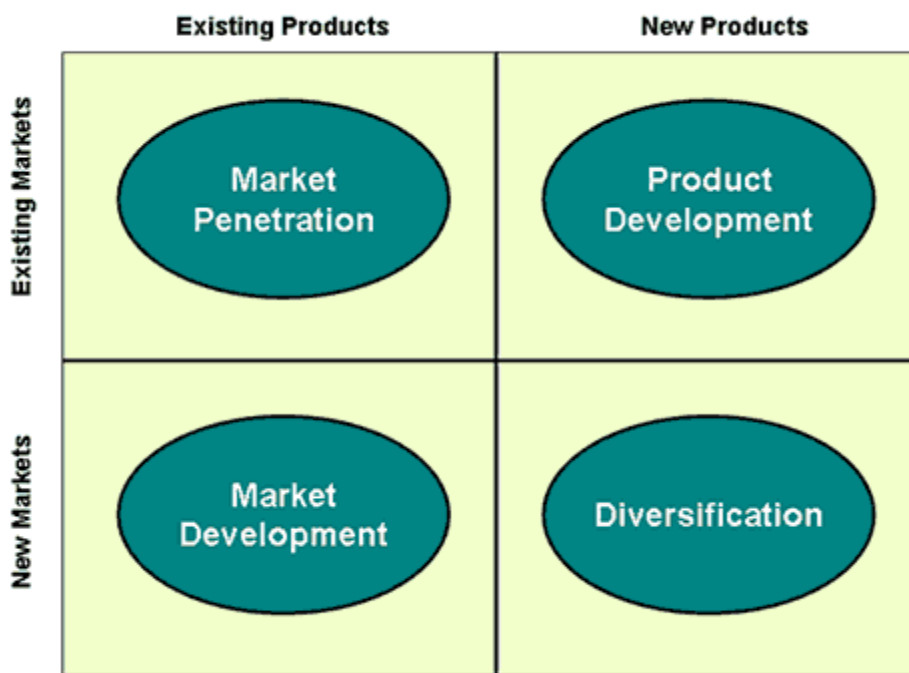
A market is any one of a variety of different systems, institutions, procedures, social relations and infrastructures whereby persons, trade, and goods and services are exchanged, forming part of the economy. It is an arrangement that allows buyers and sellers to exchange things. Markets vary in size, range, geographic scale, location, types and variety of human communities, as well as the types of goods and services traded. Some examples include local farmers' markets held in town squares or parking lots, shopping centers and shopping malls, international currency and commodity markets, legally created markets such as for pollution permits, and illegal markets such as the market for illicit drugs (Jaworski, Kohli and Sahay, 2000).

In mainstream economics, the concept of a market is any structure that allows buyers and sellers to exchange any type of goods, services and information. The exchange of goods or services for money is a transaction. Market participants consist of all the buyers and sellers of a good who influences its price. This influence is a major study of economics and has given rise to several theories and models concerning the basic market forces of supply and demand. There are two roles in markets, buyers and sellers. The market facilitates trade and enables the distribution and allocation of resources in a society. Markets allow any tradable item to be evaluated and priced. A market emerges more or less spontaneously or is constructed deliberately by human interaction in order to enable the exchange of rights of services and goods (Jaworski, Kohli and Sahay, 2000). In such a situation, competition is inevitable and there is need for marketing strategies to achieve an organization's objectives. A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage (Porter, 2008). A marketing

strategy should be centered on the key concept that customer satisfaction is the main goal of modern marketing.

The Ansoff Growth matrix

The Ansoff Growth matrix is a tool that helps businesses decide their product and market growth strategy. Ansoff's product/market growth matrix suggests that a business' attempts to grow depend on whether it markets new or existing products in new or existing markets. The output from the Ansoff (1965) product/market matrix is a series of suggested growth strategies that set the direction for the business strategy.



2.2 Marketing Strategy

A marketing strategy is most effective when it is an integral component of firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena. It entails corporate strategies, corporate missions, and corporate goals. As the customer constitutes the source of a company's revenue, marketing strategy is closely linked with sales. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement (Porter, 2008).

A marketing strategy can serve as the foundation of a marketing plan. A marketing plan contains a set of specific actions required to successfully implement a marketing strategy. For example: "Use a low cost product to attract consumers. Once our organization, via our low cost product, has established a relationship with consumers, our organization will sell additional, higher-margin products and services that enhance the consumer's interaction with the low-cost product or service." A strategy consists of a well thought out series of tactics to make a marketing plan more effective. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives (CIM, 2009). Plans and objectives are generally tested for measurable results (Porter, 2008).

A marketing strategy often integrates an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. Similarly, the various strands of the strategy, which might include advertising, channel marketing, internet marketing, promotion and public relations, can be orchestrated. Many companies cascade a strategy throughout an organization, by creating strategy tactics that then become strategy goals for the next level or group. Each one group is expected to take that strategy goal and develop a set of tactics to achieve that goal. This is why it is important to make each strategy goal measurable. Marketing strategies are dynamic and interactive. The dynamics of strategy and performance concerns the 'content' of strategy – initiatives, choices, policies and decisions adopted in an attempt to improve performance, and the results that arise from these managerial behaviors. The dynamic model of the strategy process is a way of understanding how strategic actions occur. It recognizes that strategic planning is dynamic, that is, strategy-making involves a complex pattern of actions and reactions. It is partially planned and partially unplanned (Laermer and Simmons, 2007).

2.3 Types of Marketing Strategies

One of the most important concepts of the marketing planning process is the need to develop a cohesive marketing strategy that guides tactical programs for the marketing decision areas. The following types of marketing strategies exemplify this notion.

2.3.1 Segmentation and Target Strategies

One of the key elements of a successful marketing strategy is the acknowledgement that the existing and potential customers will fall into particular groups or segments, characterized by

their 'needs' (Yoram *et al.*, 2002). Identifying these groups and their needs through market research, and then addressing them more successfully than the competitors, should be the focus of your strategy. You can then create a marketing strategy that makes the most of your strengths and matches them to the needs of the customers you want to target (Business Link, 2009). For example, if a particular group of customers is looking for quality first and foremost, then any marketing activity aimed at them should draw attention to the high quality service.

Once this has been completed, decide on the best marketing activity that will ensure your target market know about the products or services you offer, and why they meet their needs. This could be achieved through various forms of advertising, exhibitions, public relations initiatives, Internet activity and by creating an effective 'point of sale' strategy if you rely on others to actually sell your products. Limiting activities to those methods that will work best help avoid spreading a budget too thinly (Business Link, 2009).

2.3.2 People/ Customer Strategies

Approaches to the delivery of services are being affected by changes in the business and social environments. These relate especially to advances in communications and information technology and changing customer needs (OECD, 2000; Molitor, 1999). The changing demographics and lifestyles are also major contributing factors. At the same time, the way in which people live – with more people living alone – is tending to reduce the effect of the conventional family. Within this context, attitudes to time and money are important indicators of the behaviours of customers. A convenient contrast is to classify customers into broad categories of being “poor” or “rich” in terms of time and cash (Scase, 1999). For example, affluent retirees are cash and time “rich”. Higher-paid workers are cash “rich” but time “poor”. Lower-paid workers are time and cash “poor”. The unemployed and those without adequate pensions are cash “poor” but time “rich”. We might expect that richer customers will be prepared to pay for what they perceive to be good services, that those with little time will make their choices on the basis of services that support them in their busy lifestyles, and that those with more time and money will exploit choice. Poorer customers, although wishing for the best, might be content with either better self-service provision or effective limited service. The precise impacts of advances in technology, and the rate of change it produces, are not easy to forecast. However the

increasing use of Web-based technology is altering the expectation of customers on the availability of services and the nature of the services provided (Walsh and Godfrey, 2000; Voss, 2000). Parasuraman (2000) has also shown that customers vary in their attitudes to service within a concept of technology readiness. We might expect this to interact with the “rich”/“poor” attributes to shape customers’ behaviour.

2.3.3 Warfare Strategies

Marketing warfare strategies are a type of strategies, used in business and marketing, that try to draw parallels between business and warfare, and then apply the principles of military strategy to business situations, with competing firms considered as analogous to sides in a military conflict, and market share considered as analogous to the territory which is being fought over. It is argued that, in mature, low-growth markets, and when real GDP growth is negative or low, business operates as a zero-sum game. One person’s gain is possible only at another person’s expense. Success depends on battling competitors for market share.

The first major proponents of marketing warfare theories were Kotler (1981). In an early description of business military strategy, Kotler claims that an effective strategy: "first probes and withdraws to determine opponents' strengths, forces opponents to stretch their commitments, then concentrates resources, attacks a clear exposure, overwhelms a selected market segment, builds a bridgehead in that market, and then regroups and expands from that base to dominate a wider field." For every new product and service entrant, there are usually many incumbents who must defend their positions in the market. Hence, defensive strategy is as least as critical as new-product strategy.

2.3.4 Market Dominance Strategies

Marketing strategies may differ depending on the unique situation of the individual business. However there are a number of ways of categorizing some generic strategies. A brief description of the most common categorizing schemes is normally used. The first category is strategies based on market dominance. Market dominance is a measure of the strength of a brand, product, service, or firm, relative to competitive offerings (Freeman, 1992). There is often a geographic element to the competitive landscape. In defining market dominance, you must see to what extent a product, brand, or firm controls a product category in a given geographic area. In this

scheme, firms are classified based on their market share or dominance of an industry. Typically there are three types of market dominance strategies namely; Leader, challenger, and follower.

The second category is Porter generic strategies - strategy on the dimensions of strategic scope and strategic strength. Porter (1991) has described a category scheme consisting of three general types of strategies that are commonly used by businesses to achieve and maintain competitive advantage. These three generic strategies are defined along two dimensions: strategic scope and strategic strength. Strategic scope is a demand-side dimension and looks at the size and composition of the market a business intend to target. Strategic strength is a supply-side dimension and looks at the strength or core competency of the firm. In particular he identified two competencies that he felt were most important: product differentiation and product cost (efficiency). Strategic scope refers to the market penetration while strategic strength refers to the firm's sustainable competitive advantage. This category generally dwells on two lines; product differentiation and market segmentation.

Third category focuses on innovation strategies - This deal with the firm's rate of the new product development and business model innovation. Business Model Innovation (BMI) refers to the creation, or reinvention, of a business itself. Whereas, innovation is more typically seen in the form of a new product or service offering, a business model innovation results in an entirely differently type of company that competes not only on the value proposition of its offerings, but aligns its profit formula, resources and processes to enhance that value proposition, capture new market segments and alienate competitors. It asks whether the company is on the cutting edge of technology and business innovation. There are three types namely; pioneers, close followers, and late followers.

Finally, we have growth strategies category - In this scheme we ask the question, "How should the firm grow?" There are a number of different ways of answering that question, but the most common gives four answers namely; horizontal integration, vertical integration, Diversification, and intensification (North and Smallbone, 1995).

2.3.5 The '4Ps' Strategies

After the firm's strategic objectives have been identified, the target market selected, and the desired positioning for the company, product or brand has been determined, marketing managers focus on how to best implement the chosen strategy. Traditionally, this has involved implementation planning across the "4Ps" of marketing: Product management, Pricing, Place (i.e. sales and distribution channels), and Promotion. Taken together, the company's implementation choices across the 4Ps are often described as the marketing mix, meaning the mix of elements the business will employ to "go to market" and execute the marketing strategy. The overall goal for the marketing mix is to consistently deliver a compelling value proposition that reinforces the firm's chosen positioning, builds customer loyalty and brand equity among target customers, and achieves the firm's marketing and financial objectives (Drucker, 1993).

In many cases, marketing management will develop a marketing plan to specify how the company will execute the chosen strategy and achieve the business' objectives. Once the key implementation initiatives have been identified, marketing managers work to oversee the execution of the marketing plan. Marketing executives may therefore manage any number of specific projects, such as sales force management initiatives, product development efforts, channel marketing programs and the execution of public relations and advertising campaigns. Marketers use a variety of project management techniques to ensure projects achieve their objectives while keeping to established schedules and budgets (Whitley, 1991).

2.3.6 Process Strategies

More broadly, marketing managers work to design and improve the effectiveness of core marketing processes, such as new product development, brand management, marketing communications, and pricing. Marketers may employ the tools of business process reengineering to ensure these processes are properly designed, and use a variety of process management techniques to keep them operating smoothly. Effective execution may require management of both internal resources and a variety of external vendors and service providers, such as the firm's advertising agency (Selen and Soliman, 2002). Marketers may therefore coordinate with the company's Purchasing department on the procurement of these services.

Marketing management usually requires leadership of a department or group of professionals engaged in marketing activities. Often, this oversight will extend beyond the company's marketing department itself, requiring the marketing manager to provide cross-functional leadership for various marketing activities. This may require extensive interaction with the human resources department on issues such as recruiting, training, leadership development, performance appraisals, compensation, and other topics.

Marketing management may spend a fair amount of time building or maintaining a marketing orientation for the business. Achieving a market orientation, also known as "customer focus" or the "marketing concept", requires building consensus at the senior management level and then driving customer focus down into the organization. Cultural barriers may exist in a given business unit or functional area that the marketing manager must address in order to achieve this goal. Additionally, marketing executives often act as a "brand champion" and work to enforce corporate identity standards across the enterprise (Kotler, 2006).

In larger organizations, especially those with multiple business units, top marketing managers may need to coordinate across several marketing departments and also resources from finance, research and development, engineering, operations, manufacturing, or other functional areas to implement the marketing plan. In order to effectively manage these resources, marketing executives may need to spend much of their time focused on political issues and inter-departmental negotiations (Mahoney, 1995). The effectiveness of a marketing manager may therefore depend on his or her ability to make the internal "sale" of various marketing programs equally as much as the external customer's reaction to such programs marketing management employs a variety of metrics to measure progress against objectives. It is the responsibility of marketing managers – in the marketing department or elsewhere – to ensure that the execution of marketing programs achieves the desired objectives and does so in a cost-efficient manner (Kotler, 2006).

Marketing management therefore often makes use of various organizational control systems, such as sales forecasts, sales force and reseller incentive programs, sales force management systems, and customer relationship management tools (CRM). Recently, some software vendors have begun using the term "marketing operations management" or "marketing resource management" to describe systems that facilitate an integrated approach for controlling marketing

resources. In some cases, these efforts may be linked to various supply chain management systems, such as enterprise resource planning (ERP), material requirements planning (MRP), efficient consumer response (ECR), and inventory management systems. Measuring the return on investment (ROI) and marketing effectiveness of various marketing initiatives is a significant problem for marketing management. Various market research, accounting and financial tools are used to help estimate the ROI of marketing investments. Brand valuation, for example, attempts to identify the percentage of a company's market value that is generated by the company's brands, and thereby estimate the financial value of specific investments in brand equity. Another technique, integrated marketing communications (IMC), is a CRM database-driven approach that attempts to estimate the value of marketing mix executions based on the changes in customer behavior these executions generate (Schultz and Kitchen, 2000).

2.4 Competitive advantage

Competitive advantage is, in very basic words, a position a firm occupies against its competitors. According to Michael Porter (1991), the three methods for creating a sustainable competitive advantage are through: Cost leadership - Cost advantage occurs when a firm delivers the same services as its competitors but at a lower cost; Differentiation - Differentiation advantage occurs when a firm delivers greater services for the same price of its competitors. They are collectively known as positional advantages because they denote the firm's position in its industry as a leader in either superior services or cost; Focus (economics) - A focused approach requires the firm to concentrate on a narrow, exclusive competitive segment (market niche), hoping to achieve a local rather than industry wide competitive advantage. There are cost focus seekers, who aim to obtain a local cost advantage over competition and differentiation focuser, who are looking for a local difference.

Many forms of competitive advantage cannot be sustained indefinitely because the promise of economic rents invites competitors to duplicate the competitive advantage held by any one firm. A firm possesses a sustainable competitive advantage when its value-creating processes and position have not been able to be duplicated or imitated by other firms. Sustainable competitive advantage results, according to the resource-based view theory in the creation of above-normal (or supernormal) rents in the long run. Analysis of competitive advantage is the subject of

numerous theories of strategy, including the five forces model pioneered by Michael Porter (1991). The primary factors of competitive advantage are innovation, reputation and relationships.

Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources, such as high grade ores or inexpensive power, or access to highly trained and skilled personnel human resources. New technologies such as robotics and information technology are also coming up as a part of the product, or to assist making it.

2.5 Company Demand

In recent years, there has been a groundbreaking form of business design innovation – a response to the challenge of growth that is being pioneered by a handful of farsighted companies. These companies are focused on creating new growth and new value by addressing the hassles and issues that surround the product rather than by improving the product itself. They have shifted their approach from product innovation to demand innovation. Demand innovation focuses on using one's product position as a starting point from which to do new things for customers that solve their biggest problems and improve their overall performance. Thus, companies skilled in demand innovation understand and exploit a little-noted truth: While the product sale may be the culmination of the manufacturer's efforts, it usually marks the beginning of the customer's (Richard and Andrian, 2003).

Marketers do demand management where they seek to influence the level, timing and composition of demand. Kotler and Keller (2006) recommend holistic marketing where everything matters. However, a firm could be the product leader, the operationally excellent firm, or the customer intimate firm (Kotler, 1997). Some customers favor the firm that is advancing the technological frontier (product leadership). Another customer group does not need the latest products but wants highly reliable and dependable performance (operational excellence). A final customer group prefers the firm that is most responsive and flexible in meeting their individual needs (customer intimacy). It is difficult for a firm to be best in all three ways, or even two ways. Most firms do not have sufficient resources to be best at everything.

As part of ongoing planning, companies prepare a great number of market size estimates. Demand can be measured for six different product levels (products item, product form, product line, company sales, industry sales, and national sales), five different space levels (customers, territory, region, national, and world) and three different time levels (short – range, medium – range and long –range). Consumer interest is not enough to define a market. Potential consumers must have adequate income to afford the purchase. They must be able to buy besides having an interest in buying. It goes without saying that the higher the price, the fewer the number of people who will stay in the market. The size of a market is a function of both interest and income (Richard, 2008).

Market size is further reduced by personal access barriers that might prevent response to the offer. Interested consumer, for instance, may not be able to take bank product and services at the place or at the time it is offered. Access factors will make the market smaller. The available market is the set of consumers who have interest, income, and access to a particular market offer (Kotler and Keller, 2006). In some market offers, the organization may restrict sales to certain groups. Although a college sells football tickets to every one, for instance, it may not accept every one who wants to study French. The College may accept only adults who are twenty – four years or older and have a high school diploma. These adults constitute the qualified available market, namely, the set of consumers who have interest, income, access and qualifications for the particular market offer. The same applies in other sectors such as banking.

2.5.1 Demand Measurements

The field of demand measurement is filled with a confusing number of terms. Company's executive talk of forecasts, predictions, potentials, estimates, projections, goals, targets, quotas, and budgets. Many of these terms are redundant. The major concepts in demand measurement are market demand and company demand, with in each, we distinguish between a demand function, and a potential. In evaluating marketing opportunities, the first step is to estimate total market demand (Richard and Andrian, 2003).

In market forecast, only one of the many possible levels of industry marketing efforts will actually occur. The market demand corresponding to the expected efforts is called the market

forecast. The market forecast shows the levels of market demand corresponding to the actual level of industry marketing expenditure in the given environment. For market potential, the market forecast shows expected market demand, not maximum market demand. For the latter, we have to visualize the level of market demand for a very high level industry marketing effort, where further market potential is the limits approached by market demand as industry marketing effort goes to infinity for a given environment (Kotler and Keller, 2006).

Company demand is the company's share of market demand. In symbols: $Q_i = s_i Q$

Where:

Q_i = Company I's demand

s_i = Company I's market share

Q = total market demand

Company demand, like market demand, is a function called the company demand function or sales – response function and is subject to all the determinants of market demand plus what ever influence company market share. Company forecast is demand describing estimated company sales at alternative levels of company marketing efforts (Kotler and Keller, 2006).

2.5.2 Company Potential

Company's potential refers to the limits approached by company demand as company marketing effort increases relative to competitors. The absolute limits of company demand are of course, the market potential. The two would be equal if the company achieved 100 percent of the market that is, if the company becomes a monopolist. In most of the cases, company's sales potential is less than market potential, even when company marketing expenditure increase considerably relative to competitors. The reason is that each competitor has a hard core of loyal buyers who are not very responsive to other companies (Kotler and Keller, 2006).

At any price, the company demand is the sum of the amounts demanded by each of the individuals. That is, the company demand is the *horizontal sum* of the individual demands. Consumers go through “a process of knowledge, persuasion, decision and confirmation” before

they are ready to adopt a product or service. The adoption or rejection of an innovation begins when “the consumer becomes aware of the product”. In the context of bank marketing planning identify “information about the benefits of using a product/service” as an essential service/product promotion strategy.

2.6 Determinants of demand for banking services

The banking industry is constantly responding to changes in customer preferences and needs; increasing competition from non-banks, changes in demographic and social trends, information technologies advances, channel strategies, and government deregulations of the financial service sector (Byers and Lederer, 2001). Success or failure of many retail banks is dependent upon the capabilities of management to anticipate and react to such changes in the financial marketplace. In the search for sustainable competitive advantages in the competitive and technological financial service industry, banks have recognized the importance to differentiate themselves from other financial institutions through distribution channels. This has resulted in banks developing, and utilizing new alternative distribution channels to reach their customers (Thornton and White, 2001).

Information technological developments in the banking industry have speed up communication and transactions for customers (Giannakoudi, 1999). The information technology revolution in the banking industry distribution channels began in the early 1970s, with the introduction of the credit card, the Automatic Teller Machine (ATM) and the ATM networks. This was followed by telephone banking, cable television banking in the 1980s, and the progress of Personal Computer (PC) banking in the late 1980s and in the early 1990s (Giannakoudi, 1999). The variables that consumers' use to evaluate bank service alternatives come in many forms. The number of variables involved, as well as the way they influence consumers' evaluation of alternatives varies according to the type of situation (Loundon and Bitta, 1993).

2.6.1 Service quality dimensions

The five SERVQUAL dimensions identified by (Parasuraman *et al.*, 1991), have been used in the banking industry (Zhu *et al.*, 2002). SERVQUAL has been acknowledged and widely used in assessing banking service quality. For example, Llosa *et al.* (1998) investigated the applicability of SERVQUAL in the banking industry, and Levesque and McDougall (1996) adapted a

selection of service quality items from Parasuraman *et al.* (1988) SERVQUAL measurement in order to gain insights into service quality from the bank customers' perspective and to better understand the determinants of customer satisfaction.

Jun and Cai (2001) identified bank customers' perceptions of service quality dimensions using quantitative techniques. Bank service product quality is primarily related to product variety and the diverse features of the service products. Customer service quality is related to the differences between customers' expectations of service provider's performance and their evaluation of the services they receive. For instance; the demand for the electronic banking service quality would be determined by the factors such as; product variety/diversity features, reliability, responsiveness, competence, courtesy, credibility, access, communication, understanding the customer, collaboration, continuous improvement, contents, accuracy, ease of use, timelines, aesthetics, and security.

Sureshchandar *et al.* (2001) used factor analysis to identify five major service quality dimensions for banking. These include core service or service product, human element of service delivery, systematization of the service delivery, tangibles of service, and social responsibility. The core service or service product refers to the features of a service. The human element of service delivery quality dimension relates to the reliability, responsiveness, assurance empathy, moments of truth, critical incident and the recovery aspects that fall under the domain of the human element in the service delivery. The systematization of the service delivery dimension pertains to the process, procedures, systems and technology that would create a seamless service. The tangibles of service dimension relates to physical facility, equipment, personnel, and communication materials. Social responsibility service concerns with the elements that send signals towards improving a bank's image and goodwill, and subsequently have an impact on customers' overall evaluation of service quality.

2.6.2 Perceived risk factors

Consumers perceive greater risks when buying services than tangible goods (Clow *et al.*, 1998). Zeithaml (1981) perceived services as riskier than products because services are intangible, non-standardized, and often sold without guarantees or warranties. Consumers can rarely return a service to the service provider since they have already consumed it, and some services are so

technical or specialized that consumers possess neither the knowledge nor the experience to evaluate whether they are satisfied, even after they have consumed the service (Zeithaml, 1981). Perceived risk is considered an important risk attribute that impacts on the consumer decision-making process when buying a product or consuming some services (Mitchell, 1998)

2.6.3 User input factors

Pervious studies have identified that user input factors are a function of control, enjoyment and intention to use (Ng and Palmer, 1999). Control could be described as the amount of effort and involvement required by consumers in the process of getting the banking services. Similarly, Bateson (1985) identified that consumers chose to use a technology-based channels in the delivery of a service, not because of the monetary incentives, but because they perceived a stronger sense of control as a result of a self-service option (Bateson, 1985). For instance, control in electronic banking relates to the consumers' perceived involvement, or sense of control, if they utilize electronic banking (Mantel, 2000).

2.6.4 Price factors

Another factor which would determine the preference of a bank by the customers is the price factors. It suggests that perceived relative economic advantages would motivate consumers to use services such as electronic banking (Sathye, 1999). For example, consumers using electronic banking could lower the fixed and variable costs that are associated with the banking process, due to reductions in personal error and labour cost savings. However, researches have also suggested that consumers perceive electronic banking as inexpensive and that it does not offer any extra cost benefits (Karjaluoto *et al.*, 2002). This mainly suits the banks which offer the electronic banking services.

2.6.5 Service product characteristics

In general, additional specific service features, service specifications, targets of a service, and the core service comprise service product characteristics. The service product characteristics of banking including: consumers' perception of a standard and consistence service, the time saving feature of electronic banking, and the absence of personal interactions, have been empirically found to influence consumers' preference in banking services Karjaluoto *et al.*, 2002).

2.6.6 Individual Factors

Most banks support that individual factors such as level of knowledge, consumer resources, such as money and information reception and processing capabilities and lifestyle (Polatoglu and Ekin, 2001) have an impact on consumers' preference on the banking services. Knowledge refers to the consumers' awareness of each type of banking channel in the marketplace, the awareness of the benefits associated with the banking services, and their knowledge of how to use other facilities such as electronic banking. The consumer resource money refers to the accessibility of a Personal Computer (PC) and the internet. Lifestyle refers to the social life in consumers banking patterns, such as the consumers' value the independence of the electronic banking process, or values the personal interactions associated with the non-electronic banking process.

Colgate *et al.* (2003) stated that when consumers made decisions for different alternatives in the marketplace, the awareness of the existing alternatives was a determinant for consumers to stay with their current banking provider. In the context of electronic banking, Sathye (1999); and Polatoglu and Ekin (2001) empirically supported the idea that consumer knowledge had an affect on banking channel adoption. Sathye (1999) found that the lack of awareness about banking services and its benefits, including the perception of it being non- friendly contribute to the non-adoption of a given banking service. Similarly, Karjaluoto *et al.* (2002) empirical results suggest that non-electronic banking users consider electronic banking as difficult to use because they find computers difficult to operate.

2.6.7 Other factors

Once seen as unpromising and overly risky, sub-Saharan Africa is now one of the world's fastest growing emerging banking markets and an increasingly sought-after investment destination. Economies are expanding rapidly on the back of soaring oil and mineral prices, while steadily increasing consumer affluence is creating fresh demand for banking services. There are many financial institutions who are thinking of alliances and acquisitions to build a competitive presence in local and regional markets. Mergers and Acquisitions in the Banking Industry in Sub Sahara Africa are likely to drive the growth of the Banking markets over the coming years. According to the PricewaterhouseCoopers' (PwC, 2009) report entitled "Into Africa: Investment prospects in the Sub-Saharan banking Sector", Sub- Saharan Africa, once seen as unpromising and overly risky, is now one of the world's fastest growing emerging Banking markets.

The growth is driven by improved economic environment as well as increasing customer affluence creating a fresh demand for banking services. Soaring oil and mineral prices have helped certain countries. In the past, poor infrastructure and limited branch networks restricted the access to banking services. Today, regional banks are investing in the development of their distribution networks – a process that includes both new branches and innovative e-banking solutions to bring formerly hard-to-reach customers into the banking orbit. Banking sectors in the region are also benefiting from market reforms including liberalization and tougher regulatory standards (PWC, 2009). Further, demand for banking services is likely to expand and become more sophisticated as regional economies move up a gear and wealth begins to permeate a growing consumer class. Also, the retail and corporate banking sectors are at a relatively early stage of development, offering international groups an opportunity to leverage both their expertise and capital.

According to Kotler (1980), a product is defined by the need that it satisfies (the core product), then by the physical form that it assumes (the formal product), followed by the added value that it offers in terms of benefits and services (the augmented product). So decisions about product modifications and service developments should not be made for internal reasons without a clear understanding of the value that the product or service provides. Crane and Eccles, (1987) suggest that business units be treated as a separate business. Once separated then each division can develop its own strategy based on the segment it serves. These classes of customer are increasingly being recognized, with banks tailoring their strategies to target those segments that match their own positioning. Changing lifestyles and increased affluence have led to higher service expectations by the customer; this has made distribution a key marketing variable (Whitley, 1991).

Many banks' promotion strategies are now turning to building a cultural identity of sales and service excellence that will be recognizable to their customers and the marketplace in general. Banks use a mix of advertising and sponsorships at national, regional and local levels (Gavigan, 1992). Banks will continue to fine-tune their organizations to facilitate change, to be more market-oriented and to save costs. This will be achieved by implementing wider, flatter organizations with improved internal communication. The local bank manager has become increasingly aware of his local market, and is required to prepare an annual operating plan that

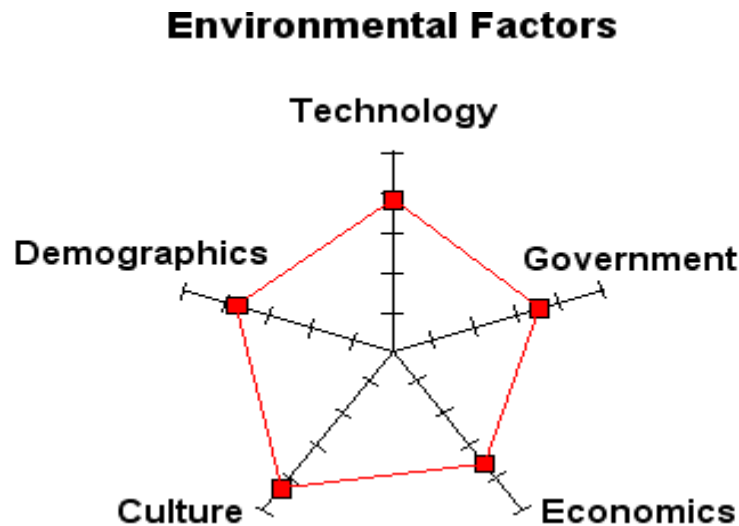
includes sales and financial targets, and the tactics to achieve them. Banks are investing in management development to improve the standards of their managerial staff. This is being achieved by traditional formal training and career paths, which expose managers to experience in various operational areas in branches and head office support functions, so that they can perform their roles increasingly effectively as they progress through the bank. Fiscal and Monetary policy as well as population increase are expected to determine demand but at a relatively low significance.

Technology and innovation has revolutionalized a number of sectors and banking is one of them. The rapid increase in mobile financial services offered in Kenya is leading to unprecedented economic opportunities for both business and consumers. Increasing mobile phone ownership combined with advent of mobile banking technology has made practical, affordable banking a reality for large numbers of previously under-served consumers (Hash, 2009). However, for policy makers, the convergence of the financial services and telecom sectors presents multiple regulatory challenges, ranging from domestic financial regulation and inter-state transactions to compliance with global anti-money laundering and counter-terrorism finance standards.

Through the explosive growth of Safaricom's M-Pesa system, Kenya has become both an example of the ability of mobile banking services to serve the unbanked poor and a demonstration of the global need for new policy frameworks that can strike a balance between innovation and necessary regulation to ensure continued growth in this sector. In the last few months the debate around m-banking in Kenya has splintered, with multiple regulatory agencies fighting for control over m-banking oversight, commercial banks lobbying for stricter regulation of telecoms to even the playing field, and telecoms, operating until now under the protection of the Central Bank of Kenya, expanding their services and market penetration. The combination of proven demand for m-banking services and the current opportunities to form new regulatory policy frameworks around it have placed Kenya at the heart of the global m-banking revolution (Hash, 2009).

2.7 Generic Framework

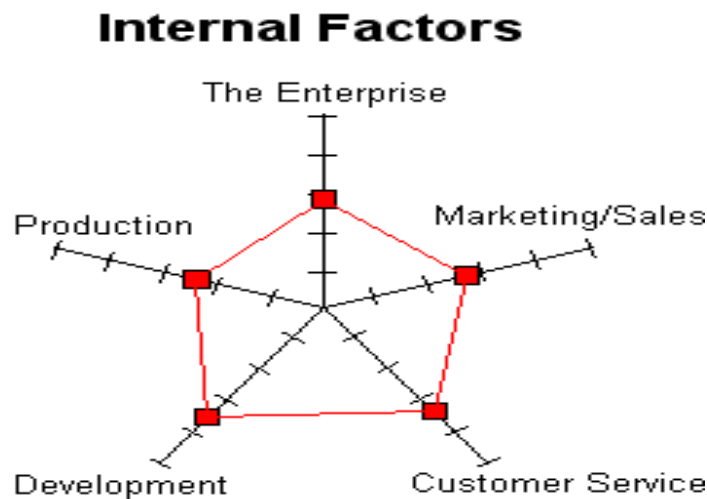
Figure 2. 1: Environmental Factors



Source: Author, 2009

The chart above presents the assessment of the environmental factors on company demand. The higher the rating (all points near the outer extent of the chart), the more positive is the factor for company demand. The weak areas should be studied carefully and alternative actions planned to lessen their impact on company demand.

Figure 2. 2: Internal Factors



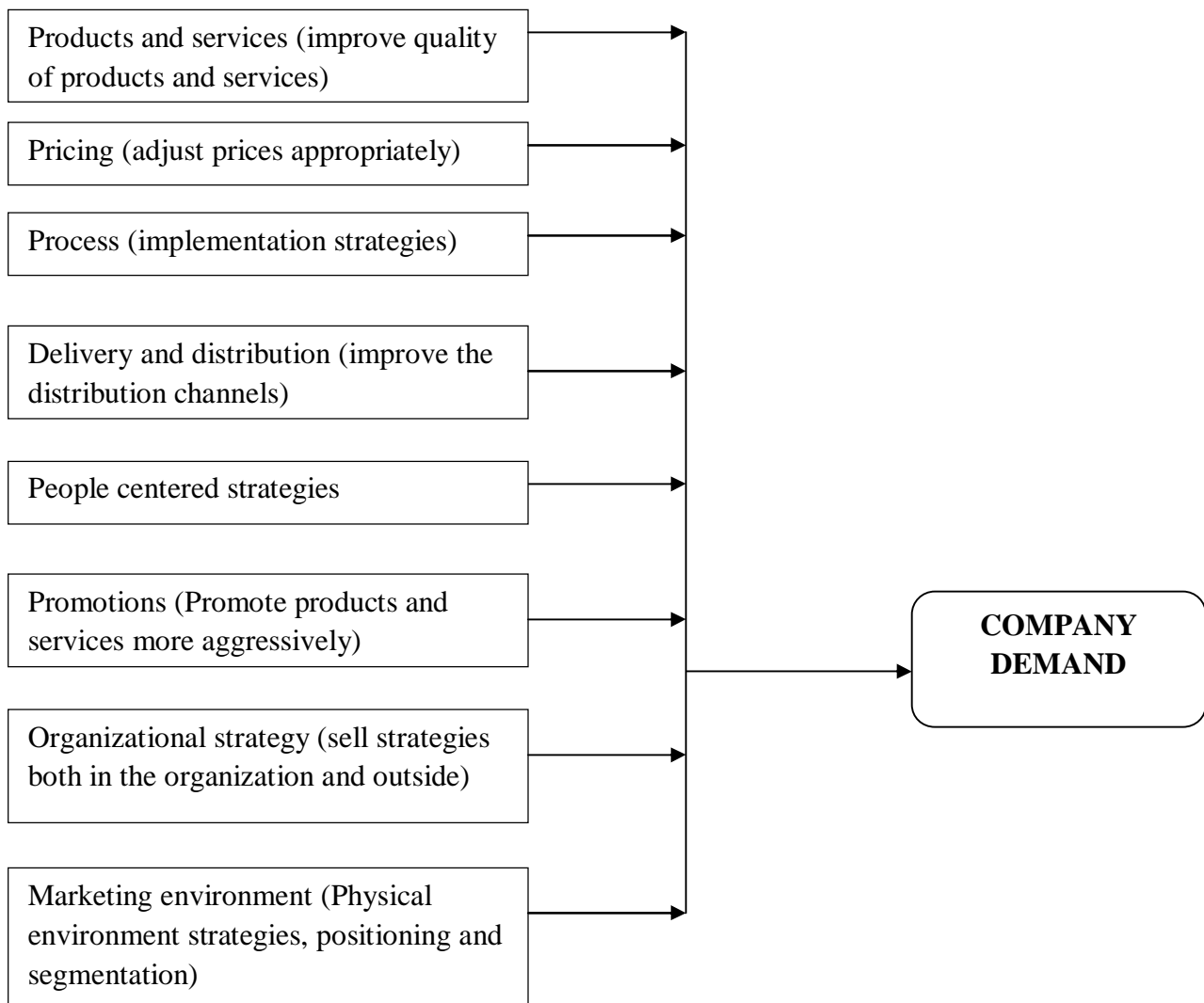
Source: Author, 2009

This is a graphical display of critical internal operations factors. The strongest enterprise would have all points at the outer limit of the chart. To have a reasonable chance for successful implementation of a marketing strategy, each of the internal factors should have a rating at the outer limit of the chart. Successful implementation of a marketing strategy results into a strong enterprise and hence improves company demand.

2.8 Conceptual Framework

Figure 2. 3: Conceptual Framework

Marketing strategies



Independent variables

Dependent variable

Source: Author 2009

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter addresses the research methodology. Specifically the chapter deals with the research design, population of the study, data collection method, and data analysis techniques.

3.2 Research Design

This study used a descriptive survey design. According to Schindler and Coopers, (2004), descriptive studies are more formalized and typically structured with clearly stated hypotheses or investigative questions. It served a variety of research objective such as descriptions of phenomenon or characteristics associated with a subject population, estimates of proportions of a population that have these characteristics and discovery of associations among different variables.

3.3 Target Population and Sampling

The target population consisted of all the 44 branches of Barclays Bank in Nairobi region. The respondent of the research study included all the 44 branch managers in Nairobi regions. Appendix I indicates Barclays bank branches in Nairobi Region. Therefore, a census study was undertaken.

3.4 Data Collection Methods

Primary data was used in this study. The data was collected using a semi- structured questionnaire. The data collection tool had two sections; Part A was on Personal information and part B on marketing strategies in response to company demand. The questionnaire were administered through emails and dropped & pick method to all the respondents.

3.5 Data Analysis Techniques

The data collected was checked for completeness, coded and analyzed with the help of the Statistical Package for Social Sciences (SPSS). The analysis was done using descriptive statistics such as mean scores and standard deviations. The results were presented using tables for ease of understanding

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4. 1 Introduction

This chapter discusses the research findings, analysis and interpretation. The study aimed at investigation of marketing strategies adopted by Barclays bank to respond to company demand in Nairobi. The study in specific focused on 44 branch managers in Nairobi regions but a total of 40 respondents responded resulting to a response rate of 91% which form the basis of this analysis. Data analysis was done through Statistical Package for Social Scientists (SPSS). Descriptive statistics used are mean and standard and frequencies, percentages, Likert Scales were used to display the results which were presented in tables, pie charts as well as bar graphs.

4.2 Personal Information

4.2.1 Position of the respondents

Table 4. 1: Position of the respondents

Table 4.1 shows that, 65% of the respondents were managers while 35% were assistant managers. The majorities were managers and this was consistent to the target population of the study.

	Frequency	Percent
Manager	14	35.0
Assistant manager	26	65.0
Total	40	100.0

4.2.2 Number of years in the managerial position

Table 4.2 shows the number of years in the managerial position. 42.5% said that they have been in that position for 6 to 10 years, 30% for 11 to 15 years, 17.5% for 3 to 5 years while 10% said that they have been in the position for above 15 years. Also all the respondents agreed to it that the branch has been in operation for over one year.

Table 4. 2: Position of the respondents

	Frequency	Percent
1-5 years	7	17.5
6-10 years	17	42.5
11-15 years	12	30.0
Above 15 years	4	10.0
Total	40	100.0

4.2.3 Persons who formulate marketing strategies.

Table 4.3 shows the findings on the person who formulates marketing strategies in the respondent's bank. 40% said that the top management of Barclays Bank of Kenya makes decisions, 25% said that the managing director makes decisions, 15% said that consultants do make the decisions, 10% said that branch management makes the decision, 7.5% said that all the employees participate in the decision making while 2.5% said that the others do make the decisions.

Table 4. 3: Persons who formulate marketing strategies

	Frequency	Percent
Managing director	10	25.0
Top management for BBK	16	40.0
All employees participate	3	7.5
Consultants	6	15.0
Branch management	4	10.0
Others	1	2.5
Total	40	100.0

4.3 Marketing strategies adopted by Barclays bank branches in Nairobi

A Five point Likert scale was used to interpret the extent to which respondent's agreed or disagreed with listed marketing related strategies. According to the Likert scale those factors the respondents strongly disagreed with were awarded 1 while those which had the respondents strongly agreed with were awarded 5. Within the continuum mean scores of less than 1.49 is

interpreted to mean strongly disagree, 1.5 to 2.49 means scores disagree, 2.5 - 3.49 mean scores is interpreted to mean neither agree or disagreed. 3.5-4.49 agree and above 4.5 strongly agree. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents.

4.3.1 Product strategies

The respondents agreed that product strategies adopted by Barclays Bank branches in Nairobi to respond to company demand. As shown in table 4.1 above are: service or product guarantees like uptime of ATMs with a mean score of 3.6 and regular launches of new products with a mean score of 3.5. However, they neither agreed nor disagreed with adoption of a well-defined new product development process to quicken new launches and partnering with service providers with a mean score of 3.3 and 3.1 respectively. This implies that the product strategies adopted are service/product guarantee and regular new product launches. These findings are shown by the table 4.4

Table 4. 4: Product strategies adopted to respond to company demand

Product strategies	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Barclays launches innovative products/service regularly	3	6	11	12	8	3.4	1.2
Sometimes Barclays partners with other service providers like Western Union, Safaricom-MPESA services and Postal Corporation to enhance her product range and services	4	9	12	10	5	3.1	1.2
There is a well defined new product/service development and approval process to quicken new product launches once a need has been identified	4	6	9	15	6	3.3	1.2
To satisfy its customers, Barclays provides service or product guarantees like uptime of ATMs	2	5	10	15	8	3.6	1.1
Barclays introduce new products regularly to respond to dynamic changing customer tastes and preferences at branch level	2	5	12	12	9	3.5	1.1

4.3.2 Promotion strategies

The table 4.5, shows various promotion strategies employed are use of different communication/advertising methods to reach different customer segments such as TV, Radio,

Newspapers and from time to time, As shown by table; Barclays runs sales promotions to increase product sales like credit cards, personal loans and mortgages with a mean 3.7 and 3.6 respectively and that each branch has well printed product literature for all the products offered at branch level with a mean of 3.5 were agreed on. Strategies that were neither agreed nor disagreed on were that Barclays effectively uses Product/service branding to enhance the bank's image and sometimes Barclays employs promotions intended to be subtle enough with a mean of 3.4 respectively, Barclays often outsource marketing and advertising services for marketing activities with a mean 3.3, Barclays, quality corporate wear is provided to staff to standardize and enhance company image with a mean of 3.2 and that Barclays regularly advertises its products/service in the electronic and print media was disagreed on with a mean of 3.1. This implies that the promotion strategies are effective in communicating to the client that has led to increase in clients within the Nairobi branches.

Table 4. 5: Promotion strategies adopted to respond to demand by Barclays bank

Promotion strategies	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Each branch has well printed product literature for all the products offered at branch level	2	5	12	12	9	3.5	1.1
Barclays regularly advertises its products/service in the electronic and print media	3	7	16	11	3	3.1	1.0
Barclays effectively uses Product/service branding to enhance the bank's image	4	4	11	15	6	3.4	1.2
From time to time, Barclays runs sales promotions to increase product sales like credit cards, personal loans and mortgages	3	4	10	14	9	3.6	1.2
In Barclays, quality corporate wear is provided to staff to standardize and enhance company image	3	8	13	11	5	3.2	1.1
Barclays often outsource marketing and advertising services for marketing activities	2	7	12	14	5	3.3	1.1
Sometimes Barclays employs promotions intended to be subtle enough	3	5	11	14	7	3.4	1.1
Barclays uses different communication/advertising methods to reach different customer segments such as TV, Radio, Newspapers	2	4	10	13	11	3.7	1.1
Barclays employ highly qualified sales people to prospect and close sales	2	4	13	12	9	3.6	1.1

4.3.3 Pricing strategies

The pricing strategies employed are Barclays adjusts its pricing in relation to that of competitors' to win competitors market share with a mean of 3.5 was agreed on. Barclays has pricing/tariffs specific to different market segments with a mean of 3.4 while the pricing strategy that Barclays offers different products and service to different market segments was agreed on with a mean of 3.1 were neither disagreed or agreed on. This shows that the pricing has been effectively applied in different markets hence has led to a good market share as shown by table 4.6.

Table 4. 6: Pricing strategies adopted by Barclays bank in Nairobi

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Pricing strategies							
Barclays has pricing/tariffs specific to different market segments	3	5	11	14	7	3.4	1.1
Barclays sets high prices for its new products or services then lowers them over time	4	6	15	13	2	3.1	1.0
Barclays adjusts its pricing in relation to that of competitors' to win competitors market share	3	6	10	12	9	3.5	1.2
Barclays often reduces its pricing in order to undercut competitors	5	7	10	11	7	3.2	1.3

4.3.4 Segmentation strategies

The segmentation strategies employed are that Barclays customers are grouped based on variables such as age, income, religion, region, profitability etc with a mean of 3.6 and that Barclays, customers are categorized into various segments based on their needs followed with a mean of 3.5 were agreed on. Barclays offers different products and service to different market segments was agreed had a mean of 3.4 while Barclays has a wide product mix aimed at satisfying various target markets compared to the competition with a mean of 3.2 were neither agree nor disagree. The segmentation strategy is very important as it meets the clients' needs

through market research leading to outdoing the competitors as they focused. The table 4.7 shows these results.

Table 4. 7: Segmentation strategies adopted to respond to company demand

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Segmentation strategies							
Barclays offers different products and service to different market segments	4	5	12	11	8	3.4	1.2
In Barclays, customers are categorised into various segments based on their needs	2	4	14	12	8	3.5	1.1
Barclays customers are grouped based on variables such as age, income, religion, region, profitability etc	3	4	10	13	10	3.6	1.2
Barclays has a wide product mix aimed at satisfying various target markets compared to the competition	3	9	11	10	7	3.2	1.2

4.3.5 Market entry strategies

The market entry strategies employed as shown by table 4.8 are that Barclays introduces new products at lower prices to penetrate new target markets was agreed on with a mean of 3.6 while that Barclays provides products and services at a discounted rate to penetrate new markets was a neither agree or disagreed on with a mean of 3.2. This findings show that the market strategies are necessary in introduction of new products that have a good market penetration and retaining the market share.

Table 4. 8: Market entry strategies adopted to respond to company demand by Barclays bank

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Market entry strategies							
Barclays Provides products and services at a discounted rate to penetrate new markets	4	8	11	10	7	3.2	1.2
Barclays introduces new products at lower prices to penetrate new target markets	2	4	12	13	9	3.6	1.1

4.3.6 Customer relationship strategies

The strategies of customer relationship strategies employed regularly are that Barclays organizes customer social events such as football games, horse racing days and customer dinners to enhance interactions with its customers with a mean 3.7, Barclays handle customers complaints promptly and effectively making it the most reliable bank in Kenya with a mean of 3.6, Barclays is committed to prompt customer services in all customers transactions with a mean and that there are clear service level agreements between all business units in order to meet customer expectations with a mean of 3.5 respectively which were all agreed on. Other strategies like Barclays goes out of its way to ensure that its customers can be provided with refreshments on request as a caring bank with a mean of 3.4, Barclays places great emphasis on relationship marketing practices through frequent client visits with a mean of 3.3 and that Barclays organizes customer open day functions to showcase bank products or services with a mean of 3.1 were neither agree or disagree. The customer relationship strategies are effective in creation of a good bond, knowing the customer behavior and attitude. It's also an easy way of dealing with the complaints and good customer service that ensure the customers remain loyal due to the quality time given to them. The results are shown by the table 4.9.

Table 4. 9: Customer relationship strategies adopted to respond to company demand

Customer relationship strategies	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Barclays organises customer open day functions to showcase bank products or services	5	7	11	12	5	3.1	1.2
Barclays places great emphasis on relationship marketing practices through frequent client visits	4	6	10	14	6	3.3	1.2
Regularly, Barclays organises customer social events such as football games, horse racing days and customer dinners to enhance interactions with its customers	1	6	9	14	10	3.7	1.1
There are clear service level agreements between all business units in order to meet customer expectations	2	5	12	13	8	3.5	1.1
Barclays goes out of its way to ensure that its customers can be provided with refreshments on request as a caring bank	3	6	10	13	8	3.4	1.2
Barclays is committed to prompt customer services in all customers transactions	2	4	14	11	9	3.5	1.1
Barclays handle customers complaints promptly and effectively making it the most reliable bank in Kenya	2	6	12	10	11	3.6	1.0
Customer service is considered critical in Barclays	4	6	11	9	10	3.4	1.3

4.3.7 Placement/Distribution strategies

The strategies of placement or distribution strategies employed as shown using table 4.10 are that Barclays that were agreed on are that the branches are strategically located to be easily accessed by its customers with a mean of 3.8, Barclays has put in place different options to which customers can access their products e.g online Vs direct sales teams with a mean of 3.7, the Barclays ATM network offers convenience and security to its customers with a mean of 3.6 and that nowadays, Barclays has an efficient and adequate ATM network to serve the cash needs of its customers with a mean of 3.5. Other strategies like Barclays opens new branches in areas that it's not represented to increase customer outreach with a mean of 3.4, Barclays has adopted electronic banking to provide round the clock services to its customers with a mean of 3.2,

Barclays has co-branded with other leading retail names like supermarkets co-share space and target new customers with a mean of 3.1 were neither agree or disagreed. The results show that there is a dire need of taking the service close to the customers and also creation of more time with the customers.

Table 4. 10: Placement/Distribution strategies adopted by Barclays bank in Nairobi.

Placement/Distribution strategies	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Barclays opens new branches in areas that it's not represented to increase customer outreach	3	6	12	11	8	3.4	1.2
Barclays has adopted electronic banking to provide round the clock services to its customers	2	8	14	11	5	3.2	1.1
Nowadays, Barclays has an efficient and adequate ATM network to serve the cash needs of its customers	1	9	9	11	10	3.5	1.2
Its true that Barclays has co-branded with other leading retail names like supermarkets co-share space and target new customers	4	10	11	10	5	3.1	1.2
Barclays branches are strategically located to be easily accessed by its customers	1	5	9	13	12	3.8	1.1
The Barclays ATM network offers convenience and security to its customers	3	4	10	13	10	3.6	1.2
Barclays has put in place different options to which customers can access their products e.g online Vs direct sales teams	1	4	13	11	11	3.7	1.1

4.3.8 Process strategies

The strategies of process strategies employed are taking all necessary precautions to ensure that all its customers' data is remains confidential with a mean of 3.7 and that all Barclay's systems and processes are oriented towards faster customer service with a mean of 3.5 which were all agreed on. Use of various processes have been automated in Barclays to improve customer service like cheque printing with a mean of 3.4, Barclays has extended banking hours including opening over the weekends to better serve its customers with a mean of 3.3, there are readily available product, operations and procedure manuals for quick referencing by staff with a mean

of 3.2 were neither agree nor disagree. As shown by 4.11 there is a need to have the customers given quality services that is delivered on time.

Table 4. 11: Process strategies adopted to respond to company demand by Barclays bank in Nairobi.

Process strategies	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Barclays has extended banking hours including opening over the weekends to better serve its customers	2	8	14	10	6	3.3	1.1
There are readily available product, operations and procedure manuals for quick referencing by staff	3	9	10	13	5	3.2	1.1
Various processes have been automated in Barclays to improve customer service like cheque printing	4	6	10	11	9	3.4	1.3
All Barclays systems and processes are oriented towards faster customer service	3	7	9	10	11	3.5	1.3
Barclays takes all necessary precautions to ensure that all its customers' data is remains confidential	1	5	11	12	11	3.7	1.1

4.3.9 People strategies

The table 4.12 shows various people strategies employed is that the use of HR policies in Barclays are geared towards attracting and retaining the best human resources in the market was agreed on with a mean of 3.7, many Barclays customers consider Barclays staff as highly professional was also agreed on with a mean of 3.5. The strategies that were neither agree or disagreed on are that Barclays invests in motivation of its staff as a strategy to make them happy in order to deliver customer satisfaction with a mean of 3.3 and Barclays invests heavily on training its key asset who are its employees with a mean of 3.2, Barclays competitively rewards good performers for a job well done and decision making is decentralized in Barclays and staff empowered to make decisions in order to serve customers faster with a mean of 3.1. The peoples

strategies ensure that the staff is capable of efficient services they are well equipped with the necessary resources that keep them up to date with the necessary changes and are well motivated.

Table 4. 12: People strategies adopted to respond to company demand

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
People strategies							
Barclays invests heavily on training its key asset who are its employees	4	8	11	12	5	3.2	1.2
Decision making is decentralised in Barclays and staff empowered to make decisions in order to serve customers faster	6	9	9	9	7	3.1	1.3
HR policies in Barclays are geared towards attracting and retaining the best human resources in the market	2	5	13	13	9	3.7	0.8
Barclays competitively rewards good performers for a job well done	6	6	10	13	5	3.1	1.2
Many Barclays customers consider Barclays staff as highly professional	3	5	11	13	8	3.5	1.2
Barclays invest in motivation of its staff as a strategy to make them happy in order to deliver customer satisfaction	5	7	9	10	9	3.3	1.3

4.3.10 Market target strategies

The strategies of market target strategies employed were neither agree or disagreed on. The Strategy that Barclays analyses all the customers in the market using various variables, groups them then decides which group or groups to target scored a mean of 3.4 while use of a strategy based on customer needs, Barclays frequently targets various customer groups had a mean of 3.1. The market target strategy is therefore necessary in knowing the customers needs in behavior, attitude and expectations so as to serve them better. This is shown by the table 4.13

Table 4. 13: Market target strategies adopted by Barclays bank in Nairobi.

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Market target strategies							
Based on customer needs, Barclays frequently targets various customer groups	4	8	13	9	6	3.1	1.2
Barclays analyses all the customers in the market using various variables, groups them then decides which group or groups to target	1	9	11	13	6	3.4	1.1

4.3.11 Market dominance strategies

Table 4. 14: Market dominance strategies adopted to respond to company demand by Barclays bank

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Market dominance strategies							
In the Market place, Barclays is considered as a 'leader'	3	8	13	11	5	3.2	1.1
In the banking sector, Barclays is considered a 'follower' in innovation and customer service	2	5	15	12	6	3.4	1.0

The strategy that in the banking sector, Barclays is considered a 'follower' in innovation and customer service which had a mean of 3.4 while in the Market place and that Barclays is considered as a 'leader' was agreed on with a mean of 3.2 were neither agree or disagreed on . This ensures that the extent of the product or service is known, brand identified so as Barclays bank can have control of the Nairobi area.

4.3.12 Physical environment strategies

As shown by table 4.15, the physical environment strategies used are that Barclays goes an extra mile to ensure their branches/ATMs and product literature is user friendly to the handicapped customers was agreed on with a mean of 3.6. The strategy that customers queue in Barclays branches and ATMs are well managed to ensure customers enjoy their transaction experience with a mean of 3.4 while the ambiance, style and furnishing in any Barclays branch set it apart from competitors as being very modern and welcoming strategy followed with a mean of 3.3 were neither agree or disagreed. The results show that there is also a need to discover customer attitudes, needs and preferences so as to serve them better.

Table 4. 15: Physical environment strategies adopted

	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Physical environment strategies							
Barclays goes an extra mile to ensure their branches/ATMs and product literature are user friendly to the handicapped customers	2	5	10	14	9	3.6	1.1
Customers queues in Barclays branches and ATMs are well managed to ensure customers enjoy their transaction experience	4	6	11	14	6	3.4	1.1
The ambiance, style and furnishing in any Barclays branch set it apart from competitors as being very modern and welcoming	4	6	12	11	7	3.3	1.2

4.3.13 Market position strategies

Market position strategies that before entering a specific market, Barclays conducts a competitor analysis to gauge its position vis-à-vis its competitor was agreed on by the respondents especially before development of a new product that's already in the market. However, Barclays does competitor analysis frequently so as to retain its clients and find new markets to venture into.

4.3.14 Competitive advantage strategies (Cost leadership and differentiation)

The competitive advantage strategies used by Barclays bank are that Barclays provides better products/services for the same price as its competitors which had a mean of 3.8 while the strategy that Barclays delivers the same service/product as its competitors but at a lower cost also had a mean of 3.6 were agreed on. The findings show that Barclays branches in Nairobi to know

its position in the Nairobi market share hence they can lower their cost, deliver different services and focus in a certain market segment due to competition. This is shown by table 4.16.

Table 4. 16: Competitive advantage strategies adopted to respond to company demand

Competitive advantage strategies	Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree	Mean	Std. Dev.
Barclays delivers the same service/product as its competitors but at a lower cost	3	5	10	10	12	3.6	1.2
Barclays provides better products/services for the same price as its competitors	1	3	10	15	11	3.8	1.0

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the findings, conclusions, recommendations of the researcher, limitations of the study and suggestions for further research.

5.2 Summary of findings

Majority of the respondents were managers while the rest were assistant managers whereby most of them had worked for 6 to 10 years followed by some who had worked for 11 to 15 years while others had worked for 3 to 5 years. Also all the respondents agreed to it that the branch has been in operation for over one year.

Marketing strategies in this case the product strategies adopted to respond to company demand by Barclays bank in Nairobi. The factor that they employ strategies to satisfy its customers, Barclays provides service or product guarantees like uptime of ATMs with a mean of and that Barclays introduce new products regularly to respond to dynamic changing customer tastes and preferences at branch level was agreed on with a mean of were_was agreed on. Other strategies including; Barclays launches innovative products/service regularly, presence of a well defined new product/service development and approval process to quicken new product launches once a need has been identified, sometimes Barclays partnering with other service providers like Western Union, Safaricom-MPESA services and Postal Corporation to enhance her product range and services was disagreed on with a mean of were neither agreed nor disagreed on.

Promotion strategies adopted to respond to company demand are use of different communication/advertising methods to reach different customer segments such as TV, Radio, Newspapers and from time to time, Barclays runs sales promotions to increase product sales like credit cards, personal loans and mortgages, each branch has well printed product literature for all the products offered at branch level were agreed on. The rest were neither disagreed nor agreed on were that Barclays effectively uses Product/service branding to enhance the bank's image and sometimes Barclays employs promotions intended to be subtle enough, Barclays often outsource

marketing and advertising services for marketing activities, Barclays, quality corporate wear is provided to staff to standardize and enhance company image and that Barclays regularly advertises its products/service in the electronic and print media was neither agreed nor disagreed on.

The pricing strategies adopted are Barclays has pricing/tariffs specific to different market segments were all agreed. They are that Barclays offers different products and service to different market segments. However, the segmentation strategies adopted to respond to company demand are that Barclays customers are grouped based on variables such as age, income, religion, region, profitability etc and that Barclays, customers are categorized into various segments based on their needs were also agreed on. Those that were neither agreed nor disagreed on are that Barclays offers different products and service to different market segments and Barclays has a wide product mix aimed at satisfying various target markets compared to the competition.

The other market strategies used by Barclays bank Nairobi branches are use of the market warfare strategies employed are that Barclays adjusts its pricing in relation to that of competitors' to win competitors market share was agreed on while the strategy that Barclays often reduces its pricing in order to undercut competitors, Barclays introduces new products at lower prices to penetrate new target markets and Barclays provides products and services at a discounted rate to penetrate new markets were neither agreed nor disagreed on by the respondents.

The customer relationship strategies are also adopted to respond to company demand by Barclays bank in Nairobi. They are that; Barclays organizes customer social events such as football games, horse racing days and customer dinners to enhance interactions with its customers, Barclays handle customers complaints promptly and effectively making it the most reliable bank in Kenya, Barclays is committed to prompt customer services in all customers transactions with a mean and that there are clear service level agreements between all business units in order to meet customer expectations were agreed on. While the strategy that Barclays goes out of its way to ensure that its customers can be provided with refreshments on request as a caring bank, Barclays places great emphasis on relationship marketing practices through frequent

client visits and that Barclays organizes customer open day functions to showcase bank products or services were neither agree or disagree.

Placement/Distribution strategies adopted to respond to company demand are strategically located to be easily accessed by its customers, Barclays has put in place different options to which customers can access their products e.g online Vs direct sales teams, the Barclays ATM network offers convenience and security to its customers, nowadays Barclays has an efficient and adequate ATM network to serve the cash needs of its customers were agreed on. Other strategies like Barclays opens new branches in areas that it's not represented to increase customer outreach, Barclays has adopted electronic banking to provide round the clock services to its customers, its true that Barclays has co-branded with other leading retail names like supermarkets co-share space and target new customers were neither agreed nor disagreed on.

Process strategies adopted to respond to company demand by Barclays bank in Nairobi are by taking all necessary precautions to ensure that all its customers' data is remains confidential and that all Barclays systems and processes are oriented towards faster customer service were strategies that the respondents agreed on while use of various processes have been automated in Barclays to improve customer service like cheque printing, Barclays has extended banking hours including opening over the weekends to better serve its customers, there are readily available product, operations and procedure manuals for quick referencing by staff were neither agree nor disagree.

People strategies adopted to respond to company demand by Barclays banks are by use of HR policies in Barclays are geared towards attracting and retaining the best human resources in the market, many Barclays customers consider Barclays staff as highly professional were agreed on. The strategies that Barclays invests in motivation of its staff as a strategy to make them happy in order to deliver customer satisfaction, Barclays invests heavily on training its key asset who are its employees, Barclays competitively rewards good performers for a job well done and decision making is decentralized in Barclays and staff empowered to make decisions in order to serve customers faster were neither disagreed nor agreed on.

Market target strategies adopted to respond to company demand by Barclays bank in Nairobi were all disagreed nor agreed on are that Barclays analyses all the customers in the market using

various variables, groups them then decides which group or groups to target, use of a strategy based on customer needs, Barclays frequently targets various customer groups, market dominance strategies adopted is that Barclays is considered a 'follower' in innovation and customer service, while in the Market place, Barclays is considered as a 'leader'.

Other marketing strategies adopted are the competitive advantage strategies whereby the physical environment strategies used are that Barclays goes an extra mile to ensure their branches/ATMs and product literature is user friendly to the handicapped customers was agreed on by the respondents. The strategies were neither agreed nor disagreed on are that customers' queues in Barclays branches and ATMs are well managed to ensure customers enjoy their transaction experience and the ambiance, style and furnishing in any Barclays branch set it apart from competitors as being very modern and welcoming strategy. Also, the market position strategies that before entering a specific market, Barclays conducts a competitor analysis to gauge its position vis-à-vis its competitor was agreed on by the respondents especially before development of a new product that's already in the market. However, Barclays does competitor analysis frequently so as to retain its clients and find new markets to venture into.

Barclays banks branches in Nairobi have also adopted competitive advantage strategies like Barclays provides better products/services for the same price as its competitors and that Barclays delivers the same service/product as its competitors were all agreed on.

5.3 Conclusion

From the findings the researcher concludes that Barclays bank branches located in Nairobi have different marketing strategies they have employed to respond to company demand. The strategies like product, promotion segmentation, customer relation ship, market target and market position strategies are very important; as they make them aware of the customers, the market share and the competitors' hence necessary measures. These measures include creation of new products, branding, advertising, enhancement of the banks image, customer surveys to establish the customers needs, handling customer complaints and good customer service so as to retain him is done.

Also provision of good services like efficient ATMS through out the Nairobi branches, lack of queues, hiring qualified sales people and continuous training of the staff to provide good services

and so as to keep them up to date with the technological changes across the banking industry and new products being offered by the bank.

To ensure that the marketing strategies are continuous they give incentives to the staff by promoting them involving them in the decision making process and provision of a standardized wear to enhance company's image.

5.4 Recommendations

The researcher recommends that Barclays banks has fully utilized the marketing strategies especially product strategy by introduction of new products and innovation of others regularly. However the products are expensive and tend to target the high earning customers. They need to control the tariffs and pricing so as to integrate other income earners especially the low income ones especially those in the rural areas. This can be done by introducing a wide product mix aimed at satisfying various target markets compared to the competition, offering them at discounted rates so as to penetrate new markets, also use of other outlets and co branding their initial products. Also, to create work place relations they should involve the staff in decision making and empowered them to make decisions in order to serve customers faster.

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APPENDICIES

Appendix I: Summary Table of questionnaire and data analysis techniques

Objective: The general objective of this study is to investigate marketing strategies adopted by Barclays Bank to respond to company demand in Nairobi.

Marketing Strategies	Questions in the questionnaire to satisfy the objective	Statistics to be computed
Product strategies	Q1, 15, 22, 53, 57,	Frequencies, Percentages, Means, modes, standard deviation
Promotion strategies	Q2, 3, 4, 10, 28, 36, 41, 45, 56	Frequencies, Percentages, Means, modes, standard deviation
Pricing strategies	Q5, 46	Frequencies, Percentages, Means, modes, standard deviation
Segmentation strategies	Q6, 31, 47, 55,	Frequencies, Percentages, Means, modes, standard deviation
Market warfare strategies	Q7, 13,	Frequencies, Percentages, Means, modes, standard deviation
Market entry strategies	Q8, 58	Frequencies, Percentages, Means, modes, standard deviation
Customer relationship strategies	Q9, 11, 12, 23, 34, 40, 59, 60	Frequencies, Percentages, Means, modes, standard

		deviation
Placement/Distribution strategies	Q14, 16, 17, 18, 29, 30, 51	Frequencies, Percentages, Means, modes, standard deviation
Process strategies	Q19, 20, 21, 38, 39	Frequencies, Percentages, Means, modes, standard deviation
People strategies	Q24, 25, 26, 27, 32, 61	Frequencies, Percentages, Means, modes, standard deviation
Market target strategies	Q33, 43	Frequencies, Percentages, Means, modes, standard deviation
Market dominance strategies	Q35, 37	Frequencies, Percentages, Means, modes, standard deviation
Physical environment strategies	Q42, 44, 48,	Frequencies, Percentages, Means, modes, standard deviation
Market position strategies	Q49	Frequencies, Percentages, Means, modes, standard deviation
Competitive advantage strategies (Cost leadership & differentiation)	Q50, 52	Frequencies, Percentages, Means, modes, standard deviation

Source: Author, 2009

Appendix II: Cover Letter



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAM - LOWER KABETE CAMPUS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 06/10/2009

TO WHOM IT MAY CONCERN

The bearer of this letter BOSIRE NYAKUNDI CHEM
Registration No: D61/P/8556/2004

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA OFFICE
DR. W.N. IRAKI
CO-ORDINATOR, MBA PROGRAM

Appendix III: Questionnaire

Part A: Personal Information

1. Name of branch_____
2. Position of respondent_____
3. Number of years in the position _____
4. Have the branch been in operation for over 1 year?

Yes []

No []
5. If you answer is NO in (5) above, kindly specify duration the branch has been in operation _____
6. Who formulates marketing strategies in your Bank?
 - a) Managing director ☐
 - b) Top management of BBK ☐
 - c) All employees participate ☐
 - d) Consultants ☐
 - e) Branch management ☐
 - f) Others (Please specify) ☐

Part B: Marketing strategies adopted to Respond to Company demand by Barclays bank in Nairobi

Instructions: Please indicate the extent to which you agree or disagree with the following statements (Put a tick in the appropriate box)

		1	2	3	4	5
		Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
10	From time to time, Barclays runs sales promotions to increase product sales like credit cards, personal loans and mortgages					
11	Barclays places great emphasis on relationship marketing practices through products/service visits					
1	Barclays launches innovative products/service regularly					
12	Each branch, Barclays organises customer social events such as football games, horse racing days and customer dinners to enhance interactions with its customers					
3	Barclays regularly advertises its products/service in the electronic and print media					
13	Barclays often reduces its pricing in order to undercut competitors					
4	Barclays effectively uses Product/service branding to enhance the bank's image					
14	Barclays opens new branches in areas that it's not represented to increase customer outreach					
5	Barclays has pricing/tariffs specific to different market segments					
15	Sometimes Barclays partners with other service providers like Western Union, safaricom-MPESA services and Postal Corporation to enhance her product range and services					
6	Barclays adjusts its pricing in relation to other competitors' to win competitors market share					
16	Barclays has adopted electronic banking to provide prompt the clock services to its customers					
8	Barclays Provides products and services at a discounted rate to penetrate new markets					
17	Nowadays, Barclays has an efficient and adequate ATM network to serve the cash needs of its customers					
9	Barclays organises customer open day functions to showcase bank products or services					
18	Its true that Barclays has co-branded with other leading retail names like					

	supermarkets co-share space and target new customers					
19	Barclays has extended banking hours including opening over the weekends to better serve its customers					
20	Various processes have been automated in Barclays to improve customer service like cheque printing					
21	There are readily available product, operations and procedure manuals for quick referencing by staff					
22	There is a well defined new product/service development and approval process to quicken new product launches once a need has been identified					
23	There are clear service level agreements between all business units in order to meet customer expectations					
24	Barclays invests heavily on training its key asset who are its employees					
25	Decision making is decentralised in Barclays and staff empowered to make decisions in order to serve customers faster					
26	HR policies in Barclays are geared towards attracting and retaining the best human resources in the market					
27	Barclays competitively rewards good performers for a job well done					
28	In Barclays, quality corporate wear is provided to staff to standardise and					

	enhance company image					
29	Barclays branches are strategically located to be easily accessed by its customers					
30	The Barclays ATM network offers convenience and security to its customers					
31	In Barclays, customers are categorised into various segments based on their needs					
32	Many Barclays customers consider Barclays staff as highly professional					
33	Based on customer needs, Barclays frequently targets various customer groups					
34	Customer service is considered critical in Barclays					
35	In the Market place, Barclays is considered as a 'leader'					
36	Barclays often outsource marketing and advertising services for marketing activities					
37	In the banking sector, Barclays is considered a 'follower' in innovation and customer service					
38	All Barclays systems and processes are oriented towards faster customer service					
39	Barclays takes all necessary precautions to ensure that all its customers' data is remains confidential					
40	Barclays goes out of its way to ensure that its customers can be provided with					

	refreshments on request as a caring bank					
41	Sometimes Barclays employs promotions intended to be subtle enough for the customer to be unaware that the promotion is taking place like sponsorships, endorsements or merchandising					
42	Barclays goes an extra mile to ensure their branches/ATMs and product literature are user friendly to the handicapped customers					
43	Barclays analyses all the customers in the market using various variables, groups them then decides which group or groups to target					
44	Customers queues in Barclays branches and ATMs are well managed to ensure customers enjoy their transaction experience					
45	Barclays uses different communication/advertising methods to reach different customer segments such as TV, Radio, Newspapers					
46	Barclays sets high prices for its new products or services then lowers them over time					
47	Barclays customers are grouped based on variables such as age, income, religion, region, profitability etc					
48	The ambiance, style and furnishing in any Barclays branch set it apart from competitors as being very modern and welcoming					
49	Before entering a specific market,					

60	Barclays handles customer complaints promptly and positively making it the most reliable bank in Kenya					
50	Barclays delivers the same					
61	Barclays invest in motivation of its staff as a strategy to make them happy in order to deliver customer satisfaction					
51	Barclays has put in place different options to which customers can access their products e.g online Vs direct sales teams					
52	Barclays provides better products/services for the same price as its competitors					
53	To satisfy its customers, Barclays provides service or product guarantees like uptime of ATMs					
55	Barclays has a wide product mix aimed at satisfying various target markets compared to the competition					
56	Barclays employ highly qualified sales people to prospect and close sales					
57	Barclays introduce new products regularly to respond to dynamic changing customer tastes and preferences at branch level					
58	Barclays introduces new products at lower prices to penetrate new target markets					
59	Barclays is committed to prompt customer services in all customers transactions					

THANK YOU FOR COMPLETING THE QUESTIONNAIRE

Appendix IV: List of Branch Locations - Nairobi Region

- | | |
|--|--|
| 1. ABC Prestige Branch | Code: 070 |
| Code: 073 | Address: 18060 00500 |
| Address: 14403 | Nairobi |
| 00800Nairobi | Tel: (020) 530700/901 |
| Tel: (020) 446641/2 | |
| 2. PrestigeBuru Buru Branch | 7. PrestigeEnterprise Rd Branch |
| Code: 028 | Code: 070 |
| Address: 775 00515 Nairobi | Address: 18060 00500 |
| Tel: (020) 3592955/6 | Nairobi |
| | Tel: (020) 530700/1 |
| 3. Standard Butere Road | 8. 8Standard Enterprise Rd |
| Branch | Corporate Branch |
| Code: 079 | Code: 070 |
| Address: 18799 00500 | Address: 18060 00500 |
| Nairobi | Nairobi |
| Tel: (020) 3589866 | 9. Tel: (046)3477, 2344, 2537, |
| 4. Standard Development | 3053, 3269 |
| House Branch | 9Corporate Bz CntGikomba |
| Code: 047 | Branch |
| Address: 44285 00100 | Code: 033 |
| Nairobi | Address: 8175 00300 |
| Tel: (020) 3592967/8 | Nairobi |
| 5. Standard Eastleigh Branch | Tel: (20)3556248 |
| Code: 014 | 10. 10Standard Githurai Branch |
| Address: 1371 00610 | Code: 024 |
| Nairobi | Address: 65515 00607 |
| Tel: (020)6766544/6766546/ | Githurai |
| 6766547/6766552 | Tel: (020) 3592969/7011 |
| 6. Standard Enterprise Prestige | 11. Standard Haile Selassie |
| Branch | Branch |
| | Code: 082 |

- Address: 20415 00200
Nairobi
Tel: (020) 221806/336324
- 12. Standard Harambee Prestige**
Branch
Code: 094
Address: 72700 00200
Nairobi
Tel: (020) 333132/3 13
- 13. Prestige Hurlingham Branch**
Code: 045
Address: 34974 00100
Nairobi
Tel: (020)
710114/722148/710166
- 14. 14.Standard Hurlingham**
Prestige Branch
Code: 045
Address: 34974 00100
Nairobi
Tel: (020) 2710114
- 15. 15PrestigeJKIA Branch**
Code: 070
Address: 19011 00501
Nairobi
Tel: (020) 822395 16
- 16. Standard Karen Branch**
Code: 065
Address: 24180 00502
Nairobi
Tel: (020) 882932/882162
- 17. Standard Karen Prestige**
Branch
Code: 065
Address: 24180 00502
Nairobi
Tel: (020) 882932/882162
- 18. Prestige Kariobangi, Nbi**
Branch
Code: 093
Address: 310 00618 Nairobi
Tel: (020) 3592953/4
- 19. Standard Kawangware**
Branch
Code: 034
Tel: (020) 3512663/4
- 20. Standard Lavington Branch**
Code: 049
Address: 25081 00603
Nairobi
Tel: (020) 358968/9
- 21. Standard Market Branch**
Code: 094
Address: 30018 00100
Nairobi
Tel: (020) 229434/6
- 22. Standard Moi Avenue**
Nairobi Branch
Code: 075
Address: 30116 00100
Nairobi
Tel: (020) 252244/210557

- 23. Standard Moi Avenue**
Prestige Nairobi Branch
Code: 075
Address: 30116 00100
Nairobi
- 24. Prestige Muthaiga Branch**
Code: 055
Address: 39990 00623
Nairobi
Tel: (020) 740624/741501
- 25. Standard Muthaiga Premier**
Centre Branch
Code: 055
Address: 39990 00623
Nairobi
Tel: (020) 3744049
- 26. Premier Nairobi South C**
Branch
Code: 010
Address: 26460 00504
Nairobi
Tel: (020)3556235/3556247
- 27. Standard Nairobi University**
Branch
Code: 083
Tel: (020) 2124929/30
- 28. Standard Nairobi West**
Branch
Code: 086
Address: 27518 00506
- Nairobi
Tel: (020)3556233/3556238
- 29. Standard Nakumatt Embakasi**
Branch
Type: Standard Nakumatt
Westgate Branch
Code: 061
Address: 14820 00623
Nairobi
Tel: (020) 3741207-
10/3741214
- 30. Standard NIC House Branch**
Code: 070
Address: 72058 00200
Nairobi
Tel: (020) 714200
- 31. Standard Pangani Branch**
Code: 089
Address: 31044 00600
Nairobi
Tel: (020)3556245/3556246
]
- 32. Standard Parklands Branch**
Code: 087
Address: 38350 00623
Nairobi
Tel: (020)3556230/3556236
- 33. Standard Plaza Business**
Center Corporate Branch
Code: 077
Address: 30120 00100

Nairobi

Tel: (020) 241270

34. Corporate Bz CntPlaza

Business Center Premier

Branch

Code: 077

Address: 30120 00100

Nairobi

Tel: (020) 241270

35. Premier Plaza Business

Center Prestige Branch

Code: 077

Address: 30120 00100

Nairobi

Tel: (020) 241270

36. Prestige Queensway Hse

Branch

Code: 094

Address: 30011 00100

Nairobi

Tel: (020) 223161/223176

37. Standard Queensway Hse

Prestige Branch

Code: 094

Address: 30011 00100

Nairobi

Tel: (020) 223161/223176

38. Prestige Rahimtulla Trust

Towers Prestige Branch

Code: 070

Address: 72058 00200

Nairobi

Tel: (020) 719173/4

39. Prestige River Road Branch

Code: 037

Address: 43200 00100

Nairobi

Tel: (020)343296/252301/

252382

40. Standard Ruaraka Branch

Code: 067

Address: 65090 00618

Nairobi

Tel: (020) 802973/861760/1

41. Standard Sarit Prestige

Branch

Code: 073

Address: 14403 00800

Nairobi

Tel: (020) 449859/747133

42. Prestige Village Market

Prestige Branch

Code: 055

Address: 1476 00621

Nairobi

Tel: (020)7121963/7120042/

7122741

43. Prestige Westlands Branch

Code: 073

Address: 14403 00800

Nairobi

Tel: (020) 448911/2

44. Standard Yaya Prestige

Branch

Code: 045

Address: 34974 00100

Nairobi

Tel: (020) 578328

Type: Prestige

Source: www.barclays.com/africa/kenya/branches