

# **Product differentiation as a strategy for sustainable competitive advantage in banks issuing credit cards in Kenya**

## **Abstract:**

Banks like any other institutions requires sustainability as it is essentially dynamic with many subsets, each depending on the nature of the strategic task. Any organization functioning within its hypercompetitive environment over time needs to achieve sustainable competitive advantage through a strong product differentiation strategy. Credit card issuing can help the banks develop their own brand image and separate themselves from their competition by being different. There is need to improve the adaptation of credit cards to raise the achievement of sustainable competitive advantage in bank institutions. Therefore this research study sought to investigate extent to which banks achieve sustainable competitive advantage through product differentiation focusing on credit cards Issuers. The study used a descriptive survey approach in collecting data from the respondents. The number of the respondents was 44 staff working in all the 11 commercial banks who are credit card issuers. A questionnaire which was drop and pick administered was used in gathering of primary and secondary data. Quantitative and qualitative techniques were used to analyze both primary and secondary data. The content analysis was used to analyze the respondents' views. From the findings the study established that commercial banks need to recognize visa and master credit cards and identify its appropriate market for processing payments methods as a product differentiation to achieve sustainable competitive advantage. From the findings, the study concluded that commercial banks in Kenya need to adopt a number of best practices when trying to create differentiation through credit card which include focusing on strengths, developing a strong marketing campaign, a unique logo and brand, and a unique image in order to have sustainable competitive advantage.